

QUARTERLY FINANCIAL DATA

Western & Southern Financial Group, Inc.

June 30, 2024 (unaudited)

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Western & Southern Financial Group, Inc.

Consolidated Balance Sheets

	June 30, 2024 <i>(unaudited)</i>	December 31, 2023
	<i>(In Thousands)</i>	
Assets		
Investments:		
Debt securities, available-for-sale at fair value	\$ 47,309,246	\$ 46,137,709
Equity securities	3,464,816	3,359,829
Debt trading securities, at fair value	3,476,765	3,382,505
Mortgage loans, net	7,677,590	7,210,025
Real estate	621,721	651,546
Policy loans	1,708,231	1,606,350
Short-term investments	918,162	1,030,656
Other invested assets	3,824,895	3,520,352
Total investments	69,001,426	66,898,972
Cash and cash equivalents	310,724	266,388
Accrued investment income	590,248	563,269
Deferred acquisition costs, net	2,269,079	2,159,859
Goodwill and other intangible assets	1,615,840	1,633,983
Deferred income tax asset, net	261,787	300,989
Other assets	924,397	850,026
Assets held in separate accounts	2,565,050	2,401,004
Total assets	\$ 77,538,551	\$ 75,074,490
Liabilities and equity		
Policy reserves	\$ 58,285,509	\$ 56,352,303
Securities lending obligation	618,831	942,749
Nonrecourse trust and partnership obligations	1,144,696	1,114,508
Notes payable	1,484,017	1,482,453
Employee benefit liabilities	580,105	561,840
Other liabilities and accrued expenses	1,594,254	1,281,054
Liabilities related to separate accounts	2,565,050	2,401,004
Total liabilities	66,272,462	64,135,911
Equity:		
Paid-in capital	5,000	5,000
Accumulated other comprehensive income (loss):		
Net unrealized gains (losses) on securities	(1,695,299)	(1,492,494)
Net unrecognized postretirement benefit obligation	57,437	34,127
Total accumulated other comprehensive income (loss)	(1,637,862)	(1,458,367)
Retained earnings	11,823,728	11,376,554
Total shareholders' equity attributable to Western & Southern Financial Group, Inc.	10,190,866	9,923,187
Noncontrolling interests	1,075,223	1,015,392
Total equity	11,266,089	10,938,579
Total liabilities and equity	\$ 77,538,551	\$ 75,074,490

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	<i>(unaudited) (In Thousands)</i>		<i>(unaudited) (In Thousands)</i>	
Revenue:				
Insurance premiums and other consideration	\$ 801,438	\$ 885,371	\$ 1,558,432	\$ 1,514,785
Universal life and investment-type product charges	44,621	42,627	89,699	84,528
Net investment income	863,654	744,812	1,712,326	1,435,807
Net investment gains (losses)	(1,705)	42,629	174,421	32,737
Commissions, fees and other income	119,993	108,049	232,370	212,954
Total revenue	<u>1,828,001</u>	<u>1,823,488</u>	<u>3,767,248</u>	<u>3,280,811</u>
Benefits and expenses:				
Policy benefits	846,431	905,742	1,655,749	1,564,884
Interest credited to policyholder account balances	311,390	245,141	609,507	474,382
Dividends to policyholders	39,673	37,844	78,316	74,753
Amortization of policyholder related intangibles	79,696	74,652	158,408	143,806
Other operating expenses	334,516	344,432	693,754	671,277
Total benefits and expenses	<u>1,611,706</u>	<u>1,607,811</u>	<u>3,195,734</u>	<u>2,929,102</u>
Income (loss) before income tax expense (benefit)	216,295	215,677	571,514	351,709
Income tax expense (benefit)	<u>29,376</u>	<u>37,186</u>	<u>92,260</u>	<u>52,249</u>
Net income (loss)	186,919	178,491	479,254	299,460
Less net income (loss) attributable to noncontrolling interests	<u>24,878</u>	<u>(7,154)</u>	<u>30,580</u>	<u>18,314</u>
Net income attributable to Western & Southern				
Financial Group, Inc.	<u>\$ 162,041</u>	<u>\$ 185,645</u>	<u>\$ 448,674</u>	<u>\$ 281,146</u>

Western & Southern Financial Group, Inc.

