CREDIT OPINION
11 August 2026

Update

Send Your Feedback

RATINGS

Western & Southern Financial Group, Inc.	
Domicile	CINCINNATI, Ohio, United States
Long Term Rating	A3
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Western & Southern Financial Group, Inc.

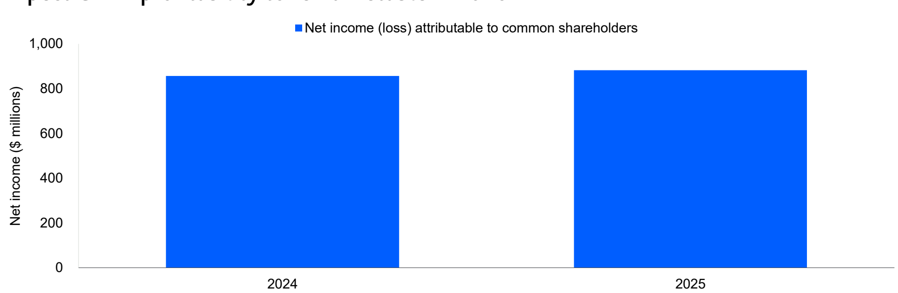
Update to Credit Analysis

Summary

Our credit view of The Western and Southern Life Insurance Company (WSLIC, insurance financial strength rating (IFS) rating Aa3 stable), the lead company of the Western and Southern Financial Group, Inc. (W&SFG, senior unsecured A3 stable), and its primary subsidiaries, Western-Southern Life Assurance Company (WSLAC, IFS rating Aa3, stable), Columbus Life Insurance Company (CLIC, IFS rating Aa3 stable), Integrity Life Insurance Company (Integrity, IFS rating Aa3 stable) and National Integrity Life Insurance Company (NILIC, IFS rating Aa3 stable), reflect the group's excellent financial profile that is supported by the company's strong capitalization and financial flexibility. The company maintains good profitability, demonstrates excellent and consistent capital levels, as evidenced by a consolidated NAIC company action level risk-based capital ratio (CAL RBC) of approximately 433% as of December 31, 2025 and a resilient balance sheet under stress scenarios with consistent investment performance. We also note the organization's solid market position, diverse distribution channels and product offering of retirement and protection products. The company has been improving the productivity and cost effectiveness of its distribution networks; it has also been further developing its digital and direct-to-consumer (DTC) capabilities leveraging the Gerber brand to grow its protection business and financial wellness initiatives for the middle market. W&SFG's preferred positions with RIAs including Fidelity Investments are also positive attributes supporting its business profile.

The company's strengths are tempered by W&SFG's modest market position and brand relative to its rating, its concentration in spread-based businesses (relative to participating whole life) and the intense competition in core business segments. In addition, the company has sizable exposures to below investment-grade bonds, structured securities, equities, and alternative investments, and a total return focused investment strategy that subjects the company to equity market volatility.

Exhibit 1
Expect GAAP profitability to remain stable in 2026



Source: Moody's Ratings

Credit strengths

» Excellent, high quality capital adequacy, as measured by consolidated NAIC CAL RBC ratio (approximately 433% at December 31, 2025), and good liquidity resources

» Diversified W&SFG distribution channels

» Strong expense controls

» Stable and profitable block of individual life insurance business including home service policies

Credit challenges

» Managing the higher-risk accumulation products relative to stable life insurance inforce

» Modest size and scale of core life, annuity, and asset management/mutual fund businesses

» Material holdings of higher-risk assets, including below investment-grade bonds, alternative investments, and equities.

Outlook

The outlook for W&SFG is stable and is based on company's solid market position, diverse distribution channels, strong capitalization, and good financial flexibility. Items to watch are mortality levels, interest rates, investment performance, and the expansion of the company's business strategy across the organization including digital capabilities and a DTC strategy, and the growth in its annuity and mutual fund businesses relative to its protection business.

