

**For Immediate Release**

## **CNO Financial Group Reports Second Quarter 2025 Results**

*Strong production; Solid financial results; On track to deliver 2025-2027 ROE targets*

**Carmel, Ind., July 28, 2025** - CNO Financial Group, Inc. (NYSE: CNO) today reported net income of \$91.8 million, or \$0.91 per diluted share, in 2Q25 compared to \$116.3 million or \$1.06 per diluted share, in 2Q24. Non-economic accounting impacts due to market volatility increased net income in both 2Q25 and 2Q24. Net operating income,<sup>(1)</sup> which excludes these non-economic accounting impacts, was \$87.5 million, or \$0.87 per diluted share, in 2Q25 compared to \$114.6 million, or \$1.05 per diluted share, in 2Q24.

“Building on our strong second quarter and first half results, CNO remains on track to achieve our full-year 2025-2027 return on equity targets,” said Gary C. Bhojwani, chief executive officer. “Our consistent, repeatable results demonstrate the steady execution of our strategic plan and continue to position us for sustained, profitable growth.”

“Our business fundamentals remain strong. This quarter marked our twelfth consecutive quarter of sustained sales momentum underpinned by growing underwriting margins and investment income. Second quarter 2024 earnings were elevated relative to our typical run rate, thereby impacting 2025 comparables. Operating earnings per share are up 6% year-to-date, in line with expectations. Our robust capital position enabled us to once again deliver meaningful results while returning capital to shareholders and investing in the long-term health of the business.”

“CNO remains uniquely positioned to serve the growing needs of the middle-income market with our diverse products and distribution. With considerable momentum and favorable demographic tailwinds, we are well-equipped to navigate the evolving economic environment and continue to drive improved profitability.”

**Second Quarter 2025 Highlights** (as compared to the corresponding period in the prior year unless otherwise stated)

- Total new annualized premiums ("NAP")<sup>(4)</sup> up 17%; Total Life NAP up 22%; Total Health NAP up 11%
- Consumer Division NAP up 17%; Worksite Division NAP up 16%
- Annuity collected premiums up 19%; Client assets in brokerage and advisory up 27%
- Returned \$116.7 million to shareholders
- Book value per share was \$25.92; Book value per diluted share, excluding accumulated other comprehensive loss,<sup>(2)</sup> was \$38.05, up 6%
- Return on equity ("ROE") of 11.9%; Operating ROE<sup>(5)</sup> of 11.8%

## FINANCIAL SUMMARY

### Quarter End

(Amounts in millions, except per share data)  
(Unaudited)

Net operating income, a non-GAAP<sup>(a)</sup> financial measure, is used consistently by CNO's management to evaluate the operating performance of the Company and is a measure commonly used in the life insurance industry. It differs from net income primarily because it excludes certain non-operating items as defined in note (1). Management believes an analysis of net operating income is important in understanding the profitability and operating trends of the Company's business. Net income is the most directly comparable GAAP measure.

|                                                                                                  | Per diluted share |                |          | Quarter ended  |                 |          |
|--------------------------------------------------------------------------------------------------|-------------------|----------------|----------|----------------|-----------------|----------|
|                                                                                                  | Quarter ended     |                |          | June 30,       |                 |          |
|                                                                                                  | 2025              | 2024           | % change | 2025           | 2024            | % change |
| Income from insurance products <sup>(b)</sup>                                                    | 1.03              | \$ 1.10        | (6)      | \$ 103.0       | \$ 120.5        | (15)     |
| Fee income                                                                                       | 0.01              | 0.01           | —        | 0.8            | 0.8             | —        |
| Investment income not allocated to product lines <sup>(c)</sup>                                  | 0.33              | 0.41           | (20)     | 33.8           | 44.8            | (25)     |
| Expenses not allocated to product lines                                                          | (0.25)            | (0.16)         | 56       | (25.3)         | (17.5)          | 45       |
| Operating earnings before taxes                                                                  | 1.12              | 1.36           |          | 112.3          | 148.6           |          |
| Income tax expense on operating income                                                           | (0.25)            | (0.31)         | (19)     | (24.8)         | (34.0)          | (27)     |
| <b>Net operating income (1)</b>                                                                  | <b>0.87</b>       | <b>1.05</b>    | (17)     | <b>87.5</b>    | <b>114.6</b>    | (24)     |
| Net realized investment losses from sales, impairments and change in allowance for credit losses | (0.22)            | (0.20)         |          | (21.8)         | (21.9)          |          |
| Net change in market value of investments recognized in earnings                                 | 0.03              | 0.04           |          | 3.4            | 4.7             |          |
| Changes in fair value of embedded derivative liabilities and market risk benefits                | 0.25              | 0.15           |          | 25.2           | 16.8            |          |
| Other                                                                                            | (0.01)            | 0.02           |          | (1.1)          | 2.4             |          |
| Non-operating income before taxes                                                                | 0.05              | 0.01           |          | 5.7            | 2.0             |          |
| Income tax expense on non-operating income                                                       | (0.01)            | —              |          | (1.4)          | (0.3)           |          |
| Net non-operating income                                                                         | 0.04              | 0.01           |          | 4.3            | 1.7             |          |
| <b>Net income</b>                                                                                | <b>\$ 0.91</b>    | <b>\$ 1.06</b> |          | <b>\$ 91.8</b> | <b>\$ 116.3</b> |          |
| <b>Weighted average diluted shares outstanding</b>                                               | <b>100.4</b>      | <b>109.3</b>   |          |                |                 |          |

