

Fixed Income Investor Presentation

Western & Southern Financial Group
May 26, 2022



Notice to Recipient: Confidential

The Western & Southern Financial Group, Inc. ("Western & Southern"), is the direct parent of The Western and Southern Life Insurance Company, the issuer of the surplus notes ("WSLIC"), and operates its business in an integrated manner with its other direct and indirect subsidiaries. The business of Western & Southern is primarily related to WSLIC or subsidiaries of WSLIC. Accordingly, Western & Southern's financial information is provided herein in order to give a consolidated overview of the business activities of WSLIC. Western & Southern **is not the issuer or guarantor of the surplus notes and it is not in any way obligated with respect to the surplus notes, which are solely obligations of WSLIC.** Western & Southern is the issuer of the senior notes.

Private Placement

This presentation is strictly confidential and has been prepared by Western & Southern and WSLIC solely for the holders of the senior notes and the surplus notes, respectively. This presentation does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the surplus notes. Distribution of this presentation to any person other than a holder of the surplus notes or the senior notes is unauthorized, and any disclosure of any of its contents or any information subsequently provided by WSLIC to any of its representatives (either orally or in writing), without the prior written consent of WSLIC, is prohibited. By accepting delivery of this report, each holder of the senior notes and the surplus notes agrees to the foregoing and to make no photocopies or other reproductions of this presentation.

Presentation of Financial Information

The Department of Insurance of the State of Ohio (the "DOI") recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company such as WSLIC and for determining its solvency under Ohio insurance laws. While this presentation contains non-statutory-based financial information to provide potential investors insight into Western & Southern and its subsidiaries (including WSLIC), such information will not be considered by the DOI when approving payouts of interest on and principal of the surplus notes. This report contains unaudited information prepared solely by Western & Southern and WSLIC for their internal use. Such information has not been audited and there can be no assurance that audited information would not be materially different. Past performance does not guarantee future results. The information contained in this report should be read in conjunction with the financial statements of Western & Southern and statutory financial statements of WSLIC, in each case as of and for the year ended December 31, 2021 and the quarter ended March 30, 2022.

Forward-Looking Statements

This presentation may contain certain statements that constitute "forward-looking statements". Forward-looking statements are statements not based on historical information and that relate to future operations, strategies, financial results, or other developments. Statements using verbs such as "expect," "anticipate," "believe" or words of similar import generally involve forward-looking statements. Forward-looking statements include statements that are based on the beliefs and assumptions of Western & Southern and WSLIC concerning future levels of sales and redemptions of Western & Southern's and WSLIC's products, investment spreads and yields, or the earnings and profitability of Western & Southern's and WSLIC's activities. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Western & Southern's and WSLIC's control and many of which are subject to change. These uncertainties and contingencies could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Western & Southern and WSLIC. Whether or not actual results differ materially from forward-looking statements may depend on numerous foreseeable and unforeseeable developments. Some may be global or national in scope, such as general economic conditions, changes in tax law and changes in interest rates. Some may be related to the insurance industry generally, such as pricing competition, regulatory developments and industry consolidation. Others may relate to Western & Southern and/or WSLIC specifically, such as expected operating and non-operating relationships, ability to meet debt service obligations and financing plans, product sales, distribution channels, retention of business, investment yields and spreads, investment portfolio and ability to manage asset/liability cash flows. Any forward-looking statements reflect Western & Southern's and WSLIC's views and assumptions as of the date of this presentation and WSLIC disclaims any obligation to update forward-looking information, whether as a result of new information, future events, or otherwise. It is further noted that, while information included in this report is believed to be accurate in all material respects, the information presented herein was not necessarily prepared in accordance with disclosure rules as promulgated by the U.S. Securities and Exchange Commission designed for public reporting.

Western & Southern Participants

- Bradley Hunkler – Senior Vice President & Chief Financial Officer
- Todd Henderson – Senior Vice President, Chief Actuary, Risk and Data Officer
- Brendan White – Senior Vice President & Co-Chief Investment Officer
- Jeff Stainton – Vice President & Associate General Counsel
- Shelly Rice – Vice President of Finance

Key Highlights



Enterprise

Record Results

New highs were achieved for nearly all key business metrics in 2021, including operating earnings, net income, total equity, and assets owned and managed to name a few.

Broad Business Diversification

Western & Southern earnings sources are diversified across products, distribution channels, markets and brands, offering balance and strength.



Protection and Retirement

Premium Growth

Life and health premiums and annuity deposits were a record \$5.9 billion in 2021, a 6.5% increase over prior year.

Mortality

Mortality remained elevated in 2021 but 2022 is starting to show improvements.

Acquisition of Fabric

Western & Southern acquired a digital life platform built over 5 years by a start-up, Fabric Technologies, in January 2022.



Investment Management

Acquisition of AIG Funds

Touchstone acquired 12 retail mutual funds from AIG, totaling \$6.8 billion in AUM in July 2021.

Third-Party AUM

Third-party AUM reached a record \$44.7 billion, driven by record sales at Touchstone, the AIG fund acquisition and positive market action.