Factors that could lead to an upgrade

» GAAP return on capital (ROC) consistently at or above 6% (ex. AOCI) without increasing the risk profile of liabilities

» Continued profitable product line expansion in core businesses, enabling W&SFG to gain material market share and national brand awareness leveraging multiple distribution capabilities

» High risk assets of less than 85% of shareholders' equity, and

» Financial leverage (ex. AOCI) remains below 15%

Factors that could lead to a downgrade

» ROC below 4%

» Sustained decline in consolidated NAIC CAL RBC ratio of less than 375% or a reduction in capital of more than 10%

» Material increase in higher risk businesses (e.g., fixed annuities and variable annuities with secondary guarantees) above current levels as a percentage of total reserves; or

» Increased asset risk heightening investment losses in a stress scenario

Key indicators

Exhibit 2

Western & Southern Financial Group, Inc. [1][2]	2025	2024	2023	2022	2021
As Reported (US Dollar Millions)					
Total Assets	87,950	80,518	-	-	-
Total Shareholders' Equity	15,416	13,535	-	-	-
Net Income (Loss) Attributable to Common Shareholders	913	892	-	-	-
Total Revenue	8,074	7,917	-	-	-
Moody's Adjusted Ratios					
High Risk Assets % Shareholders' Equity (ex AOCI)	97.7%	92.3%	-	-	-
Shareholders' Equity % Total Assets	15.2%	14.7%	-	-	-
Return on Average Capital (ROC) (ex AOCI)	6.5%	NA	-	-	-
Sharpe Ratio of ROC (5 yr.) (ex AOCI)	NA	NA	-	-	-
Financial Leverage (ex AOCI)	6.3%	6.7%	-	-	-
Total Leverage (ex AOCI)	9.3%	10.0%	-	-	-
Earnings Coverage	9.1x	8.3x	-	-	-

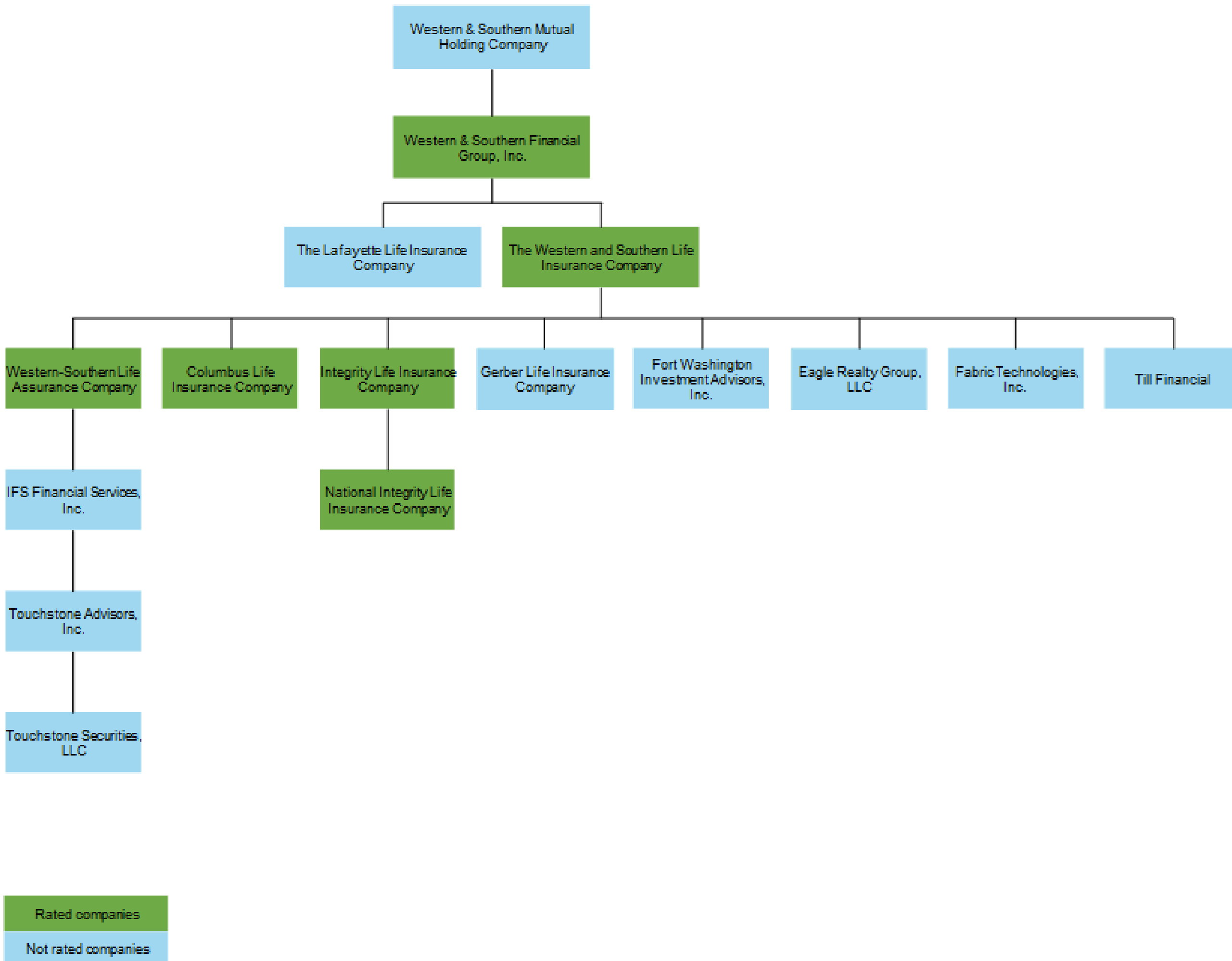
[1] Information based on US GAAP LDTI financial statements as of the fiscal year-ended 31 December. [2] Certain items may have been relabeled and/or reclassified for global consistency.
Source: Company filings and Moody's Ratings