(a) GAAP is defined as accounting principles generally accepted in the United States of America.

(b) Income from insurance products is the sum of the insurance product margins of the annuity, health and life product lines, less expenses allocated to the insurance product lines. It excludes the income from our fee income business, investment income not allocated to product lines, net expenses not allocated to product lines (primarily holding company expenses) and income taxes. Insurance product margin is management's measure of the profitability of its annuity, health and life segments' performance and consists of insurance policy income plus allocated investment income less insurance policy benefits, interest credited, commissions, advertising expense and amortization of acquisition costs.

(c) Investment income not allocated to product lines represents net investment income less: (i) equity returns credited to policyholder account balances; (ii) the investment income allocated to our product lines; (iii) interest expense on notes payable, investment borrowings and financing arrangements; (iv) expenses related to the funding agreement-backed notes ("FABN") program; and (v) certain expenses related to benefit plans that are offset by special-purpose investment income; plus (vi) the impact of annual option forfeitures related to fixed indexed annuity surrenders. Investment income not allocated to product lines includes investment income on investments in excess of amounts allocated to product lines, investments held by our holding companies, the spread we earn from our federal home loan bank ("FHLB") investment borrowing and FABN programs and variable components of investment income (including call and prepayment income, adjustments to returns on structured securities due to cash flow changes, income (loss) from company-owned life insurance ("COLI") and alternative investments income not allocated to product lines), net of interest expense on corporate debt and financing arrangements. The spread earned from our FHLB investment borrowing and FABN programs includes the investment income on the matched assets less: (i) interest on investment borrowings related to the FHLB investment borrowing program; (ii) interest credited on funding agreements; and (iii) amortization of deferred acquisition costs related to the FABN program.

# FINANCIAL SUMMARY (continued)

## Management vs. GAAP Measures

(Dollars in millions, except per share data)

(Unaudited)

Shareholders' equity, excluding accumulated other comprehensive income (loss), and book value per share, excluding accumulated other comprehensive income (loss), are non-GAAP measures that are utilized by management to view the business without the effect of accumulated other comprehensive income (loss) which is primarily attributable to fluctuations in interest rates associated with fixed maturities, available for sale. Management views the business in this manner because the Company has the ability and generally, the intent, to hold investments to maturity and meaningful trends can be more easily identified without the fluctuations. In addition, shareholders' equity excludes net operating loss carryforwards in our non-GAAP return on equity measures as such assets are not discounted and, accordingly, will not provide a return to shareholders until after it is realized as a reduction to taxes that would otherwise be paid. Management believes that excluding this value from the equity component of this measure enhances the understanding of the effect these non-discounted assets have on operating returns.