Record Operating Earnings

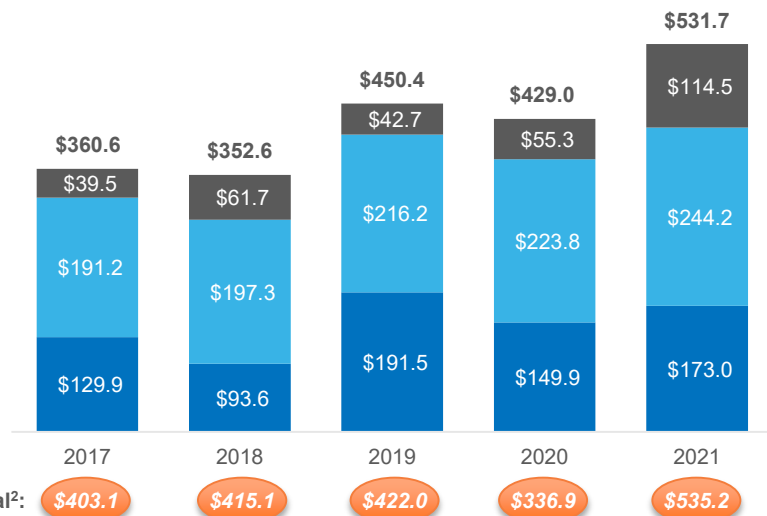
Our investment management businesses had record operating earnings, exceeding \$100 million.

Growing Earnings and Capital Base

Strong operating performance, with earnings well-diversified across segments

Operating Earnings¹ (\$mm)

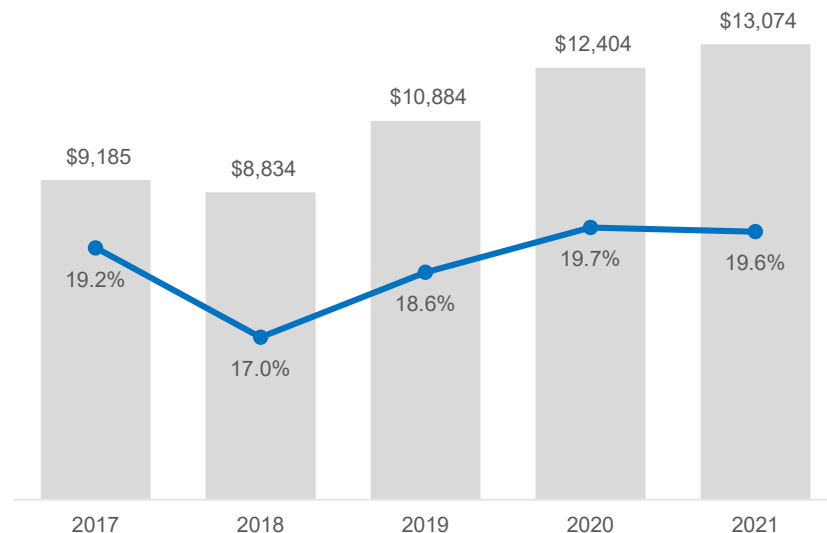
■ Protection ■ Retirement ■ Investment Management



Note: GAAP data shown; ¹ Defined as net income, excluding federal income tax, net realized investment gains or losses, non-controlling interest related to capital gains, one-time structuring charges and discontinued operations; Does not include corporate segment; ² Western & Southern total operating earnings, including the corporate segment.

Industry leading capital position and financial flexibility with conservative leverage

■ Capital¹ ● Capital-to-Asset



Note: GAAP data shown; ¹ Capital includes AOCI and non-controlling interest.

Segment Highlights: *Protection*

\$2.7B

2021 Revenue
(56% of total)

\$173.0M

2021 Earnings¹
(33% of total)

Key Products:

- Whole life
- Universal life
- Term life
- Accident & health
- Wealth transfer
- Institutional solutions

Highlights:

- ~86% of sales from whole life and universal life products
- Distribution primarily through career agent, independent agent and direct-to-consumer channels
- Acquired a digital life platform built over 5 years by a start-up, Fabric Technologies, in January 2022

5.2M

Individuals & families
protected

\$147.6B

Insurance in force

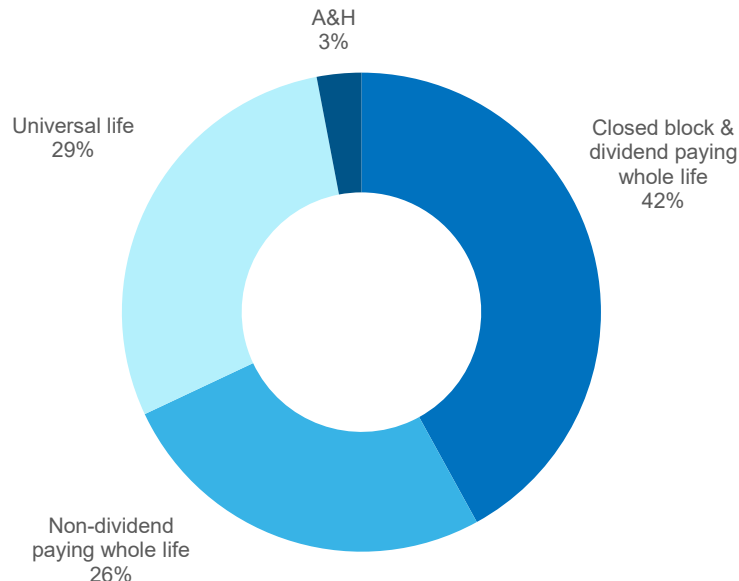
\$1.6B

Policyholder claims paid in
2021

\$16.9B

Life and Health reserves

Reserves by Product – Life and A&H



Total: \$16.9bn

Segment Highlights: *Retirement*

\$1.7B

2021 Revenue
(35% of total)

\$244.2M

2021 Earnings¹
(46% of total)

Key Products:

