

## Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Quarter Ended December 31, 2024

The following analysis presents information regarding the pro-forma notional attribution of capital and surplus, and income to Midland National Life (MNL) and North American Life & Health (NAC), as a result of certain funds withheld reinsurance arrangements with its Bermuda-domiciled reinsurance affiliate, SFG Bermuda Ltd. This information is provided for the single purpose of evaluating the financial position of MNL & NAC in connection with a particular rating agency and should not be, and is not intended to be, used for any other regulatory, investment, or other purpose. This information is not prepared on the basis of generally accepted accounting principles, statutory accounting principles in the United States or Bermuda, nor any other comprehensive basis of accounting. This information should be considered together with the statutory filings of Sammons Financial Group's insurance entities. In addition, the information presented below is unaudited.

### Allocated Capital and Surplus on a Proportional Basis – Notional Allocation

The tables below include an allocation of statutory capital and surplus, pre-tax income and net income based on the following methodology:

-Any isolated capital is applied to the entity to which the capital relates to

-Surplus capital is allocated on a pro-rata basis based on total reserves (not withstanding that some isolated capital may already be associated with some reserves)

-Income is allocated based off the allocation of capital above

(Unaudited, in thousands)

Financial Return	Midland National Life	North American L&H	Total SFG Bermuda Statutory Financial Return
Capital & Surplus	585,826	490,451	1,076,277
Pre-Tax Income (YTD)	(166,373)	(139,287)	(305,661)
Net Income (YTD)	(131,419)	(110,023)	(241,442)

### Notional Attribution of Allocated Capital to Invested Assets

The below table further attributes the allocated capital and surplus to NAIC investment asset categories based on the proportional mix of the actual assets for SFG Bermuda.

(Unaudited, in thousands)

	Midland National Life	North American L&H
<b>Asset mix:</b>		
<u>Non-affiliated</u>		
Corporate Bonds	75,181	62,941
US Gov't, Agencies, Municipals, Foreign Gov't RMBS	20,753	17,375
CMBS	1,627	1,362
RMBS	15,484	12,963
Other ABS (including CLOs)	16,548	13,854
Mortgages & Real Estate	-	-
BA Assets	-	-
Unaffiliated Stocks	1,018	852
<b>Total Non-affiliated</b>	<b>130,611</b>	<b>109,347</b>
<u>Affiliated</u>		
Affiliated	-	-
Other ABS (including CLOs)	-	-
Mortgages & Real Estate	-	-
BA Assets	-	-
Affiliated Stocks	-	-
<b>Total Affiliated</b>	<b>0</b>	<b>0</b>
<u>Other</u>		
Cash & Cash Equivalents	170,461	142,709
Derivatives	-	-
All Other	-	-
<b>Total Allocated Surplus</b>	<b>301,072</b>	<b>252,056</b>

### **Bonds by NAIC Category:**

NAIC 1	65,738	55,035
NAIC 2	62,867	52,632
<b>Investment Grade</b>	<b>128,604</b>	<b>107,667</b>
NAIC 3	492	412
NAIC 4	497	416
NAIC 5	-	-
NAIC 6	-	-
<b>Below Investment Grade</b>	<b>989</b>	<b>828</b>
<b>Total Bonds</b>	<b>129,593</b>	<b>108,495</b>

### **Bonds by ASC 820 Fair Value Level:**

Level 1	-	-
Level 2	128,962	107,966
Level 3	631	529

### Notional Allocation of Investment Income to Surplus Account

The below table shows a notional allocation of certain income items to affiliated reinsurance counterparties proportionately based on reserves.

(Unaudited, in thousands)

	Midland National Life	North American L&H
<b>Net Investment Income</b>		
Bonds	4,283	3,586
Mortgages and Other Loans	-	-
Cash & Cash Equivalents	1,120	938
<b>Gross</b>	<b>5,403</b>	<b>4,523</b>
Expenses	(107)	(90)
<b>Total</b>	<b>5,296</b>	<b>4,434</b>
<b>Capital Gains and (Losses)</b>		
Bonds	1	1
Mortgages and Other Loans	-	-
Equity Derivatives	-	-
<b>Total</b>	<b>1</b>	<b>1</b>