

TruStage Financial Group, Inc. and Subsidiaries

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



TruStage Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets, unaudited
September 30, 2024 and December 31, 2023
(000s omitted)

Assets	September 30, 2024	December 31, 2023
Cash and investments		
Debt securities, available for sale, at fair value, net	\$ 23,935,401	\$ 22,196,834
Debt securities, trading, at fair value, net	52,264	63,070
Equity securities	440,969	381,230
Mortgage loans, net	4,432,782	4,270,389
Policy loans	142,447	132,866
Equity in unconsolidated affiliates	56,084	67,740
Limited partnerships	2,827,212	2,612,514
Securities lending assets	578,398	565,249
Derivative assets, at fair value	1,509,017	1,167,185
Other invested assets	313,693	378,632
Total investments	34,288,267	31,835,709
Cash and cash equivalents	490,507	453,317
Total cash and investments	34,778,774	32,289,026
Accrued investment income	276,715	247,012
Premiums receivable, net	373,210	368,413
Reinsurance recoverables, net	3,128,386	3,167,833
Net federal income taxes recoverable	2,039	19,539
Deferred policy acquisition costs	1,833,358	1,639,855
Value of business acquired	200,954	195,977
Office properties, equipment and computer software at cost, net	275,143	283,224
Net deferred tax asset	677,796	735,372
Goodwill, net	592,689	602,816
Intangible assets, net	57,756	84,100
Assets on deposit	1,619,736	1,060,426
Other assets and receivables	417,915	458,575
Separate account assets	3,967,783	3,818,108
Total assets	\$ 48,202,254	\$ 44,970,276

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

Liabilities and Stockholder's Equity	September 30, 2024	December 31, 2023
Liabilities		
Policyholder account balances	\$ 22,564,141	\$ 21,332,458
Claim and policy benefit reserves - life and health	11,724,549	11,336,182
Loss and loss adjustment expense reserves - property and casualty	761,585	667,156
Unearned premiums	1,176,808	1,021,445
Notes and interest payable	1,190,149	1,161,698
Dividends payable to policyholders	14,158	12,757
Reinsurance payable	101,897	123,067
Net federal income taxes payable	14,273	8,132
Accrued pension and postretirement benefit liability	139,740	133,335
Payable for securities lending	578,398	565,249
Derivative liabilities, at fair value	800,681	665,749
Accounts payable and other liabilities	1,622,958	1,256,537
Separate account liabilities	3,967,783	3,818,108
Total liabilities	44,657,120	42,101,873
Stockholder's equity		
Additional paid in capital	22,500	22,500
Retained earnings	5,135,842	4,950,594
Accumulated other comprehensive income (loss), net	(1,613,208)	(2,104,691)
Total stockholder's equity	3,545,134	2,868,403
Total liabilities and stockholder's equity	\$ 48,202,254	\$ 44,970,276

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income, unaudited

Nine Months Ended September 30, 2024 and 2023

(000s omitted)

	September 30, 2024	September 30, 2023
Revenues		
Life and health premiums, net	\$ 1,761,984	\$ 1,743,222
Contract charges	204,843	213,382
Property and casualty premiums, net	983,547	906,961
Net investment income	1,002,673	877,066
Net realized investment (losses)	(124,366)	(112,982)
Commission and fee income	327,526	318,636
Other income	72,519	64,029
Total revenues	4,228,726	4,010,314
Benefits and expenses		
Life and health insurance claims and benefits, net	1,342,367	1,334,275
Property and casualty insurance loss and loss adjustment expenses, net	648,655	590,927
Interest credited to policyholder account balances	377,256	333,645
Policyholder dividends	23,564	19,960
Operating and other expenses	1,611,787	1,580,298
Total benefits and expenses	4,003,629	3,859,105
Income from operations before income taxes and equity of unconsolidated affiliates	225,097	151,209
Income tax expense	30,641	20,628
Income from operations before equity of unconsolidated affiliates	194,456	130,581
Equity in (loss) of unconsolidated affiliates, net of tax	(9,208)	-
Net income	185,248	130,581
Foreign currency translation adjustment, net of tax	2,506	1,316
Change in unrealized gains (losses), net of tax	479,286	(327,420)
Change in pension liability, net of tax	15,107	17,477
Change in shadow adjustments, net of tax	(5,416)	10,432
Other comprehensive income (loss)	491,483	(298,195)
Total comprehensive income (loss)	\$ 676,731	\$ (167,614)