- Fixed annuities
- Indexed annuities
- Variable annuities
- Immediate annuities
- Pension products & services
- Wealth planning

Highlights:

- Sales are primarily fixed payout, fixed indexed and market value annuities (variable annuities only 3% of sales)
- Distribution primarily through career and independent agents and distribution partners

320K

Annuity clients

\$2.8B

Annuity benefits paid in 2021

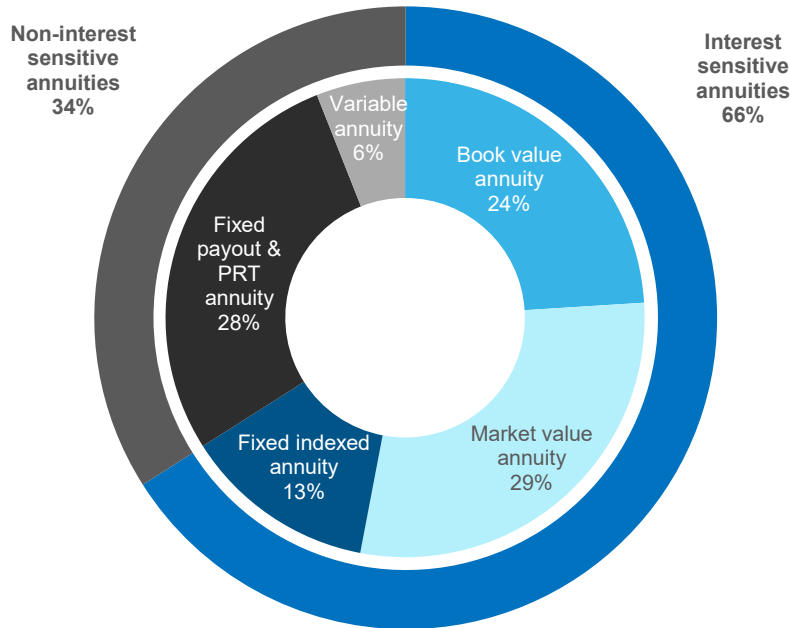
\$3.8B

Annuity sales

\$27.3B

Annuity reserves

Reserves by Product – Annuities



Total: \$27.3bn

Interest sensitive annuities: \$18.1bn
Non-interest sensitive annuities: \$9.2bn

Segment Highlights: *Investment Management*

\$409.2M

2021 Revenue
(9% of total)

\$114.5M

2021 Earnings¹
(21% of total)

Key Products:

- Mutual funds
- Fixed income
- Public equity
- Private equity
- Real estate
- Asset allocation

Highlights:

- Continue to expand investment management business – acquisition of AIG retail mutual fund assets in July 2021 was Touchstone's 8th mutual fund family acquisition
- Third-party assets managed reached a new record in 2021 and total assets owned and managed exceeded \$100B for the first-time ever in Western & Southern's history

\$44.7B

Third-party assets managed (40.1%)

\$66.9B

Assets owned (59.9%)

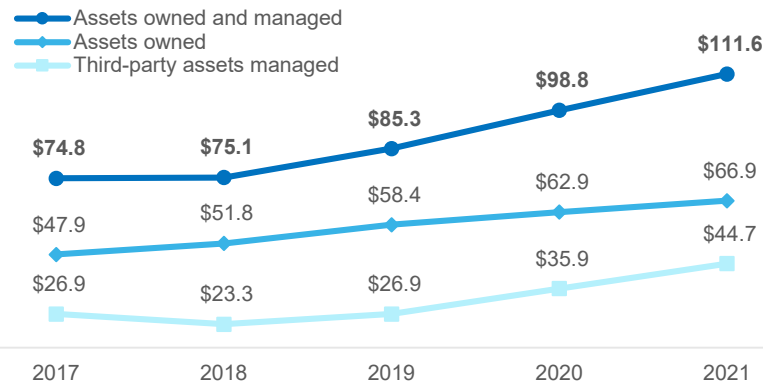
\$111.6B

Total AUM (assets owned & managed)

\$9.7B

Gross sales in 2021

Assets Under Management



Investment Management Companies



Fort Washington
Investment Advisors, Inc.