|                                                                                                                            | Quarter ended     |                   |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                            | June 30,          |                   |
|                                                                                                                            | 2025              | 2024              |
| Trailing four quarters:                                                                                                    |                   |                   |
| Net Income                                                                                                                 | \$ 305.5          | \$ 432.2          |
| Net operating income (a non-GAAP financial measure)                                                                        | 425.8             | 407.3             |
| Net operating income, excluding significant items                                                                          | 401.7             | 364.0             |
| Average of each of the trailing four quarters average:                                                                     |                   |                   |
| Shareholders' equity                                                                                                       | \$ 2,558.5        | \$ 2,171.4        |
| Accumulated other comprehensive loss                                                                                       | 1,271.2           | 1,653.2           |
| Shareholders' equity, excluding accumulated other comprehensive loss                                                       | 3,829.7           | 3,824.6           |
| Net operating loss carryforwards                                                                                           | (232.4)           | (176.2)           |
| Shareholders' equity, excluding accumulated other comprehensive loss and net operating loss carryforwards                  | <u>\$ 3,597.3</u> | <u>\$ 3,648.4</u> |
| Ratios:                                                                                                                    |                   |                   |
| Return on equity                                                                                                           | 11.9 %            | 19.9 %            |
| Operating return on equity (a non-GAAP financial measure) <sup>(5)</sup>                                                   | 11.8 %            | 11.2 %            |
| Operating return on equity, excluding significant items (a non-GAAP financial measure) <sup>(5)</sup>                      | 11.2 %            | 10.0 %            |
| Shareholders' equity                                                                                                       | \$ 2,522.7        | \$ 2,428.9        |
| Accumulated other comprehensive loss                                                                                       | 1,252.7           | 1,464.3           |
| Shareholders' equity, excluding accumulated other comprehensive loss                                                       | <u>3,775.4</u>    | <u>3,893.2</u>    |
| Basic shares outstanding                                                                                                   | 97,319,000        | 106,513,566       |
| Diluted shares outstanding                                                                                                 | 99,221,445        | 108,140,009       |
| Book value per share                                                                                                       | \$ 25.92          | \$ 22.80          |
| Book value per diluted share                                                                                               | \$ 25.42          | \$ 22.46          |
| Accumulated other comprehensive loss per diluted share                                                                     | 12.63             | 13.54             |
| Book value per diluted share, excluding accumulated other comprehensive loss (a non-GAAP financial measure) <sup>(2)</sup> | <u>\$ 38.05</u>   | <u>\$ 36.00</u>   |

## Non-Operating Items

Net investment losses in 2Q25 were \$21.8 million, including the unfavorable change in the allowance for credit losses of \$1.0 million. Net investment losses in 2Q24 were \$21.9 million, including the favorable change in the allowance for credit losses of \$4.1 million.

During 2Q25 and 2Q24, we recognized an increase in earnings of \$3.4 million and \$4.7 million, respectively, due to the net change in market value of investments.

In 2Q24, we recognized an increase in earnings of \$3.5 million for the mark-to-market change in the agent deferred compensation plan liability which was impacted by changes in the underlying actuarial assumptions used to value the liability. We recognize the mark-to-market change in the estimated value of this liability through earnings as assumptions change.

During 2Q25 and 2Q24, we recognized an increase in earnings of \$25.2 million and \$16.8 million, respectively, resulting from changes in the estimated fair value of embedded derivative liabilities and market risk benefits related to our fixed indexed annuities. Such amounts include the impacts of changes in market interest rates and equity impacts used to determine the estimated fair values of the embedded derivatives and market risk benefits. In addition, certain 4Q24 and 1Q25 amounts were revised to conform to the current period's presentation for the correction of an error that is immaterial to the reported periods. The revision impacted net income, shareholders' equity, and the related metrics of book value per common share, debt-to-capital ratio, and net income – trailing four quarters for those periods.

Other non-operating items in 2Q25 included \$3.2 million of expense related to TechMod, a three-year project to modernize certain elements of our technology. In addition, other non-operating items included a reduction in the allowance for credit losses on reinsurance of \$2.0 million.

## INVESTMENT PORTFOLIO

(Dollars in millions)

Fixed maturities, available for sale, at amortized cost by asset class as of June 30, 2025 are as follows:

|                                                                                                | Investment grade   | Below investment grade | Total              |
|------------------------------------------------------------------------------------------------|--------------------|------------------------|--------------------|
| Corporate securities                                                                           | 13,380.8           | \$ 678.1               | \$ 14,058.9        |
| United States Treasury securities and obligations of the United States government and agencies | 217.9              | —                      | 217.9              |
| States and political subdivisions                                                              | 3,318.7            | 23.6                   | 3,342.3            |
| Foreign governments                                                                            | 113.6              | —                      | 113.6              |
| Asset-backed securities                                                                        | 1,497.2            | 95.8                   | 1,593.0            |
| Agency residential mortgage-backed securities                                                  | 910.7              | —                      | 910.7              |
| Non-agency residential mortgage-backed securities                                              | 1,282.0            | 326.0 (a)              | 1,608.0            |
| Collateralized loan obligations                                                                | 1,091.7            | —                      | 1,091.7            |
| Commercial mortgage-backed securities                                                          | 2,158.9            | 133.8                  | 2,292.7            |
| Total                                                                                          | <u>\$ 23,971.5</u> | <u>\$ 1,257.3</u>      | <u>\$ 25,228.8</u> |

(a) Certain structured securities rated below investment grade by Nationally Recognized Statistical Rating Organizations may be assigned a NAIC 1 or NAIC 2 designation based on the cost basis of the security relative to estimated recoverable amounts as determined by the National Association of Insurance Commissioners (NAIC).

