

## QUARTERLY FINANCIAL DATA

Western & Southern Financial Group, Inc.

March 31, 2022 (unaudited)

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# Western & Southern Financial Group, Inc.

## Consolidated Balance Sheets

	March 31, 2022 <i>(unaudited)</i>	December 31, 2021
	<i>(In Thousands)</i>	
<b>Assets</b>		
Investments:		
Debt securities, available-for-sale at fair value	\$ 41,120,710	\$ 41,700,175
Equity securities	3,442,189	3,439,994
Debt securities, trading at fair value	3,305,017	3,457,555
Mortgage loans, net	5,135,583	4,880,678
Real estate	584,899	588,184
Policy loans	1,299,703	1,284,357
Short-term investments	842,984	1,490,173
Other invested assets	3,003,454	2,967,162
Total investments	58,734,539	59,808,278
Cash and cash equivalents	138,203	219,959
Accrued investment income	432,988	400,017
Deferred acquisition costs, net	1,622,585	1,208,209
Goodwill and other intangible assets	1,705,354	1,707,413
Deferred income tax asset, net	—	—
Other assets	631,732	694,712
Assets held in separate accounts	2,652,994	2,822,399
Total assets	\$ 65,918,395	\$ 66,860,987
<b>Liabilities and equity</b>		
Policy reserves	\$ 45,888,126	\$ 44,904,640
Policyholder dividend obligation	227,550	507,928
Total policy liabilities	46,115,676	45,412,568
Securities lending	627,351	642,988
Deferred income tax liability, net	167,159	579,770
Non-recourse trust and partnership obligations	1,057,145	1,044,302
Notes payable	1,480,748	1,480,584
Employee benefit liabilities	675,825	684,039
Other liabilities and accrued expenses	1,583,713	1,121,428
Liabilities related to separate accounts	2,652,994	2,822,399
Total liabilities	54,360,611	53,788,078
Equity:		
Paid-in capital	5,000	5,000
Accumulated other comprehensive income:		
Net unrealized gains on securities not other-than-temporarily impaired	77,860	1,610,595
Net unrealized gains (losses) on other-than-temporarily impaired securities	10,208	16,660
Net derivatives qualifying as hedges	—	—
Net unrecognized post-retirement benefit obligation	(209,035)	(152,061)
Net currency translation adjustment	939	939
Total accumulated other comprehensive income (loss)	(120,028)	1,476,133
Retained earnings	10,693,178	10,581,576
Total shareholders' equity attributable to Western & Southern Financial Group, Inc.	10,578,150	12,062,709
Noncontrolling interests	979,634	1,010,200
Total equity	11,557,784	13,072,909
Total liabilities and equity	\$ 65,918,395	\$ 66,860,987

# Western & Southern Financial Group, Inc.

## Consolidated Statements of Income

	Three Months Ended March 31,	
	2022	2021
	<i>(unaudited) (In Thousands)</i>	
Revenue:		
Insurance premiums and other consideration	\$ 672,731	\$ 521,792
Universal life and investment-type product charges	40,098	36,789
Net investment income	525,963	516,199
Net investment gains:		
Net investment gains/(losses), excluding impairment losses	(47,582)	173,988
Total other-than-temporary impairment losses	—	—
Portion of impairment losses on debt securities recognized in other comprehensive income	—	—
Net investment gains/(losses)	(47,582)	173,988
Commissions, fees and other income	113,850	92,824
Total revenue	1,305,060	1,341,592
Benefits and expenses:		
Policy benefits	700,332	546,652
Interest credited to policyholder account balances	149,439	147,397
Dividends to policyholders	35,552	31,006
Amortization of policyholder related intangibles	63,922	56,036
Other operating expenses	279,171	274,758
Total benefits and expenses	1,228,416	1,055,849
Income before income tax expense	76,644	285,743
Income tax expense	17,738	55,888
Net income	58,906	229,855
Less net income (loss) attributable to noncontrolling interests	(52,696)	(17,399)
Net income attributable to Western & Southern Financial Group, Inc.	\$ 111,602	\$ 247,254