Profile

Western & Southern Financial Group, Inc. is a Cincinnati-based financial services holding company that provides life and health insurance, annuity, mutual fund, retirement planning and investment products to middle-market and upper-middle-market consumers, businesses and institutions in the Midwest and nationally. It offers insurance services through WSLIC, its primary life insurance company, and through other insurance subsidiaries, including WSLAC, Integrity, NILIC, CLIC, Lafayette Life Insurance Company (LLIC) and Gerber Life Insurance Company (GLIC, Gerber Life). W&SFG is a wholly-owned subsidiary of Western & Southern Mutual Holding Company (W&SMHC), a Ohio domiciled mutual holding company that was formed in 2000.

W&SFG also has operations that include a registered broker-dealer, Touchstone Securities, LLC and W&S Brokerage Services, Inc.; investment advisory affiliates, Fort Washington Investment Advisors, Inc. and Touchstone Advisors, Inc and a real estate management affiliate, Eagle Realty Group, LLC. In January 2022, W&SFG completed the acquisition of Fabric Technologies, Inc. and in April 2026, W&SFG completed the acquisition of Till Financial, both of which enhance the company's digital platform.

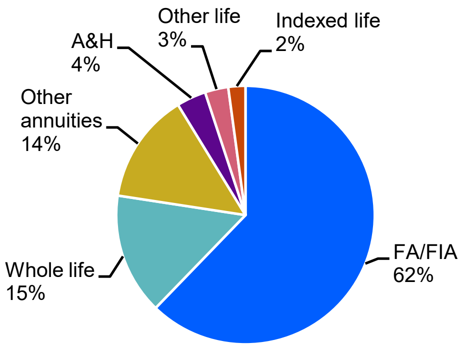
Exhibit 3
Simplified Organizational Chart



Source: Moody's Ratings and company filings

Exhibit 4

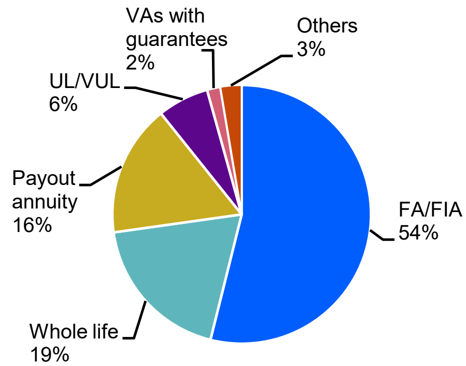
Fixed and Indexed annuities represent a majority share of total premiums for 2025
Total premiums: $9.3 billion



US statutory data
Source: S&P Global Market Intelligence LLC, Moody's Ratings. Contains copyrighted and trade secret material. Distributed under license from S&P. For recipient's internal use only

Exhibit 5

Majority of inforce reserves from individual life and fixed annuities as of year-end 2025
Total reserves: $68.9 billion



US statutory data
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Detailed credit considerations

Moody's rates W&SFG's principal operating companies Aa3 for IFS, which is in line with the adjusted scorecard-indicated outcome of Moody's insurance financial strength scorecard.