Provides investment management to Western & Southern and third-parties across multiple strategies



Touchstone Investments

Manages third-party assets through various mutual fund offerings

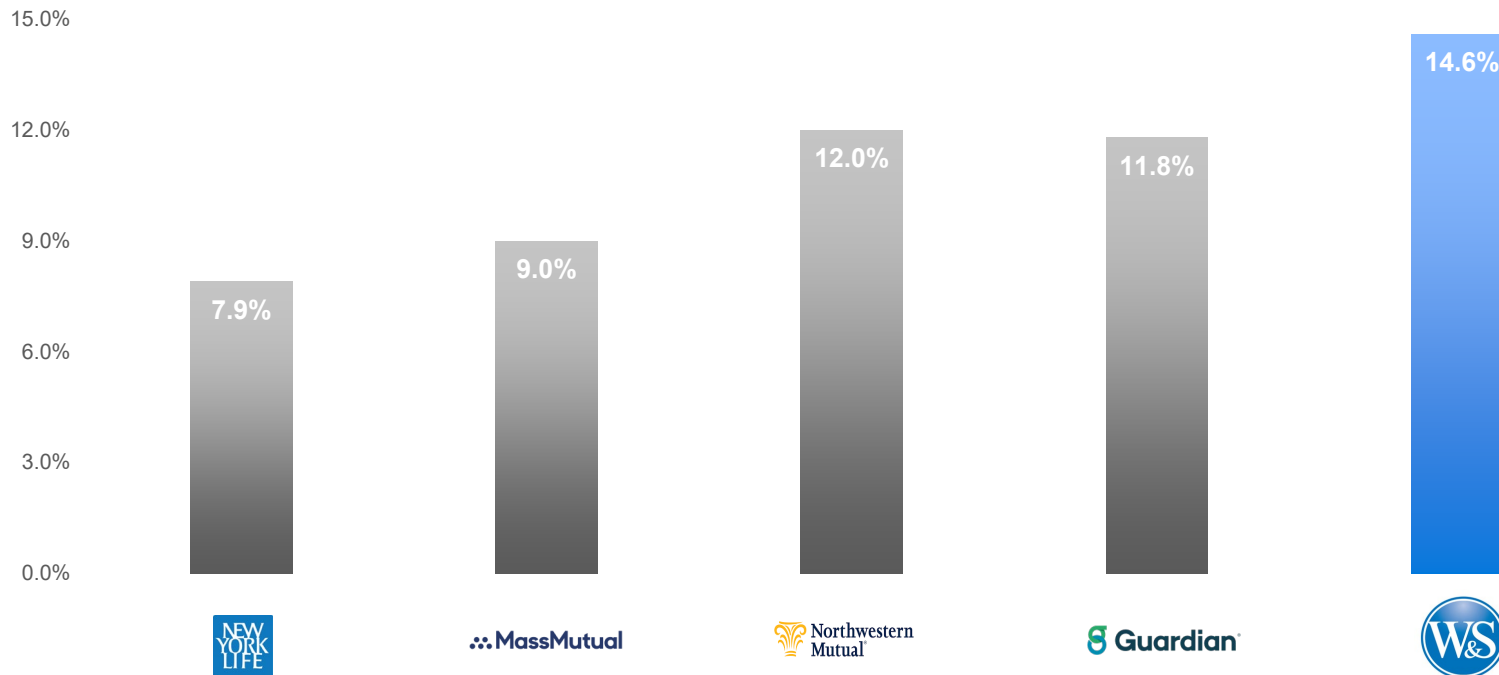


Eagle Realty Group

Focuses on real estate equity, debt and strategic investments

Capital-to-Asset Ratio

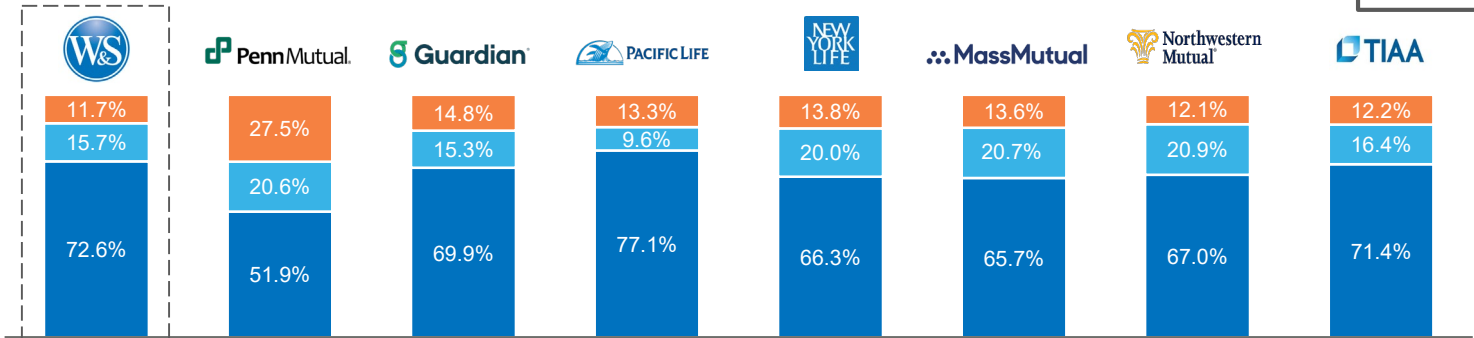
Statutory Capital-to-Asset Ratio Above Average of Peers



