

QUARTERLY FINANCIAL DATA

Western & Southern Financial Group, Inc.

March 31, 2024 (unaudited)

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Western & Southern Financial Group, Inc.

Consolidated Balance Sheets

	March 31, 2024 <i>(unaudited)</i>	December 31, 2023
	<i>(In Thousands)</i>	
Assets		
Investments:		
Debt securities, available-for-sale at fair value	\$ 46,769,575	\$ 46,137,709
Equity securities	3,683,541	3,359,829
Debt trading securities, at fair value	3,449,745	3,382,505
Mortgage loans, net	7,448,469	7,210,025
Real estate	649,450	651,546
Policy loans	1,647,111	1,606,350
Short-term investments	477,097	1,030,656
Other invested assets	3,630,694	3,520,352
Total investments	67,755,682	66,898,972
Cash and cash equivalents	331,618	266,388
Accrued investment income	589,952	563,269
Deferred acquisition costs, net	2,208,906	2,159,859
Goodwill and other intangible assets	1,624,871	1,633,983
Deferred income tax asset, net	245,164	300,989
Other assets	906,239	850,026
Assets held in separate accounts	2,551,395	2,401,004
Total assets	\$ 76,213,827	\$ 75,074,490
Liabilities and equity		
Policy reserves	\$ 57,047,613	\$ 56,352,303
Securities lending obligation	653,874	942,749
Nonrecourse trust and partnership obligations	1,128,307	1,114,508
Notes payable	1,483,896	1,482,453
Employee benefit liabilities	579,867	561,840
Other liabilities and accrued expenses	1,520,581	1,281,054
Liabilities related to separate accounts	2,551,395	2,401,004
Total liabilities	64,965,533	64,135,911
Equity:		
Paid-in capital	5,000	5,000
Accumulated other comprehensive income (loss):		
Net unrealized gains (losses) on securities	(1,552,227)	(1,492,494)
Net unrecognized postretirement benefit obligation	67,506	34,127
Total accumulated other comprehensive income (loss)	(1,484,721)	(1,458,367)
Retained earnings	11,661,687	11,376,554
Total shareholders' equity attributable to Western & Southern Financial Group, Inc.	10,181,966	9,923,187
Noncontrolling interests	1,066,328	1,015,392
Total equity	11,248,294	10,938,579
Total liabilities and equity	\$ 76,213,827	\$ 75,074,490

Western & Southern Financial Group, Inc.
Consolidated Statements of Income

	Three Months Ended	
	March 31,	
	2024	2023
	<i>(unaudited) (In Thousands)</i>	
Revenue:		
Insurance premiums and other consideration	\$ 756,994	\$ 629,414
Universal life and investment-type product charges	45,078	41,901
Net investment income	848,672	690,995
Net investment gains (losses)	176,126	(9,892)
Commissions, fees and other income	112,377	104,905
Total revenue	1,939,247	1,457,323
Benefits and expenses:		
Policy benefits	809,318	659,142
Interest credited to policyholder account balances	298,117	229,241
Dividends to policyholders	38,643	36,909
Amortization of policyholder related intangibles	78,712	69,154
Other operating expenses	359,238	326,845
Total benefits and expenses	1,584,028	1,321,291
Income (loss) before income tax expense (benefit)	355,219	136,032
Income tax expense (benefit)	62,884	15,063
Net income (loss)	292,335	120,969
Less net income (loss) attributable to noncontrolling interests	5,702	25,468
Net income attributable to Western & Southern Financial Group, Inc.	\$ 286,633	\$ 95,501

Western & Southern Financial Group, Inc.

Consolidated Statement of Changes in Equity

For The Three Months Ended March 31, 2024

(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, 2023	\$ 5,000	\$ (1,458,367)	\$11,376,554	\$ 1,015,392	\$10,938,579
Change in noncontrolling interests' ownership	—	—	—	45,234	45,234
Dividend paid to parent	—	—	(1,500)	—	(1,500)
Comprehensive income/(loss):					
Net income/(loss)	—	—	286,633	5,702	292,335
Change in net unrealized gains/(losses)	—	(59,733)	—	—	(59,733)
Change in unrecognized postretirement benefit obligation, net of related income taxes	—	33,379	—	—	33,379
Comprehensive income/(loss)					265,981
Equity, March 31, 2024	<u>\$ 5,000</u>	<u>\$ (1,484,721)</u>	<u>\$11,661,687</u>	<u>\$ 1,066,328</u>	<u>\$11,248,294</u>

Western & Southern Financial Group, Inc.

Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2024	2023
	<i>(unaudited) (In Thousands)</i>	
Operating activities		
Net income	\$ 292,335	\$ 120,969
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Capitalization of acquisition costs	(84,640)	(102,411)
Amortization and depreciation	80,092	70,646
Net investment (gains) losses	(176,126)	9,892
Deferred federal income tax expense (benefit)	62,718	10,782
Purchases of debt trading securities, net of proceeds from sales	(82,061)	(53,799)
(Increase) decrease in other operating assets	(85,175)	(75,318)
Increase (decrease) in other operating liabilities and other policyholder balances	349,827	421,877
Net cash provided by operating activities	<u>356,970</u>	<u>402,638</u>
Investing activities		
Purchases:		
Debt securities, available-for-sale	(2,310,842)	(2,376,213)
Equity securities	(180,091)	(117,622)
Mortgage loans	(286,103)	(265,598)
Real estate and other invested assets	(137,730)	(181,454)
Proceeds from sales, call or maturities:		
Debt securities, available-for-sale		
Sales	473,347	804,023
Maturities, calls and pay downs	943,921	571,792
Equity securities	129,085	103,691
Mortgage loans	46,673	83,901
Real estate and other invested assets	58,956	145,007
(Increase) decrease in short-term investments	553,559	364,557
(Increase) decrease in cash collateral on derivatives contracts	37,546	94
Net cash used in investing activities	<u>(671,679)</u>	<u>(867,822)</u>
Financing activities		
Deposits and interest credited to universal life and investment-type product account balances	8,407,597	7,898,511
Withdrawals from universal life and investment-type product account balances	(7,990,369)	(6,981,336)
Other financing activities	(37,289)	(255,002)
Net cash provided by financing activities	<u>379,939</u>	<u>662,173</u>
Net increase (decrease) in cash and cash equivalents	65,230	196,989
Cash and cash equivalents (including restricted cash) at beginning of year	266,388	229,806
Cash and cash equivalents (including restricted cash) at end of year	<u><u>\$ 331,618</u></u>	<u><u>\$ 426,795</u></u>