Insurance financial strength rating

The key factors currently influencing the rating and outlook are:

Market position and Distribution: Strong annuity sales supported by Gerber Life brand and diversified channels

W&SFG is a long-established insurer in the US life and annuity markets although a modest market position relative to more formidable national insurers and financial institutions. It has consistently been a top player in the fixed annuity market and has a strong position in the sale of immediate annuities. The company also distributes its annuities through multiple channels that include: fixed indexed annuity (FIA) through broker – dealers and independent marketing organizations (IMOs), an institutional markets business focused on Pension Risk Transfer (PRT) solutions, and single premium immediate annuities, market value adjusted annuities and deferred income annuities through RIA channels.

Overall annuity and life insurance sales were $9.7 billion in 2025, up from $9.2 billion in 2024, driven by $7.4 billion of annuity sales including $120 million of PRT sales. Annuity growth was led by market value annuities ($5.4 billion) and fixed payout annuities ($1.4 billion), while PRT volume normalized meaningfully from $408 million in 2024 as pricing discipline was maintained. Looking ahead, sales uncertainty remains amid potential rate volatility; however, strong distribution capabilities position the company to maintain competitive momentum in the annuity market.

The complementary nature of a DTC focused life insurance business enhances W&SFG's current life insurance presence and financial wellness strategy, along with the company's overall market position and distribution capabilities. Gerber Life adds a strong brand and approximately $5.3 billion of life insurance reserves providing W&SFG an industry leading position in the DTC channel in the US which it leverages across its organization. Accelerating its DTC strategy, in April 2026, W&SFG announced the acquisition of Till Financial, a fintech platform, allowing for expansion into digital family banking solutions and financial education.

W&SFG uses a diverse blend of distribution channels, including both third-party channels (e.g., banks, wirehouses, and institutional intermediaries), and a career agency force at WSLIC, which tends to create better policy persistency. Gerber Life continues to prioritize selling through its DTC platforms. In addition, younger consumers continue to show a strong preference for direct digital interaction which bodes well for the company's DTC lead generation and a heightened consciousness of the significance of life insurance protection. Gerber Life, the company's DTC focused subsidiary contributed $917 million, or 40% of L&A&H premiums, underscoring the scale and productivity of the DTC channel. W&SFG's preferred positions with RIAs including Fidelity Investments, its independent channel with increasing sales of indexed universal life, and whole life through its captive agents and independent agents are positive attributes that could mitigate any macroeconomic deterioration. Given the company's good balance of life and annuity sales, broad product offering and diverse distribution network, we raise the adjusted factor score to Aa from the unadjusted score of A.

Product focus and diversification: Good mix of products with a balanced risk profile

W&SFG has good product diversification and its main lines of business are life insurance and annuities focused on protection, accumulation and asset management products. Total annuity reserves account for approximately 72% of total statutory reserves with variable annuity reserves accounting for $1.1 billion or 2%, representing a modest amount of total statutory reserves. Total life reserves are approximately 27% or roughly $18.8 billion of total reserves as of December 31, 2025. In the Protection segment, W&SFG's strong underwriting and career agency distribution has led to a history of favorable mortality experience and stable persistency levels.

Annuity sales totaled $7.4 billion in 2025, primarily driven by market value annuities. Sales have increased over the prior year period and the company continues to benefit from strong demand for fixed annuity products. Moody's expects W&SFG to continue managing its business mix prudently to avoid a material shift toward higher-risk products. As a result, we maintain the adjusted score for this factor of A in line with the raw score.

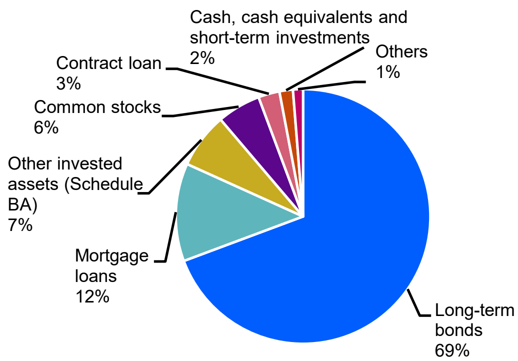
Asset quality: Underlying investment quality remains solid; some higher-risk holdings relative to the industry

W&SFG's ratio of high risk assets (HRA) as a percent of shareholders' equity (excluding AOCI) remained in line with the prior year at 97.7% as of YE 2025. The company typically has a practice of holding high risk assets as long-term investments and we view these investments differently than companies with active HRA purchases. Moody's projects global global speculative grade default rate to be 2.3% at the end of April 2027, 4.9% in a moderately pessimistic scenario and 8.1% in a severely pessimistic scenario by April 2027.

