

Balance Sheet

Sammons Financial Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Audited)

(\$ millions)

As of	Dec. 31, 2025	Dec. 31, 2024
ASSETS		
Investments		
Fixed maturities available-for-sale, at fair value (net of allowance for credit losses of \$168 and \$138, respectively); amortized cost; \$102,649 and \$96,764, respectively, (portion under fair value option: \$340 and \$495, respectively)	\$ 95,584	\$ 86,699
Fixed maturities, trading, at fair value	254	463
Equity securities, at fair value	1,287	917
Mortgage loans (net of allowance for credit losses of \$116 and \$108, respectively; includes \$9 and \$9, respectively, under the fair value option)	10,251	8,507
Policy loans	943	841
Short-term investments	2,753	4,103
Derivative instruments	4,865	3,304
Other invested assets (net of allowance for credit losses of \$1 and \$4, respectively; portion at fair value under fair value option; \$281 and \$321, respectively)	8,452	7,732
Total investments	124,389	112,566
Cash	1,918	1,562
Accrued investment income	1,058	912
Deferred acquisition costs and sales inducements	9,623	8,448
Other assets	1,817	1,603
Reinsurance receivables (net of allowance for credit losses of \$17 and \$9, respectively)	3,886	2,077
Deferred tax asset	1,206	1,873
Separate account assets	3,479	3,184
Total assets	\$ 147,376	\$ 132,225
LIABILITIES		
Policyholder account balances and benefit reserves	\$ 112,869	\$ 103,145
Market risk benefit liability	3,356	2,882
Notes and loans payable	2,811	2,810
Repurchase agreements, other borrowings & collateral on derivatives instruments	12,835	12,649
Derivative instruments	1,942	1,316
Other liabilities	3,321	2,888
Separate account liabilities	3,479	3,184
Total liabilities	140,613	128,874
Redeemable noncontrolling interests	135	143
STOCKHOLDER'S EQUITY		
Common stock and additional paid-in capital	2,088	1,829
Retained earnings	10,134	9,281
Accumulated other comprehensive loss	(5,600)	(7,908)
Total stockholder's equity	6,622	3,202
Noncontrolling interest	6	6
Total liabilities and stockholder's equity	\$ 147,376	\$ 132,225

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard. In the 4th quarter of 2025, the Company made immaterial adjustments to its restatement of 2024 financial information and therefore some 2024 balances will differ from those provided with the Company's 3rd quarter 2025 financial statements.

Income Statement

Sammons Financial Group, Inc. and Subsidiaries

Condensed Consolidated Statements of Income (Audited)

(\$ millions)

	For the 3 Months Ended Dec 31		For the 12 Months Ended Dec 31	
	2025	2024	2025	2024
REVENUES				
Premiums and policy charges	\$ 1,242	\$ 540	\$ 3,425	\$ 2,640
Net investment income	1,620	1,687	5,733	5,795
Net gains (losses) on derivatives	(50)	(829)	614	17
Net realized investment gains (losses)	(68)	(470)	(412)	(496)
Investment service fee revenue	87	42	226	165
Other income	27	4	50	36
Total revenue	2,858	974	9,636	8,157
BENEFITS AND EXPENSES				
Policyholder benefits	1,879	785	6,386	5,324
Amortization of deferred acquisition costs	177	174	688	635
General and administrative expenses	327	298	1,203	1,102
Total benefits and expenses	2,383	1,257	8,277	7,061
Income before income taxes	475	(283)	1,359	1,096
Income taxes	24	(82)	137	110
Net income	451	(201)	1,222	986
Net (gain) loss attributable to noncontrolling interest	2	(1)	5	2
Net income attributable to Sammons Financial Group	\$ 453	\$ (202)	\$ 1,227	\$ 988

These financial statements are furnished pursuant to the Available Information sections of the Offering Memorandum dated October 22, 2013 for \$200 million of 7.00% Senior Notes due 2043, the Offering Memorandum dated May 9, 2017 for \$500 million of 4.45% Senior Notes due 2027, the Offering Memorandum dated April 13, 2021 for \$850 million of 3.35% Senior Notes due 2031, the Offering Memorandum dated April 8, 2022 for \$500 million of 4.75% Senior Notes due 2032 and the Offering Memorandum dated March 28, 2024 for \$750 million of 6.875% Senior Notes due 2034- all issued by Sammons Financial Group, Inc.

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard.