Surplus Note Leverage¹

■ C&S ■ AVR
■ Surplus Notes

Capitalization
(% of capital)



Capital & Surplus (C&S) (\$mm)	\$7,160	\$2,572	\$8,589	\$11,360	\$24,566	\$26,979	\$29,283	\$42,979
Asset Valuation Reserve (AVR) (\$mm)	\$1,333	\$667	\$1,552	\$1,204	\$6,128	\$7,046	\$7,734	\$8,410
C&S + AVR (\$mm)	\$8,493	\$3,239	\$10,141	\$12,564	\$30,694	\$34,025	\$37,017	\$51,389
Surplus Notes (\$mm)	\$995	\$891	\$1,498	\$1,675	\$4,231	\$4,613	\$4,475	\$6,290
Surplus Notes Leverage	11.7%	27.5%	14.8%	13.3%	13.8%	13.6%	12.1%	12.2%
Moody's adjusted financial leverage ²	6.7%	8.7%	20.1%	14.4%	11.0%	12.0%	12.7%	12.7%
S&P financial leverage ²	9.3%	8.4%	27.3%	15.2%	12.4%	17.3%	20.2%	20.2%
Financial Strength Ratings								
Moody's	Aa3	Aa3	Aa2	Aa3	Aaa	Aa3	Aaa	Aa1
S&P	AA-	A+	AA+	AA-	AA+	AA+	AA+	AA+
Fitch	AA	NR	AA+	AA-	AAA	AA+	AAA	AAA
AM Best	A+	A+	A++	A+	A++	A++	A++	A++

Western & Southern Coverage Ratios

(\$ in millions)

	Dec 2021	Dec 2020
Fixed Charge Coverage Ratio		
Pre-Tax Operating Income	535	337
Interest Expense on Senior ⁽¹⁾ /Surplus Notes ⁽²⁾	67	55
EBIT Adjusted	602	392
Interest Expense on Senior ⁽¹⁾ /Surplus Notes ⁽²⁾	67	55
Fixed Charge Coverage Ratio	9.0	7.1
Cash Flow Coverage Ratio		
Dividend Capacity:		
The Western and Southern Life Ins Co	676	566
Lafayette Life Ins Co	40	36
Total Dividend Capacity	716	602
Interest Expense on Senior Note ⁽¹⁾	29	29
Cash Flow Coverage Ratio	24.7	20.8

(1) Interest Expense on Senior Note = \$500mm senior note x 5.75% = \$28.8mm for 2021 and 2020.

(2) Interest Expense on Surplus Notes = \$500mm surplus note x 5.15% = \$25.8mm for 2021 and 2020 + \$500mm surplus note x 3.75% = \$18.8mm for the full year, but since the surplus note was issued April 28, 2021 = \$12.6mm for 2021.

Financial Strength

	AM Best	S&P	Fitch	Moody's
Financial Strength Rating	A+	AA-	AA	Aa3
<i>Western & Southern Senior Notes</i>	<i>a</i>	<i>A</i>	<i>A+</i>	<i>A3</i>
<i>WSLIC Surplus Notes</i>	<i>a+</i>	<i>A</i>	<i>A+</i>	<i>A2</i>

Western & Southern is Focused on ESG

Environmental

- Recognized as a UNPRI signatory (Fort Washington)
- Designed & built Cincinnati's only major LEED Gold office building
- Established Sustainability Committee to reinforce sustainable practices

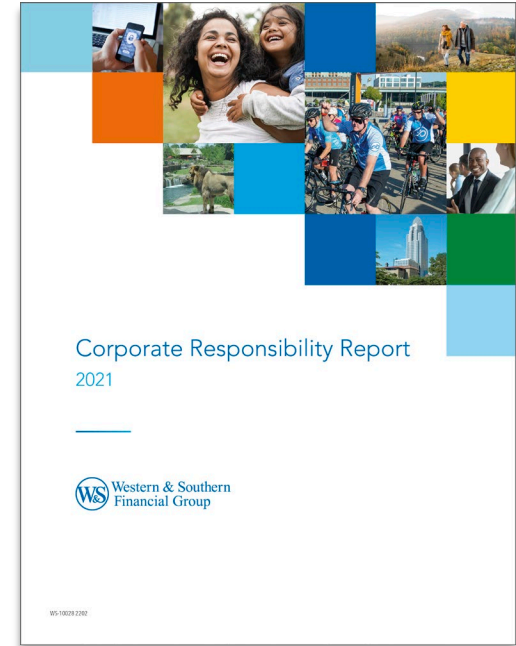
Social

- Supported over 300 charities, contributing over \$12M per year
- Sponsored six Cincinnati based community events
- Award winning learning and development team
- Provided generous health and wellness benefits to associates
- Fort Washington named a best place to work for the 7th time
- Member of The Equity Collective, which is educating, empowering and developing the next generation of diverse leaders in the wealth & asset management industry

Governance

- Strong focus on risk management and regulatory compliance
- Best-in-class capital and liquidity management
- High quality, long tenured management team
- Engaged Board of Directors

We are publishing our first ever ESG focused Corporate Responsibility Report in the second quarter of 2022.