W&SFG has a $8.8 billion commerical mortgage loan (CML) portfolio as of YE 2025, with office property exposure of less than 1% (excluding its home office). The CML portfolio is of high quality and has good LTV and DSCR ratios. The CML portfolio has seen almost zero impairments over the past 20 years.

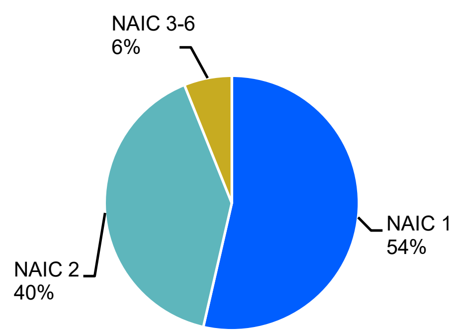
In a stress investment scenario, we believe W&SFG stress investment losses to be manageable compared to its peers as a percentage of general account investments. Given our assessment of stress losses, we raise the adjusted score for this factor to Aa from an unadjusted score of A.

Exhibit 6
Investment portfolio breakup, December 31, 2025
Total cash and investments: $72.7 billion



US statutory data
Source: S&P Global Market Intelligence LLC, Moody's Ratings. Contains copyrighted and trade secret material. Distributed under license from S&P. For recipient's internal use only

Exhibit 7
Fixed income breakup by rating, December 31, 2025
Total fixed income investments: $50.7 billion



US statutory data
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Capital adequacy: Strong capital levels, but equity portfolio adds volatility

WSLIC's unadjusted scorecard metric as measured by shareholders' equity to assets is consistent with our expectations for Aaa-rated companies. We view NAIC CAL RBC ratio as a more accurate measure of capital adequacy for life insurers and WSLIC's year-end 2025 consolidated NAIC CAL RBC ratio was strong at 433% and in line with the prior year-end at 438%. We expect the RBC ratio to be in the 450%-500% range at year-end 2026.

The company's regulatory capital levels are viewed as conservative given the absence of offshore reinsurance or any capital relief mechanisms including Regulation XXX/AXXX reinsurance captives. W&SFG holds approximately $292 million of cash and cash equivalents as of year-end 2025, which are available to contribute, if necessary, to the operating entities. However, WSLIC's sizable portfolio of equity securities relative to shareholders' equity, adds volatility and diminishes somewhat the quality of that capital. There is a high capital charge for these holdings and in a stress scenario with a material decline in the equity markets, there would be a very modest impact on RBC.

W&SFG has a track record of strong statutory capital generation and their long-term view of capital is a positive. The concentration of HRAs, and the potential risk from investment losses, will continue to pressure RBC ratios in 2026. Given the level of HRAs, we adjust the score for this factor to Aa down from the unadjusted Aaa factor score.

Profitability: Good profitability supported by business growth

W&SFG's profitability has historically been good and stable, consistent with A-rated peers. The company's ROC is in the A rating category on an unadjusted basis, at 6.5% in 2025. The company has a long track record of producing capital gains that benefits the ROC ratio offset by the strong levels of capital which drag down the ROC ratio. The company's organic earnings have been growing regulatory capital to cover the associated statutory strain.

W&SFG's GAAP consolidated pre-tax earnings increased to $1.2 billion in 2025 up slightly from year-end 2024. This was primarily due to greater net investment gains due to the rise in carrying value of equity securities as well as record net investment income improving to $3.8 billion in 2025 from $3.5 billion in 2024. Core operating income grew to $802 million in 2025 from $767 million in 2024. We expect earnings to grow in 2026 as the company's business continues to expand. Given the prospective ROC profile is expected to remain in the A level, supported by strong earnings we maintain the adjusted score of A in line with the raw score.