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity, unaudited

Nine Months Ended September 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	-	185,248	-	185,248
Other comprehensive (loss)	-	-	491,483	491,483
Balance, September 30, 2024	\$ 22,500	\$ 5,135,842	\$ (1,613,208)	\$ 3,545,134

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

	September 30, 2024	September 30, 2023
Cash flows from operating activities		
Net income	\$ 185,248	\$ 130,581
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Undistributed (income) of limited partnerships	(60,889)	(60,623)
Net realized investment losses	124,366	112,982
Undistributed losses of unconsolidated subsidiaries	9,208	-
Amortization of value of business acquired	10,585	16,127
Amortization of deferred policy acquisition costs	340,033	339,512
Policy acquisition costs deferred	(551,777)	(541,241)
Depreciation of office properties, equipment, computer software and real estate	29,831	37,860
Amortization of intangible assets	22,897	6,169
Amortization of premium and discount and low income housing tax credits	64,832	75,475
Deferred income tax expense (benefit)	8,060	4,355
Policyholder charges on investment-type contracts	(316,086)	(275,273)
Interest credited to policyholder account balances	377,256	333,645
Gain on divesture	(5,615)	-
Changes in other assets and liabilities		
Purchases of debt securities, trading	-	(26,516)
Sales of debt securities, trading	12,000	4,000
Accrued investment income	(29,781)	(30,217)
Premiums receivable	(4,797)	(17,763)
Reinsurance recoverables	34,938	42,116
Net federal income taxes	2,684	(2,449)
Other assets and receivables	43,369	(67,507)
Insurance reserves	482,796	464,013
Unearned premiums	147,531	110,869
Reinsurance payable	(21,170)	10,488
Accounts payable and other liabilities	(44,768)	2,265
Net cash provided by operating activities	860,751	668,868

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

	September 30, 2024	September 30, 2023
Cash flows from investing activities		
Purchases of investments		
Debt securities, available for sale	\$ (3,014,424)	\$ (1,348,497)
Equity securities	(67,994)	(42,659)
Mortgage loans	(325,215)	(405,910)
Limited partnerships	(322,450)	(339,710)
Derivative financial instruments	(1,343,302)	(814,812)
Other invested assets	(1,381,571)	(1,380,094)
Proceeds on sale or maturity of investments		
Debt securities, available for sale	1,888,533	680,991
Equity securities	14,856	72,577
Mortgage loans	146,556	165,405
Real estate	-	6,730
Limited partnerships	163,797	143,834
Derivative financial instruments	1,474,919	680,630
Other invested assets	1,681,545	1,525,622
Purchases of office properties, equipment, and software	(42,252)	(42,787)
Proceeds on office properties, equipment, and computer software, net	23,277	17,570
Proceeds from divestiture	19,936	-
Net change in collateral under securities lending	3,579	(32,072)
Net change in payable for collateral under securities lending	(3,579)	32,072
Change in policy loans	(9,692)	(5,505)
Net cash used in investing activities	(1,093,481)	(1,086,615)
Cash flows from financing activities		
Policyholder account - deposits	2,998,003	2,482,964
Policyholder account - withdrawals	(2,249,926)	(1,950,479)
Assets on deposit - deposits	(634,588)	(138,882)
Assets on deposit - withdrawals	99,117	18,270
Notes payable - borrowings	1,870,000	1,775,000
Notes payable - repayments	(1,849,351)	(1,824,821)
Change in bank overdrafts	36,864	(1,917)
Payment of debt financing costs	(1,129)	-
Net cash provided by financing activities	268,990	360,135
Change in cash and cash equivalents	36,260	(57,612)
Effect of foreign exchange rate on cash	930	4,059
Cash and cash equivalents at beginning of year	453,317	371,527
Cash and cash equivalents at end of period	\$ 490,507	\$ 317,974