Western & Southern Financial Group

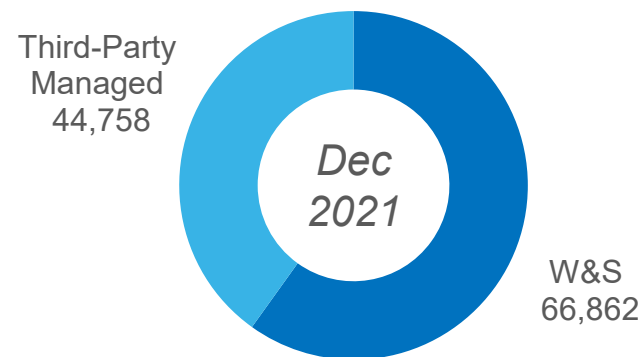
2021 Results

GAAP Balance Sheet Highlights

	Dec 2021	Dec 2020
Assets		
Invested Assets	59,810	56,263
DAC	1,208	988
Other Assets	3,022	3,031
Separate Accounts	2,822	2,611
Total Assets	66,862	62,893
Liabilities		
Life Reserves	16,735	16,148
Annuity Reserves	30,216	28,347
Other	6,837	5,994
Total Liabilities	53,788	50,489
Net Worth	13,074	12,404
Total Liabilities & Equity	66,862	62,893
Capital to Asset Ratio	19.6%	19.7%

Assets Under Management

Dec 2021	Dec 2020
111,620	98,846



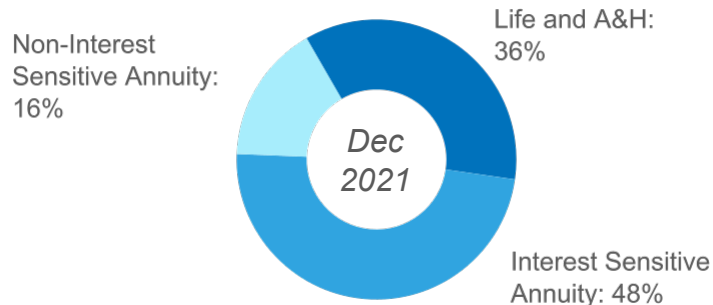
GAAP Income Statement Highlights

	Dec 2021	Dec 2020
Revenue		
Premiums & Product Charges	2,645	2,705
Investment Income	2,291	1,968
Fee Income & Other	456	328
Total	5,392	5,001
Benefits and Expenses		
Policyholder Benefits	2,779	2,757
Interest Credited	595	605
Expenses & DAC	1,483	1,302
Total	4,857	4,664
Operating Gain	535	337
Capital Gains and Other	960	89
Net Income Before Taxes	1,495	426
Income Tax	279	55
Net Income	1,216	371

Statutory Premium and Liability Mix

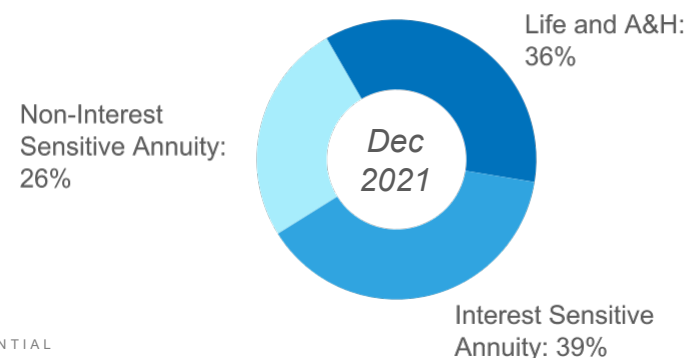
Premium Mix

	Dec 2021	Dec 2020
Life and A&H Premiums	2,115	2,057
Interest Sensitive Annuity Deposits	2,870	2,400
Non-Interest Sensitive Annuity Deposits	951	1,115
Total	5,936	5,572



Liability Mix

	Dec 2021	Dec 2020
Life and A&H Liabilities	16,864	16,273
Interest Sensitive Annuity Liabilities	18,102	16,986
Non-Interest Sensitive Annuity Liabilities	11,985	11,236
Total	46,951	44,495



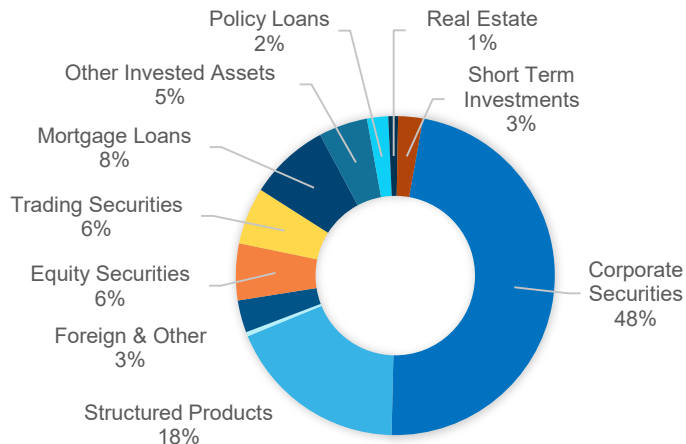
Statutory Premiums & Deposits by Insurance Product Type