Asset liability management and reserve adequacy: Robust liquidity and stable liability profile

WSLIC's liquidity is very strong based on the unadjusted scorecard metric of liquid assets to liquid liabilities, consistent with a Aa rated insurer. This is driven by the company's liability profile, of which a significant component is home service life insurance business, consisting of seasoned and highly persistent policies that represent a stable liability structure. We note that the company could be exposed to disintermediation risk, since interest sensitive annuities make up over 40% of the company's reserves. However, W&SFG anticipates the potential for elevated lapses and maintains strong holding company liquidity.

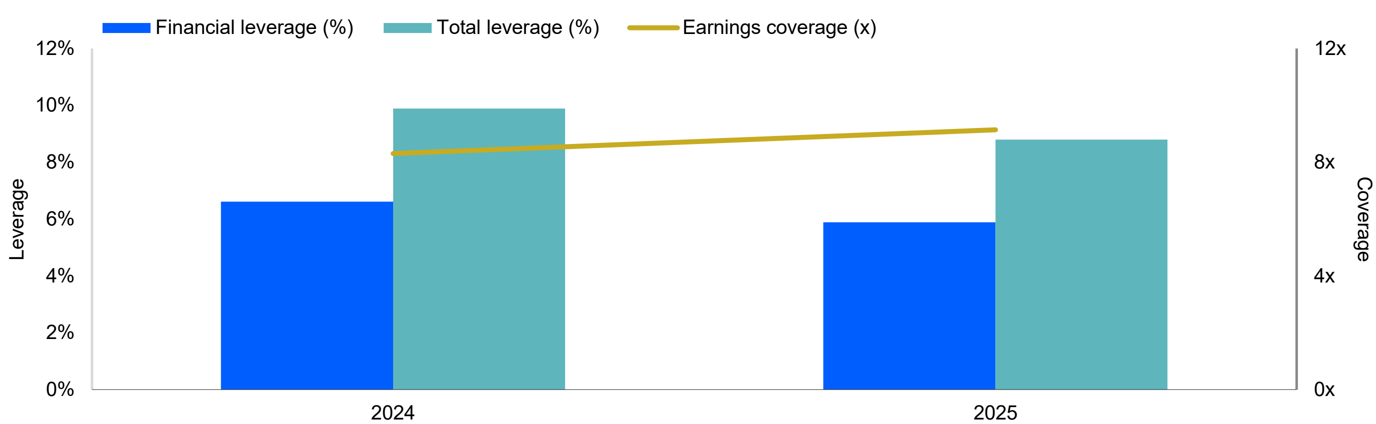
Furthermore, W&SFG benefits from substantial flexibility through its FHLB membership. As of December 31, 2025, the company maintained approximately $4.2 billion of collateral in excess of FHLB requirement, providing significant additional borrowing capacity beyond its outstanding FHLB funding agreements. As a result, we maintain this factor consistent with the unadjusted scorecard result of Aa.

Financial flexibility: Very modest leverage and strong coverage ratios

W&SFG's financial flexibility is excellent. Adjusted financial leverage and total leverage excluding AOCI were 6.3% and 9.3% respectively as of December 31, 2025, lower than most peers and in-line with our current ratings. Earnings coverage also continues to be very strong with two-year average of 8.7x.

Going forward, we expect WSF&G to remain relatively conservative in its approach to leverage and coverage and maintain similar levels into 2027. W&SFG has consistently displayed a strong ability to internally grow the capital necessary to fund its businesses. Mitigating these strong metrics, however, is W&SFG's lack of access to the equity capital markets as a non-public mutual holding company. While its presence in the traditional debt capital markets remains modest, the company has been steadily expanding its institutional funding agreement backed note (FABN) program - roughly $2 billion outstanding as of Q1 2026. We position the financial flexibility factor score at Aa, same as the unadjusted scorecard result.