As of June 30, 2025, the fair value of CNO's available for sale fixed maturity portfolio was \$23,047.0 million compared with an amortized cost of \$25,228.8 million. Net unrealized losses were comprised of gross unrealized gains of \$197.1 million and gross unrealized losses of \$2,339.8 million as of June 30, 2025. The allowance for credit losses was \$39.1 million at June 30, 2025.

## Statutory (based on non-GAAP measures) and GAAP Capital Information

The consolidated statutory risk-based capital ratio of our U.S. based insurance subsidiaries was estimated at 378% at June 30, 2025, reflecting estimated 2Q25 statutory operating earnings of \$22.0 million and the payment of insurance company dividends (net of capital contributions) to the holding company of \$35.7 million during 2Q25.

During 2Q25, we repurchased \$100.0 million of common stock under our securities repurchase program (including \$1.6 million of repurchases settled in 3Q25). We repurchased 2.6 million common shares at an average cost of \$38.09 per share. As of June 30, 2025, we had 97.3 million shares outstanding and had authority to repurchase up to an additional \$540.4 million of our common stock. During 2Q25, dividends paid on common stock totaled \$16.7 million.

Unrestricted cash and investments held by our holding company were \$187.1 million at June 30, 2025 compared to \$372.5 million at December 31, 2024.

Book value per common share was \$25.92 at June 30, 2025 compared to \$24.75 at December 31, 2024. Book value per diluted share, excluding accumulated other comprehensive income (loss)<sup>(2)</sup>, was \$38.05 at June 30, 2025 compared to \$37.35 at December 31, 2024.

The debt-to-capital ratio was 34.6% and 42.2% at June 30, 2025 and December 31, 2024, respectively. Our debt-to-total capital ratio, excluding accumulated other comprehensive income (loss)<sup>(3)</sup>, was 26.1% and 32.1% at June 30, 2025 and December 31, 2024, respectively. The reduction in the ratios from December 31, 2024 was primarily due to the repayment of the 2025 Notes in 2Q25.

Return on equity for the trailing four quarters ended June 30, 2025 and 2024 was 11.9% and 19.9%, respectively. Operating return on equity, excluding significant items<sup>(5)</sup>, for the trailing four quarters ended June 30, 2025 and 2024 was 11.2% and 10.0%, respectively.

In this news release, CNO includes non-GAAP measures to enhance investors' understanding of management's view of the business. The non-GAAP measures are not a substitute for GAAP, but rather a supplement to increase transparency by providing a broader perspective. CNO's definitions of non-GAAP measures may differ from other companies' definitions. More detailed information including various GAAP and non-GAAP measurements are located at [CNOinc.com](https://www.cnoinc.com) in the Investors section under SEC Filings.

#### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS:**

This press release may contain forward-looking statements within the meaning of federal securities laws. These prospective statements reflect management's current expectations, but are not guarantees of future performance. Accordingly, please refer to CNO's cautionary statement regarding forward-looking statements, and the business environment in which the Company operates, contained in the Company's Form 10-K for the year ended December 31, 2024 and any subsequent Form 10-Q or Form 10-K on file with the Securities and Exchange Commission and on the Company's website at [CNOinc.com](https://www.cnoinc.com) in the Investors section. CNO specifically disclaims any obligation to update or revise any forward-looking statement because of new information, future developments or otherwise.

#### **EARNINGS RELEASE CONFERENCE CALL WEBCAST:**

The Company will host a conference call to discuss results on July 29, 2025 at 11:00 a.m. Eastern Time. During the call, we will be referring to a presentation that will be available at the Investors section of the company's website.

To participate by dial-in, please register at <https://www.netroadshow.com/events/login/LE9zwo3l1n8LCba0M35GdCBypZJ59DuLjEa>. Upon registering, you will be provided with call details and a registrant ID used to track attendance on the conference call. Reminders will also be sent to registered participants via email.

For those investors who prefer to listen to the call online, we will be broadcasting the call live via webcast. The event can be accessed through the Investors section of the company's website: [ir.CNOinc.com](https://ir.cnoinc.com). Participants should go to the website at least 15 minutes before the event to register and download any necessary audio software.

#### **ABOUT CNO FINANCIAL GROUP**

CNO Financial Group, Inc. (NYSE: CNO) secures the future of middle-income America. CNO provides life and health insurance, annuities, financial services and workforce benefits solutions through our family of brands, including Bankers Life, Colonial Penn, Optavise and Washington National. Our customers work hard to save for the future, and we help protect their health, income and retirement needs with 3.2 million policies and \$37.3 billion in total assets. Our 3,400 associates, 4,900 exclusive agents and more than 6,000 independent partner agents guide individuals, families and businesses through a lifetime of financial decisions. For more information, visit [CNOinc.com](https://www.cnoinc.com).