# Western & Southern Financial Group, Inc.

## Consolidated Statement of Changes in Equity

For The Three Months Ended March 31 2022

*(unaudited)*

	Western & Southern Financial Group, Inc.				
	Accumulated Other				
	Paid-in Capital	Comprehensive Income/(Loss)	Retained Earnings	Noncontrolling Interests	Total Equity
	<i>(In Thousands)</i>				
Equity, December 31, 2021	\$ 5,000	\$ 1,476,133	\$10,581,576	\$ 1,010,200	\$13,072,909
Change in noncontrolling interests' ownership	—	—	—	22,130	22,130
Dividend paid to parent	—	—	—	—	—
Comprehensive income/(loss):					
Net income	—	—	111,602	(52,696)	58,906
Change in net unrealized gains/(losses) on available-for-sale securities not other-than-temporarily impaired	—	(1,532,735)	—	—	(1,532,735)
Change in net unrealized gains/(losses) on available-for-sale securities other-than-temporarily impaired	—	(6,452)	—	—	(6,452)
Change in net gains/(losses) on cash-flow hedging instruments	—	—	—	—	—
Change in unrecognized postretirement benefit obligation, net of related income taxes	—	(56,974)	—	—	(56,974)
Change in currency translation adjustment	—	—	—	—	—
Comprehensive income/(loss)					(1,537,255)
Equity, March 31 2022	<u>\$ 5,000</u>	<u>\$ (120,028)</u>	<u>\$10,693,178</u>	<u>\$ 979,634</u>	<u>\$11,557,784</u>

# Western & Southern Financial Group, Inc.

## Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2022	2021
	<i>(unaudited) (In Thousands)</i>	
<b>Operating activities</b>		
Net income	\$ 58,906	\$ 229,855
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Capitalization of acquisition costs	(89,175)	(73,063)
Amortization and depreciation	65,349	57,973
Net investment (gains) losses	47,582	(173,988)
Deferred federal income tax expense (benefit)	10,558	50,943
Purchases of debt trading securities, net of proceeds from sales	(25,481)	(1,485)
(Increase) decrease in other operating assets	2,592	(138,799)
Increase (decrease) in other operating liabilities and other policyholder balances	631,496	25,928
Net cash provided by operating activities	701,827	(22,636)
<b>Investing activities</b>		
Purchases:		
Debt securities, available-for-sale	(3,378,260)	(1,680,812)
Equity securities	(189,322)	(327,615)
Mortgage loans	(402,908)	(128,316)
Real estate and other invested assets	(139,390)	(79,132)
Proceeds from sales, call or maturities:		
Debt securities, available-for-sale		
Sales	298,491	491,262
Maturities, calls and pay downs	941,217	756,755
Equity securities	125,523	127,520
Mortgage loans	148,003	32,789
Real estate and other invested assets	155,516	114,807
(Increase) decrease in short-term investments	643,545	115,914
(Acquisitions) disposals of business, net of cash (acquired) sold	(20,590)	—
(Increase) decrease in cash collateral on derivatives contracts	—	57,120
Net cash used in investing activities	(1,818,175)	(519,708)
<b>Financing activities</b>		
Deposits and interest credited to universal life and investment-type product account balances	7,193,425	5,106,433
Withdrawals from universal life and investment-type product account balances	(6,167,604)	(4,641,179)
Other financing activities	8,771	2,312
Net cash provided by financing activities	1,034,592	467,566
Net increase (decrease) in cash and cash equivalents	(81,756)	(74,778)
Cash and cash equivalents (including restricted cash) at beginning of year	219,959	349,763
Cash and cash equivalents (including restricted cash) at end of year	\$ 138,203	\$ 274,985