Exhibit 8
Financial and total leverage continue to remain at low levels

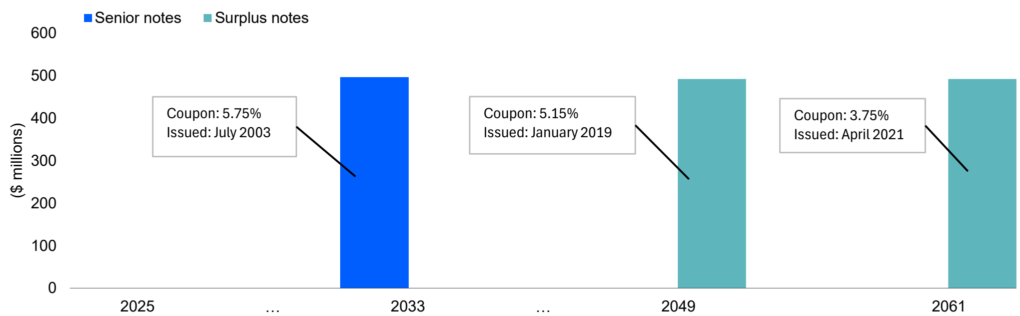


US GAAP LDTI data
Source: Company Reports, Moody's Ratings

Liquidity analysis

W&SFG's debt consists of $497 million of 5.75% senior notes maturing in 2033. In addition, WSLIC has $995 million of surplus notes outstanding, consisting of $497 million (5.15% coupon) due in 2049, and $498 million (3.75% coupon) due in 2061. The companies have ample cash and liquid resources to meet annual interest payments on these notes. W&SFG has liquidity consisting of cash and cash equivalents of approximately $292 million at year-end 2025, if needed to meet annual interest payments on the senior notes of approximately $29 million. WSLIC's dividend capacity for 2026 is approximately $770 million, while Lafayette's dividend capacity is approximately $53 million in 2026. In 2025, there were no dividends paid to W&SFG from WSLIC or LLIC.

Exhibit 9
Next debt maturity occurs in 2033



US GAAP LDTI data
Source: Company Reports, Moody's Ratings

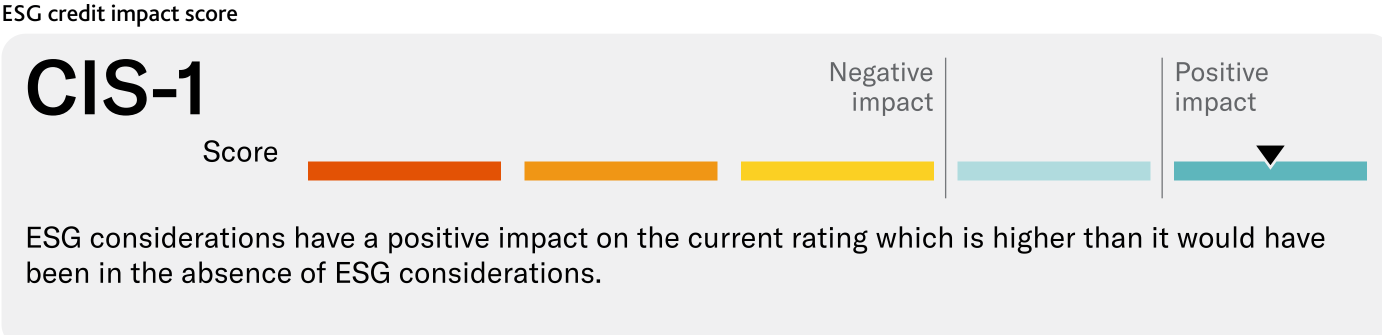
Support and structural considerations

The spread between W&SFG's senior unsecured debt rating and the IFS rating of WSLIC and its life insurance subsidiaries is three notches. This is consistent with Moody's typical notching for a simple US insurance holding company structure.

ESG considerations

Western & Southern Financial Group, Inc.'s ESG credit impact score is CIS-1

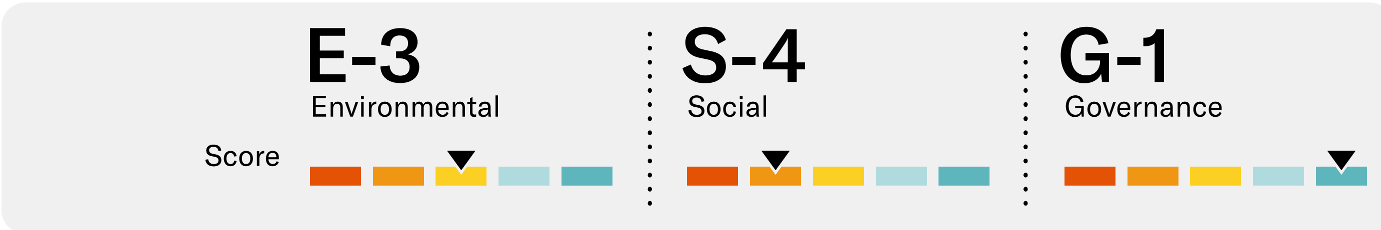
Exhibit 10
ESG credit impact score



Source: Moody's Ratings

Western & Southern Financial Group, Inc's **CIS-1** reflects a positive impact of the insurer's overall governance profile, which includes its conservative risk and governance practices stemming from its mutual holding company ownership structure. These factors offset its exposure to environmental and social risks, in particular carbon transition and societal and demographic risks.

