

TruStage Financial Group, Inc. and Subsidiaries

**Consolidated Financial Results, Unaudited
as of June 30, 2024 and December 31, 2023
and for the Six Months Ended
June 30, 2024 and 2023**



TruStage Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets, unaudited

June 30, 2024 and December 31, 2023

(000s omitted)

Assets	June 30, 2024	December 31, 2023
Cash and investments		
Debt securities, available for sale, at fair value, net	\$ 22,632,437	\$ 22,196,834
Debt securities, trading, at fair value, net	51,446	63,070
Equity securities	409,815	381,230
Mortgage loans, net	4,351,891	4,270,389
Policy loans	138,736	132,866
Equity in unconsolidated affiliates	60,992	67,740
Limited partnerships	2,743,572	2,612,514
Securities lending assets	579,336	565,249
Derivative assets, at fair value	1,445,037	1,167,185
Other invested assets	460,075	378,632
Total investments	32,873,337	31,835,709
Cash and cash equivalents	467,065	453,317
Total cash and investments	33,340,402	32,289,026
Accrued investment income	259,680	247,012
Premiums receivable, net	343,154	368,413
Reinsurance recoverables, net	3,141,112	3,167,833
Net federal income taxes recoverable	6,809	19,539
Deferred policy acquisition costs	1,826,498	1,639,855
Value of business acquired	196,820	195,977
Office properties, equipment and computer software at cost, net	280,111	283,224
Net deferred tax asset	783,529	735,372
Goodwill, net	592,029	602,816
Intangible assets, net	59,314	84,100
Assets on deposit	1,503,496	1,060,426
Other assets and receivables	425,907	458,575
Separate account assets	3,865,848	3,818,108
Total assets	\$ 46,624,709	\$ 44,970,276

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Balance Sheets, unaudited - continued
June 30, 2024 and December 31, 2023
(000s omitted)

Liabilities and Stockholder's Equity	June 30, 2024	December 31, 2023
Liabilities		
Policyholder account balances	\$ 22,233,408	\$ 21,332,458
Claim and policy benefit reserves - life and health	11,545,981	11,336,182
Loss and loss adjustment expense reserves - property and casualty	729,049	667,156
Unearned premiums	1,139,969	1,021,445
Notes and interest payable	1,198,750	1,161,698
Dividends payable to policyholders	14,126	12,757
Reinsurance payable	122,910	123,067
Net federal income taxes payable	-	8,132
Accrued pension and postretirement benefit liability	138,439	133,335
Payable for securities lending	579,336	565,249
Derivative liabilities, at fair value	783,412	665,749
Accounts payable and other liabilities	1,510,941	1,256,537
Separate account liabilities	3,865,848	3,818,108
Total liabilities	43,862,169	42,101,873
Stockholder's equity		
Additional paid in capital	22,500	22,500
Retained earnings	5,056,040	4,950,594
Accumulated other comprehensive income (loss), net	(2,316,000)	(2,104,691)
Total stockholder's equity	2,762,540	2,868,403
Total liabilities and stockholder's equity	\$ 46,624,709	\$ 44,970,276

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income, unaudited

Six Months Ended June 30, 2024 and 2023

(000s omitted)

	June 30, 2024	June 30, 2023
Revenues		
Life and health premiums, net	\$ 1,141,613	\$ 1,070,717
Contract charges	139,925	142,498
Property and casualty premiums, net	645,215	596,766
Net investment income	642,997	562,189
Net realized investment gains (losses)	(73,344)	(142,554)
Commission and fee income	202,259	214,676
Other income	43,988	37,566
Total revenues	2,742,653	2,481,858
Benefits and expenses		
Life and health insurance claims and benefits, net	852,075	806,047
Property and casualty insurance loss and loss adjustment expenses, net	428,834	384,738
Interest credited to policyholder account balances	246,952	217,332
Policyholder dividends	16,080	13,480
Operating and other expenses	1,065,034	1,029,567
Total benefits and expenses	2,608,975	2,451,164
Income from operations before income taxes and equity of unconsolidated affiliates	133,678	30,694
Income tax expense	20,531	(3,224)
Income (loss) from operations before equity of unconsolidated affiliates	113,147	33,918
Equity in (loss) of unconsolidated affiliates, net of tax	(7,701)	(1,426)
Net income	105,446	32,492
Foreign currency translation adjustment, net of tax	3,233	(2,349)
Change in unrealized gains (losses), net of tax	(247,273)	261,861
Change in pension liability, net of tax	10,055	11,364
Change in shadow adjustments, net of tax	22,676	(8,917)
Other comprehensive income (loss)	(211,309)	261,959
Total comprehensive income (loss)	\$ (105,863)	\$ 294,451