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
(Dollars in millions, except per share data)  
(unaudited)

|                                                                                | Three months ended |             | Six months ended |             |
|--------------------------------------------------------------------------------|--------------------|-------------|------------------|-------------|
|                                                                                | June 30,           |             | June 30,         |             |
|                                                                                | 2025               | 2024        | 2025             | 2024        |
| Revenues:                                                                      |                    |             |                  |             |
| Insurance policy income                                                        | \$ 651.3           | \$ 641.5    | \$ 1,302.0       | \$ 1,269.9  |
| Net investment income:                                                         |                    |             |                  |             |
| General account assets                                                         | 378.3              | 351.7       | 753.4            | 653.6       |
| Policyholder and other special-purpose portfolios                              | 105.4              | 57.4        | 41.8             | 224.7       |
| Investment gains (losses):                                                     |                    |             |                  |             |
| Realized investment losses                                                     | (21.3)             | (26.3)      | (25.1)           | (36.3)      |
| Other investment gains (losses)                                                | 2.9                | 9.1         | (0.1)            | 26.9        |
| Total investment losses                                                        | (18.4)             | (17.2)      | (25.2)           | (9.4)       |
| Fee revenue and other income                                                   | 34.9               | 32.8        | 83.6             | 83.9        |
| Total revenues                                                                 | 1,151.5            | 1,066.2     | 2,155.6          | 2,222.7     |
| Benefits and expenses:                                                         |                    |             |                  |             |
| Insurance policy benefits                                                      | 658.4              | 574.4       | 1,228.4          | 1,211.0     |
| Liability for future policy benefits remeasurement loss                        | (12.8)             | (30.0)      | (25.0)           | (36.4)      |
| Change in fair value of market risk benefits                                   | (10.9)             | (5.8)       | 4.4              | (24.7)      |
| Interest expense                                                               | 59.1               | 64.2        | 121.1            | 124.4       |
| Amortization of deferred acquisition costs and present value of future profits | 68.6               | 61.4        | 136.0            | 121.9       |
| Gain on extinguishment of borrowings related to variable interest entities     | —                  | —           | (1.5)            | —           |
| Other operating costs and expenses                                             | 271.1              | 251.4       | 546.4            | 529.7       |
| Total benefits and expenses                                                    | 1,033.5            | 915.6       | 2,009.8          | 1,925.9     |
| Income before income taxes                                                     | 118.0              | 150.6       | 145.8            | 296.8       |
| Income tax expense                                                             | 26.2               | 34.3        | 32.5             | 68.2        |
| Net income                                                                     | \$ 91.8            | \$ 116.3    | \$ 113.3         | \$ 228.6    |
| Earnings per common share:                                                     |                    |             |                  |             |
| Basic:                                                                         |                    |             |                  |             |
| Weighted average shares outstanding                                            | 98,572,000         | 107,731,000 | 99,658,000       | 108,347,000 |
| Net income                                                                     | \$ 0.93            | \$ 1.08     | \$ 1.14          | \$ 2.11     |
| Diluted:                                                                       |                    |             |                  |             |
| Weighted average shares outstanding                                            | 100,386,000        | 109,258,000 | 101,728,000      | 110,052,000 |
| Net income                                                                     | \$ 0.91            | \$ 1.06     | \$ 1.11          | \$ 2.08     |

**NOTES**

- (1) Management believes that an analysis of net income applicable to common stock before: (i) net realized investment gains or losses from sales, impairments and the change in allowance for credit losses, net of taxes; (ii) net change in market value of investments recognized in earnings, net of taxes; (iii) changes in fair value of embedded derivative liabilities and market risk benefits related to our fixed indexed annuities, net of taxes; (iv) fair value changes related to the agent deferred compensation plan, net of taxes; (v) gains or losses related to material reinsurance transactions, net of taxes; (vi) loss on extinguishment of debt, net of taxes; (vii) changes in the valuation allowance for deferred tax assets and other tax items; (viii) costs related to our three-year project to modernize certain elements of our technology ("TechMod") that are incremental to normal spend and will not recur following implementation, net of taxes; and (ix) other non-operating items including earnings attributable to variable interest entities, net of taxes ("net operating income," a non-GAAP financial measure) is important to evaluate the financial performance of the company, and is a key measure commonly used in the life insurance industry. The income tax expense or benefit allocated to the items included in net non-operating income (loss) represents the current and deferred income tax expense or benefit allocated to the items included in non-operating earnings. Management believes this information helps provide a better understanding of the business and a more meaningful analysis of results of our insurance product lines. A reconciliation of net operating income to net income applicable to common stock is provided in the table on page 2. Additional information concerning this non-GAAP measure is included in our periodic filings with the Securities and Exchange Commission that are available on CNO's website, [CNOinc.com](http://CNOinc.com), in the Investors section under SEC Filings.