Consolidated Statement of Changes in Equity

For The Six Months Ended June 30, 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	—	—	—	29,251	29,251
Dividend paid to parent	—	—	(1,500)	—	(1,500)
Comprehensive income/(loss):					
Net income/(loss)	—	—	448,674	30,580	479,254
Change in net unrealized gains/(losses)	—	(202,805)	—	—	(202,805)
Change in unrecognized postretirement benefit obligation, net of related income taxes	—	23,310	—	—	23,310
Comprehensive income/(loss)					299,759
Equity, June 30, 2024	<u>\$ 5,000</u>	<u>\$ (1,637,862)</u>	<u>\$11,823,728</u>	<u>\$ 1,075,223</u>	<u>\$11,266,089</u>

Western & Southern Financial Group, Inc.

Consolidated Statements of Cash Flows

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(unaudited) (In Thousands)</i>		<i>(unaudited) (In Thousands)</i>	
Operating activities				
Net income	\$ 186,919	\$ 178,491	\$ 479,254	\$ 299,460
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Capitalization of acquisition costs	(95,074)	(78,691)	(179,714)	(181,102)
Amortization and depreciation	81,010	76,408	161,102	147,054
Net investment (gains) losses	1,705	(42,629)	(174,421)	(32,737)
Deferred federal income tax expense (benefit)	24,560	(19,277)	87,278	(8,495)
Purchases of debt trading securities, net of proceeds from sales	(488)	(22,475)	(82,549)	(76,274)
(Increase) decrease in other operating assets	(119,402)	(50,212)	(204,577)	(125,530)
Increase (decrease) in other operating liabilities and other policyholder balances	441,034	68,456	790,861	490,333
Net cash provided by operating activities	520,264	110,071	877,234	512,709
Investing activities				
Purchases:				
Debt securities, available-for-sale	(2,596,317)	(1,885,150)	(4,907,159)	(4,261,363)
Equity securities	(118,679)	(54,786)	(298,770)	(172,408)
Mortgage loans	(458,582)	(322,802)	(744,685)	(588,400)
Real estate and other invested assets	(321,488)	(155,841)	(459,218)	(337,295)
Proceeds from sales, call or maturities:				
Debt securities, available-for-sale				
Sales	843,590	788,015	1,316,937	1,592,038
Maturities, calls and pay downs	1,055,908	633,265	1,999,829	1,205,057
Equity securities	328,148	68,940	457,233	172,631
Mortgage loans	226,264	67,648	272,937	151,549
Real estate and other invested assets	203,871	159,674	262,827	304,681
(Increase) decrease in short-term investments	(441,065)	170,499	112,494	535,056
(Increase) decrease in cash collateral on derivatives contracts	(13,864)	(94)	23,682	—
Net cash used in investing activities	(1,292,214)	(530,632)	(1,963,893)	(1,398,454)
Financing activities				
Deposits and interest credited to universal life and investment-type product account balances	7,762,374	5,502,822	16,169,971	13,401,333
Withdrawals from universal life and investment-type product account balances	(6,890,249)	(5,283,132)	(14,880,618)	(12,264,468)
Other financing activities	(121,069)	77,505	(158,358)	(177,497)
Net cash provided by financing activities	751,056	297,195	1,130,995	959,368
Net increase (decrease) in cash and cash equivalents	(20,894)	(123,366)	44,336	73,623
Cash and cash equivalents (including restricted cash) at beginning of year	331,618	426,795	266,388	229,806
Cash and cash equivalents (including restricted cash) at end of year	\$ 310,724	\$ 303,429	\$ 310,724	\$ 303,429