(\$ in millions)		Dec 2021	Dec 2020
Life and A&H Premiums	Closed Block & Dividend Paying WL	761	697
	Universal Life (UL, VUL)	436	437
	Non-dividend Life (WL, Term)	607	572
	A&H	311	351
	<i>Total Life and A&H</i>	<i>2,115</i>	<i>2,057</i>
Interest Sensitive Annuities	Book Value Annuity	235	123
	Market Value Annuity	2,353	1,963
	Fixed Indexed Annuity	282	314
	<i>Total Interest Sensitive Annuities</i>	<i>2,870</i>	<i>2,400</i>
Non-Interest Sensitive Annuities	Fixed Payout Annuity	645	903
	Pension Risk Transfer	201	147
	Variable Annuity	105	65
	<i>Total Non-Interest Sensitive Annuities</i>	<i>951</i>	<i>1,115</i>
Total Premiums and Deposits		5,936	5,572

Highly Rated Investment Portfolio

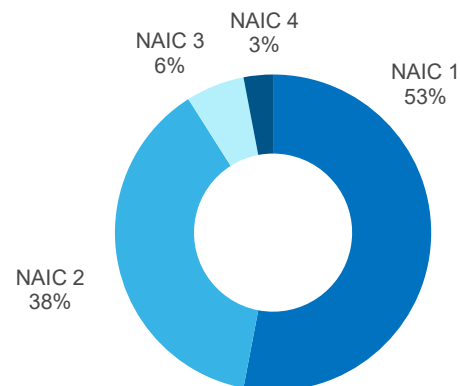
Western & Southern has a conservative, high quality, well diversified investment portfolio

Invested Assets by Type



Total: \$59.8bn

Fixed Income Portfolio by Rating



Diversified fixed-income portfolio with 91% investment grade

Total: \$41.7bn

Strong capital base and stable participating liabilities allow for surplus investing and allocation to higher-risk assets (equities, real estate, private equity)

- High-quality CML portfolio that performed well through the COVID-19 crisis
- Structured products (CMBS, RMBS, ABS) run by seasoned portfolio management team with best-in-class processes and risk management
- Equity portfolio made up of marketable and liquid securities; leverages Fort Washington capabilities and offers best return potential for excess capital
- Other invested assets (private equity partnerships, real estate) provide uncorrelated returns in inefficient asset classes

The Western and Southern Life Insurance Company

Surplus Note Issuer
2021 Financial Results

Statutory Balance Sheet Highlights

	Dec 2021	Dec 2020
Assets		
Invested Assets	11,237	9,731
Other Assets	1,445	1,449
Total Assets	12,682	11,180
Liabilities		
Reserves	3,318	3,303
Other	2,607	2,219
Total Liabilities	5,925	5,522
Capital & Surplus	6,757	5,658
Total Liabilities & Equity	12,682	11,180
Company Action Level RBC	480%	462%

Statutory Income Statement Highlights

	Dec 2021	Dec 2020
Revenue		
Premiums & Other	228	233
Net Investment Income	543	333
Total Revenue	771	566
Benefits and Expenses		
Policyholder Benefits ¹	304	342
Expenses & Other	220	106
Total Benefits and Expenses	524	448
Gain Before Dividends, Taxes and Capital Gains / (Losses)	247	118
Policyholder Dividends	43	47
Federal Income Tax	30	(21)
Capital Gains / (Losses)	(75)	9
Net Income	99	101

Western & Southern Financial Group

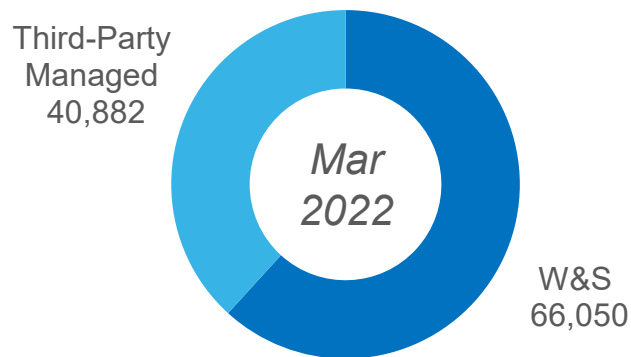
Q1 2022 Update

GAAP Balance Sheet Highlights

	Mar 2022	Dec 2021
Assets		
Invested Assets	58,866	59,810
DAC	1,623	1,208
Other Assets	2,908	3,022
Separate Accounts	2,653	2,822
Total Assets	66,050	66,862
Liabilities		
Life Reserves	16,435	16,735
Annuity Reserves	31,117	30,216
Other	6,809	6,837
Total Liabilities	54,361	53,788
Net Worth	11,689	13,074
Total Liabilities & Equity	66,050	66,862
Capital to Asset Ratio	17.7%	19.6%