Adjusted Pre-tax Operating Earnings

Sammons Financial Group, Inc. and Subsidiaries

Reconciliation to Operating Income (Unaudited)

(\$ millions)

	For the 3 Months Ended Dec 31		For the 12 Months Ended Dec 31	
	2025	2024	2025	2024
Income before income taxes	\$ 475	\$ (283)	\$ 1,359	\$ 1,096
Net (gain) loss attributable to noncontrolling interest	2	(1)	5	2
Pre-tax income attributable to Sammons Financial Group	477	(284)	1,364	1,098
Adjustments to income before income taxes to arrive at adjusted pre-tax operating earnings:				
Tax credits on qualified tax credit bonds included in operating income	9	14	48	64
Realized investment losses, net of offsets	79	421	475	542
Non-operating market risk benefit change	(223)	(409)	(146)	(278)
Unrealized (gains) losses on derivatives, trading securities, equity securities, and fair value option investments, net of offsets	45	541	(501)	(118)
Other non-operating expense	3	13	14	26
Adjusted pre-tax operating earnings ⁽¹⁾	390	296	1,254	1,334
Assumptions / model refinements and unlocking	(10)	—	(15)	(115)
Adjusted pre-tax operating earnings excluding notable items ⁽²⁾	\$ 380	\$ 296	\$ 1,239	\$ 1,219

⁽¹⁾ Adjusted pre-tax operating earnings is a non-GAAP measure of operations and is determined by adjusting income before income taxes (as determined in accordance with GAAP) to recognize the impact of certain tax credits as income and eliminate (a) net realized gains and losses on investments including allowances for credit losses, (b) unrealized gains and losses including fair value changes in derivatives, trading securities, equity securities with an investment objective to realize economic value through dividends and investments where the fair value option has been elected, (c) offsets to certain policy reserve balances related to realized gains and losses on investments and derivatives, (d) changes in contingent earn out liabilities related to acquisitions that management views as adjustments to purchase price, (e) certain incentive compensation expenses sponsored by the Company's parent company, Sammons Enterprises and (f) changes in market risk benefit reserves which are volatile including impacts from changes in interest rates and equity returns. These current period changes are deferred and then amortized back into income over the life of the market risk benefit. These items are not considered as core to our operations and management considers adjusted pre-tax operating earnings as a more accurate measure of performance. Adjusted pre-tax operating earnings is a non-GAAP measure and should not be considered as a replacement to income before income taxes and other earnings measures presented in accordance with GAAP.

⁽²⁾ Adjusted pre-tax operating earnings excluding notable item is a non-GAAP measure of operations and is determined by taking adjusted pre-tax operating earnings and excluding the unlocking of actuarial assumptions.

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard.

Statutory Information

Midland National Life and North American Company Combined Statutory Financial Highlights (*Unaudited*)

(\$ millions)

As of	Dec. 31, 2025	Dec. 31, 2024
NET ADMITTED ASSETS		
Invested assets	\$ 120,547	\$ 115,064
Separate account assets	9,775	7,566
Other assets	4,835	4,521
Total net admitted assets	\$ 135,157	\$ 127,151
LIABILITIES, CAPITAL & SURPLUS		
Insurance reserves/liabilities	\$ 73,075	\$ 73,016
Separate account liabilities	9,243	7,110
Asset valuation reserve	1,464	1,390
Other liabilities	43,774	38,162
Total liabilities	127,556	119,678
Total capital and surplus	7,601	7,473
Total liabilities, capital and surplus	\$ 135,157	\$ 127,151
RISK BASED CAPITAL RATIO (TAC/CAL)	386%	386%
TOTAL GROSS PREMIUMS WRITTEN		
Life	\$ 2,368	\$ 2,189
Annuity	\$ 13,955	\$ 15,366

Invested Assets Supplement

Sammons Financial Group, Inc. and Subsidiaries (SFG)

Total Invested Assets Unrealized Gain/(Loss) (Unaudited)

(\$ millions)

As of	December 31, 2025			December 31, 2024		
	Market Value	Book Value	Unrealized Gain/(Loss)	Market Value	Book Value	Unrealized Gain/(Loss)
INVESTED ASSETS						
U.S. government and agencies	\$ 11,631	\$ 12,510	\$ (879)	\$ 9,740	\$ 10,982	\$ (1,242)
Municipal securities	7,160	8,153	(993)	7,349	8,550	(1,201)
Corporate securities	48,357	52,675	(4,318)	44,410	50,604	(6,194)
Residential mortgage-backed securities	6,481	6,984	(503)	5,819	6,527	(708)
Commercial mortgage-backed securities	1,602	1,782	(180)	1,697	1,950	(253)
Asset backed securities	19,914	20,062	(148)	17,171	17,570	(399)
Other debt obligations	439	483	(44)	513	581	(68)
Total Fixed maturities, available-for-sale	\$ 95,584	\$ 102,649	\$ (7,065)	\$ 86,699	\$ 96,764	\$ (10,065)