Exhibit 11
ESG issuer profile scores



Source: Moody's Ratings

Environmental
Western & Southern Financial Group faces moderate exposure to carbon transition risk through the long-duration assets held in its investment portfolio and inherent asset leverage, while stakeholder focus on environmental stewardship in its investment portfolio gives rise to strategic and reputational risk. This risk is mitigated by the group's portfolio risk management capabilities and its developing focus on managing climate risk.

Social
Western & Southern Financial Group faces high exposure to social risks, notably demographic and societal trends. In particular, longer lifespans and aging populations, will affect retirement and estate planning products, as well as the pricing of life and health risks as the company manages mortality, longevity and morbidity risks.

Governance
Western & Southern Financial Group's governance is a positive factor. The group benefits from strong governance practices, seasoned and stable management with a successful track record, and prudently managed financial policy. The risk management function has shown a conservative and proactive stance. The group has a mutual holding company organizational structure that contributes to reducing business complexity which lowers its governance risk and aligns management's interests with those of its stakeholders - policyholders, creditors, and the organization.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

Exhibit 12

Rating Factors

Financial Strength Rating Scorecard [1][2]	Aaa	Aa	A	Baa	Ba	B	Caa	Score	Adj Score
Business Profile								A	Aa
Market Position and Distribution (25%)								A	Aa
-Relative Market Share Ratio			X						
-Distribution Control			X						
-Diversity of Distribution		X							
Product Focus and Diversification (10%)								A	A
-Product Risk - Life				X					
-Product Diversification			X						
Financial Profile								Aa	Aa
Asset Quality (10%)								A	Aa
-High Risk Assets % Shareholders' Equity ex AOCI			97.7%						
Capital Adequacy (15%)								Aaa	Aa
-Shareholders' Equity % Total Assets	15.2%								
Profitability (15%)								A	A
-Return on Capital (5 yr. avg.) ex AOCI			6.5%						
-Sharpe Ratio of ROC (5 yr. avg.) ex AOCI									
Asset Liability Management and Reserve Adequacy (10%)								Aa	Aa
-Liquid Assets % Liquid Liabilities		X							
Leverage & Coverage (15%)								Aa	Aa
-Financial Leverage ex AOCI		6.3%							
-Total Leverage ex AOCI		9.3%							
-Earnings Coverage (5 yr. avg.)		8.7x							
Operating Environment								Aaa - A	Aaa - A
Preliminary Standalone Outcome								Aa3	Aa3
Other Considerations									
Management, Governance and Risk Management									
Accounting Policy & Disclosures									
Sovereign & Regulatory Environment									
Standalone Scorecard-indicated Outcome									Aa3
Support									
Nature and Terms of Explicit Support									
Nature and Terms of Implicit Support									
Scorecard-indicated Outcome									Aa3

[1] Information based on US GAAP LDTI financial statements as of fiscal year ended December 31, 2025. [2] The Scorecard rating is an important component of the company's published rating, reflecting the standalone financial strength before other considerations (discussed above) are incorporated into the analysis.

Source: Moody's Ratings

Ratings

Exhibit 13

Category	Moody's Rating
WESTERN & SOUTHERN FINANCIAL GROUP, INC.	
Rating Outlook	STA
WESTERN AND SOUTHERN LIFE INSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	Aa3
WESTERN-SOUTHERN LIFE ASSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	Aa3
COLUMBUS LIFE INSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	Aa3
INTEGRITY LIFE INSURANCE COMPANY	
Rating Outlook	STA
Insurance Financial Strength	Aa3
NATIONAL INTEGRITY LIFE INSURANCE CO.	
Rating Outlook	STA
Insurance Financial Strength	Aa3

Source: Moody's Ratings

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454