- (2) Book value per diluted share reflects the potential dilution that could occur if outstanding stock options were exercised and restricted stock and performance units were vested. The dilution from options, restricted shares and performance units is calculated using the treasury stock method. Under this method, we assume the proceeds from the exercise of the options (or the unrecognized compensation expense with respect to restricted stock and performance units) will be used to purchase shares of our common stock at the closing market price on the last day of the period. In addition, the calculation of this non-GAAP measure differs from the corresponding GAAP measure because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in the unrealized appreciation (depreciation) of our investments.
- (3) The calculation of this non-GAAP measure differs from the corresponding GAAP measure because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in the unrealized appreciation (depreciation) of our investments.
- (4) Measured by new annualized premiums for life and health products, which includes 10% of single premium whole life deposits and 100% of all other premiums (excluding annuities). Sales of third-party products are excluded.
- (5) Operating return on equity and operating return on equity, excluding significant items are calculated as follows: (i) operating return on equity is equal to the trailing four quarters of net operating income<sup>(1)</sup> divided by average shareholders' equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards, for the trailing four quarters; and (ii) operating return on equity, excluding significant items is equal to the trailing four quarters of net operating income<sup>(1)</sup>, excluding significant items, divided by average shareholders' equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards, for the trailing four quarters.

The following summarizes: (i) net operating income; (ii) significant items; (iii) net operating income, excluding significant items; and (iv) net income (loss) (dollars in millions):

|      | Net operating<br>income | Significant<br>items | Net operating<br>income,<br>excluding<br>significant<br>items (a) | Net operating<br>income,<br>excluding<br>significant<br>items - trailing<br>four quarters | Net<br>income (loss) | Net<br>income -<br>trailing<br>four quarters |
|------|-------------------------|----------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------|----------------------------------------------|
| 3Q23 | \$ 101.3                | \$ (16.9) (b)        | \$ 84.4                                                           | \$ 287.7                                                                                  | \$ 167.3             | \$ 278.2                                     |
| 4Q23 | 133.9                   | (26.4) (c)           | 107.5                                                             | 312.8                                                                                     | 36.3                 | 276.5                                        |
| 1Q24 | 57.5                    | —                    | 57.5                                                              | 311.7                                                                                     | 112.3                | 389.6                                        |
| 2Q24 | 114.6                   | —                    | 114.6                                                             | 364.0                                                                                     | 116.3                | 432.2                                        |
| 3Q24 | 119.2                   | (21.9) (d)           | 97.3                                                              | 376.9                                                                                     | 9.3                  | 274.2                                        |
| 4Q24 | 138.0                   | 3.1 (e)              | 141.1                                                             | 410.5                                                                                     | 182.9                | 420.8                                        |
| 1Q25 | 81.1                    | (5.3) (f)            | 75.8                                                              | 428.8                                                                                     | 21.5                 | 330.0                                        |
| 2Q25 | 87.5                    | —                    | 87.5                                                              | 401.7                                                                                     | 91.8                 | 305.5                                        |

(a) See note (6) for additional information.

(b) Comprised of \$21.7 million of legal recoveries, net of expenses and increased legal accruals, net of tax expense of \$4.8 million.

(c) Comprised of \$33.9 million of the net favorable impact arising from our comprehensive annual actuarial review, net of tax expense of \$7.5 million.

(d) Comprised of \$31.2 million of the net favorable impact arising from our comprehensive annual actuarial review and \$2.9 million of the unfavorable impact related to a fixed asset impairment, net of tax expense of \$6.4 million.

(e) Comprised of \$3.9 million of the unfavorable impact arising from our comprehensive annual actuarial review, net of tax expense of \$0.8 million.

(f) Comprised of \$6.8 million of the favorable impact of an out-of-period adjustment which decreased reserves, net of tax expense of \$1.5 million.