Assets Under Management

Mar 2022	Dec 2021
106,932	111,620



GAAP Income Statement Highlights

	Mar 2022	Mar 2021
Revenue		
Premiums & Product Charges	713	558
Investment Income	526	516
Fee Income & Other	114	93
Total	1,353	1,167
Benefits and Expenses		
Policyholder Benefits	736	578
Interest Credited	149	147
Expenses & DAC	350	337
Total	1,235	1,062
Operating Gain	118	105
Capital Gains and Other	11	198
Net Income Before Taxes	129	303
Income Tax	18	56
Net Income	111	247

WSLIC Statutory Highlights

	Mar 2022	Dec 2021
Assets		
Invested Assets	11,265	11,237
Other Assets	1,383	1,445
Total Assets	12,648	12,682
Liabilities		
Reserves	3,327	3,318
Other	2,522	2,607
Total Liabilities	5,849	5,925
Capital & Surplus	6,799	6,757
Total Liabilities & Equity	12,648	12,682

Revenue

Premiums & Other	54	54
Net Investment Income	97	76

Total Revenue

151	130
------------	------------

Benefits and Expenses

Policyholder Benefits ¹	74	72
Expenses & Other	15	42

Total Benefits and Expenses

89	114
-----------	------------

Gain Before Dividends, Taxes and Capital Gains / (Losses)

62	16
-----------	-----------

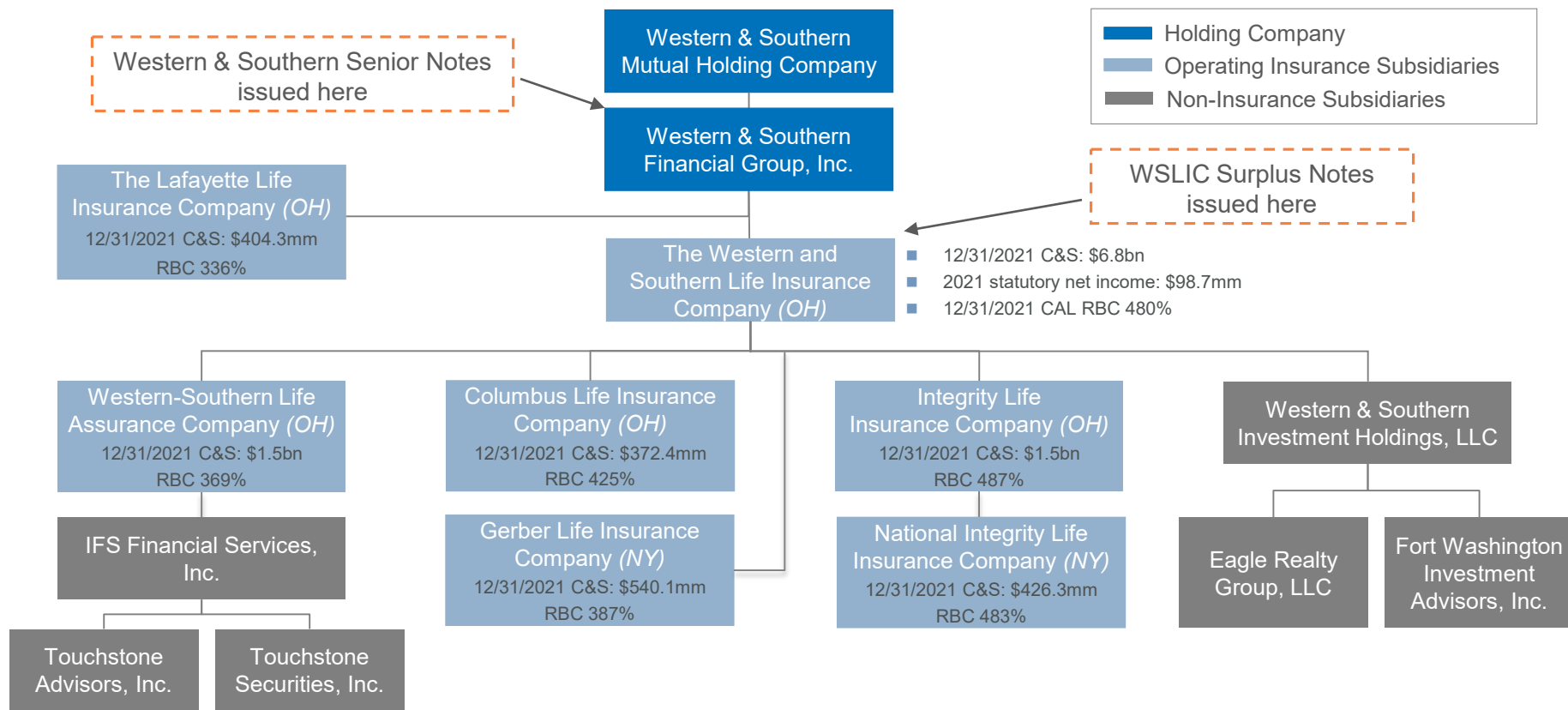
Policyholder Dividends	15	10
Federal Income Tax	13	1
Capital Gains / (Losses)	19	7

Net Income

53	12
-----------	-----------

Appendix

Simplified Organizational Structure



Q & A