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity, unaudited

Six Months Ended June 30, 2024

(000s omitted)

	Additional paid in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholder's equity
Balance, December 31, 2023	\$ 22,500	\$ 4,950,594	\$ (2,104,691)	\$ 2,868,403
Net income	-	105,446	-	105,446
Other comprehensive (loss)	-	-	(211,309)	(211,309)
Balance, June 30, 2024	\$ 22,500	\$ 5,056,040	\$ (2,316,000)	\$ 2,762,540

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows, unaudited
Six Months Ended June 30, 2024 and 2023
(000s omitted)

	June 30, 2024	June 30, 2023
Cash flows from operating activities		
Net income	\$ 105,446	\$ 32,492
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Undistributed losses of limited partnerships	8,977	4,892
Net realized investment losses	73,344	142,554
Undistributed losses of unconsolidated subsidiaries	7,701	-
Amortization of value of business acquired	4,242	8,839
Amortization of deferred policy acquisition costs	225,008	211,419
Policy acquisition costs deferred	(388,432)	(356,238)
Depreciation of office properties, equipment, computer software and real estate	8,109	27,930
Amortization of intangible assets	21,339	4,110
Amortization of premium and discount and low income housing tax credits	44,528	47,908
Deferred income tax expense (benefit)	(378)	4,848
Policyholder charges on investment-type contracts	(209,046)	(183,890)
Interest credited to policyholder account balances	246,952	217,332
Gain on divesture	(5,652)	-
Changes in other assets and liabilities		
Sales of debt securities, trading	11,000	-
Accrued investment income	(12,823)	(11,655)
Premiums receivable	25,259	(18,130)
Reinsurance recoverables	22,380	31,240
Net federal income taxes	13,812	(17,149)
Other assets and receivables	39,369	(27,928)
Insurance reserves	271,693	203,105
Unearned premiums	112,377	85,134
Reinsurance payable	(157)	4,514
Accounts payable and other liabilities	(7,316)	(26,182)
Net cash provided by operating activities	617,732	385,145

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows, unaudited - continued
Six Months Ended June 30, 2024 and 2023
(000s omitted)

	June 30, 2024	June 30, 2023
Cash flows from investing activities		
Purchases of investments		
Debt securities, available for sale	\$ (2,055,259)	\$ (834,228)
Equity securities	(62,395)	(23,142)
Mortgage loans	(211,620)	(244,511)
Limited partnerships	(211,878)	(223,959)
Derivative financial instruments	(896,549)	(538,284)
Other invested assets	(776,200)	(813,586)
Proceeds on sale or maturity of investments		
Debt securities, available for sale	1,134,469	512,210
Equity securities	11,627	53,010
Mortgage loans	113,112	121,641
Real estate	-	6,730
Limited partnerships	71,565	52,610
Derivative financial instruments	969,611	371,480
Other invested assets	993,120	1,168,575
Purchases of office properties, equipment, and software	(6,311)	(34,001)
Proceeds from divestiture	19,974	-
Net change in collateral under securities lending	(5,494)	(51,966)
Net change in payable for collateral under securities lending	5,494	51,966
Change in policy loans	(5,981)	(2,404)
Net cash used in investing activities	(912,715)	(427,859)
Cash flows from financing activities		
Policyholder account - deposits	2,140,353	1,676,959
Policyholder account - withdrawals	(1,484,956)	(1,356,209)
Assets on deposit - deposits	(507,291)	(104,025)
Assets on deposit - withdrawals	76,010	13,505
Notes payable - borrowings	1,205,000	1,085,000
Notes payable - repayments	(1,166,438)	(1,269,435)
Change in bank overdrafts	46,278	39,810
Payment of debt financing costs	(1,129)	-
Net cash provided by financing activities	307,827	85,605
Change in cash and cash equivalents	12,844	42,891
Effect of foreign exchange rate on cash	904	2,923
Cash and cash equivalents at beginning of year	453,317	371,527
Cash and cash equivalents at end of period	\$ 467,065	\$ 417,341