A reconciliation of pre-tax operating earnings (a non-GAAP financial measure) to net income is as follows (dollars in millions):

|                                                                                                  | Trailing four quarters |          |
|--------------------------------------------------------------------------------------------------|------------------------|----------|
|                                                                                                  | 2Q25                   | 2Q24     |
| Pre-tax operating earnings (a non-GAAP financial measure)                                        | \$ 544.3               | \$ 525.3 |
| Income tax expense                                                                               | (118.5)                | (118.0)  |
| Net operating income                                                                             | 425.8                  | 407.3    |
| Non-operating items:                                                                             |                        |          |
| Net realized investment losses from sales, impairments and change in allowance for credit losses | (81.2)                 | (45.2)   |
| Net change in market value of investments recognized in earnings                                 | 15.5                   | 16.7     |
| Changes in fair value of embedded derivative liabilities and market risk benefits                | (78.9)                 | 65.6     |
| Fair value changes related to the agent deferred compensation plan                               | 3.1                    | —        |
| Other                                                                                            | (13.9)                 | (3.9)    |
| Non-operating loss before taxes                                                                  | (155.4)                | 33.2     |
| Income tax benefit on non-operating loss                                                         | 35.1                   | (8.3)    |
| Net non-operating loss                                                                           | (120.3)                | 24.9     |
| Net income                                                                                       | \$ 305.5               | \$ 432.2 |

A reconciliation of consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

|                                                                                                                                                   | 1Q23              | 2Q23              | 3Q23              | 4Q23              |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) | \$ 3,543.8        | \$ 3,603.0        | \$ 3,744.2        | \$ 3,712.8        |
| Net operating loss carryforwards                                                                                                                  | 152.4             | 126.3             | 102.6             | 79.6              |
| Accumulated other comprehensive loss                                                                                                              | (1,664.4)         | (1,733.5)         | (1,956.7)         | (1,576.8)         |
| Common shareholders' equity                                                                                                                       | <u>\$ 2,031.8</u> | <u>\$ 1,995.8</u> | <u>\$ 1,890.1</u> | <u>\$ 2,215.6</u> |
|                                                                                                                                                   | 1Q24              | 2Q24              | 3Q24              | 4Q24              |
| Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) | \$ 3,536.8        | \$ 3,596.7        | \$ 3,529.9        | \$ 3,810.0        |
| Net operating loss carryforwards                                                                                                                  | 311.2             | 296.5             | 273.9             | 76.6              |
| Accumulated other comprehensive loss                                                                                                              | (1,480.3)         | (1,464.3)         | (1,116.0)         | (1,371.4)         |
| Common shareholders' equity                                                                                                                       | <u>\$ 2,367.7</u> | <u>\$ 2,428.9</u> | <u>\$ 2,687.8</u> | <u>\$ 2,515.2</u> |
|                                                                                                                                                   | 1Q25              | 2Q25              |                   |                   |
| Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) | \$ 3,498.9        | \$ 3,504.3        |                   |                   |
| Net operating loss carryforwards                                                                                                                  | 295.3             | 271.1             |                   |                   |
| Accumulated other comprehensive loss                                                                                                              | (1,239.1)         | (1,252.7)         |                   |                   |
| Common shareholders' equity                                                                                                                       | <u>\$ 2,555.1</u> | <u>\$ 2,522.7</u> |                   |                   |

A reconciliation of consolidated capital, excluding accumulated other comprehensive loss and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

|                                                                                                                                                   | Trailing four quarter average |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------|
|                                                                                                                                                   | 2Q25                          | 2Q24              |
| Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) | \$ 3,597.3                    | \$ 3,648.4        |
| Net operating loss carryforwards                                                                                                                  | 232.4                         | 176.2             |
| Accumulated other comprehensive loss                                                                                                              | (1,271.2)                     | (1,653.2)         |
| Common shareholders' equity                                                                                                                       | <u>\$ 2,558.5</u>             | <u>\$ 2,171.4</u> |

- (6) The tables below summarize the financial impact of significant items on our net operating income for the three months ended March 31, 2025 and the quarters during the year ended December 31, 2024 that had significant items impacting our net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions, except per share data).

|                                                  | Three months ended<br>March 31, 2025 |                      |                                   |
|--------------------------------------------------|--------------------------------------|----------------------|-----------------------------------|
|                                                  | Actual<br>results                    | Significant<br>items | Excluding<br>significant<br>items |
| <b>Insurance product margin</b>                  |                                      |                      |                                   |
| Annuity margin                                   | \$ 54.5                              | \$ —                 | \$ 54.5                           |
| Health margin                                    | 126.2                                | —                    | 126.2                             |
| Life margin                                      | 68.2                                 | (6.8) (a)            | 61.4                              |
| Total insurance product margin                   | 248.9                                | (6.8)                | 242.1                             |
| Allocated expenses                               | (161.2)                              | —                    | (161.2)                           |
| Income from insurance products                   | 87.7                                 | (6.8)                | 80.9                              |
| Fee income                                       | (0.8)                                | —                    | (0.8)                             |
| Investment income not allocated to product lines | 38.0                                 | —                    | 38.0                              |
| Expenses not allocated to product lines          | (20.3)                               | —                    | (20.3)                            |
| <b>Operating earnings before taxes</b>           | 104.6                                | (6.8)                | 97.8                              |
| Income tax (expense) benefit on operating income | (23.5)                               | 1.5                  | (22.0)                            |
| <b>Net operating income</b>                      | <u>\$ 81.1</u>                       | <u>\$ (5.3)</u>      | <u>\$ 75.8</u>                    |
| Net operating income per diluted share           | <u>\$ 0.79</u>                       | <u>\$ (0.05)</u>     | <u>\$ 0.74</u>                    |

(a) Comprised of \$6.8 million of the favorable impact of an out-of-period adjustment, which decreased reserves.

|                                                  | Three months ended<br>December 31, 2024 |                      |                                   |
|--------------------------------------------------|-----------------------------------------|----------------------|-----------------------------------|
|                                                  | Actual<br>results                       | Significant<br>items | Excluding<br>significant<br>items |
| <b>Insurance product margin</b>                  |                                         |                      |                                   |
| Annuity margin                                   | \$ 55.0                                 | \$ —                 | \$ 55.0                           |
| Health margin                                    | 130.1                                   | 3.9 (a)              | 134.0                             |
| Life margin                                      | 68.0                                    | —                    | 68.0                              |
| Total insurance product margin                   | 253.1                                   | 3.9                  | 257.0                             |
| Allocated expenses                               | (146.1)                                 | —                    | (146.1)                           |
| Income from insurance products                   | 107.0                                   | 3.9                  | 110.9                             |
| Fee income                                       | 20.6                                    | —                    | 20.6                              |
| Investment income not allocated to product lines | 65.3                                    | —                    | 65.3                              |
| Expenses not allocated to product lines          | (19.0)                                  | —                    | (19.0)                            |
| <b>Operating earnings before taxes</b>           | 173.9                                   | 3.9                  | 177.8                             |
| Income tax (expense) benefit on operating income | (35.9)                                  | (0.8)                | (36.7)                            |
| <b>Net operating income</b>                      | <u>\$ 138.0</u>                         | <u>\$ 3.1</u>        | <u>\$ 141.1</u>                   |
| Net operating income per diluted share           | <u>\$ 1.31</u>                          | <u>\$ 0.03</u>       | <u>\$ 1.34</u>                    |

(a) Comprised of \$3.9 million of the unfavorable impact arising from our comprehensive annual actuarial review.

|                                                  | Three months ended<br>September 30, 2024 |                      |                                   |
|--------------------------------------------------|------------------------------------------|----------------------|-----------------------------------|
|                                                  | Actual<br>results                        | Significant<br>items | Excluding<br>significant<br>items |
| <b>Insurance product margin</b>                  |                                          |                      |                                   |
| Annuity margin                                   | \$ 91.1                                  | \$ (36.2) (a)        | \$ 54.9                           |
| Health margin                                    | 127.8                                    | 4.3 (a)              | 132.1                             |
| Life margin                                      | 63.3                                     | 0.7 (a)              | 64.0                              |
| Total insurance product margin                   | 282.2                                    | (31.2)               | 251.0                             |
| Allocated expenses                               | (153.0)                                  | —                    | (153.0)                           |
| Income from insurance products                   | 129.2                                    | (31.2)               | 98.0                              |
| Fee income                                       | (2.7)                                    | —                    | (2.7)                             |
| Investment income not allocated to product lines | 45.5                                     | —                    | 45.5                              |
| Expenses not allocated to product lines          | (18.5)                                   | 2.9 (b)              | (15.6)                            |
| <b>Operating earnings before taxes</b>           | 153.5                                    | (28.3)               | 125.2                             |
| Income tax (expense) benefit on operating income | (34.3)                                   | 6.4                  | (27.9)                            |
| <b>Net operating income</b>                      | <u>\$ 119.2</u>                          | <u>\$ (21.9)</u>     | <u>\$ 97.3</u>                    |
| Net operating income per diluted share           | <u>\$ 1.11</u>                           | <u>\$ (0.19)</u>     | <u>\$ 0.92</u>                    |

(a) Comprised of \$31.2 million of net favorable impact arising from our comprehensive annual actuarial review.

(b) Comprised of \$2.9 million of the unfavorable impact related to a fixed asset impairment.

For further information:

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