



Earnings Supplement

Second Quarter 2025

July 31, 2025



Forward-Looking Statements – Cautionary Language



Certain statements made in this press release and in other written or oral statements made by Lincoln or on Lincoln's behalf are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may contain words like: "anticipate," "believe," "estimate," "expect," "project," "shall," "will" and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in Lincoln's businesses, prospective services or products, future performance or financial results and the outcome of contingencies, such as legal proceedings. Lincoln claims the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those expressed in or implied by such forward-looking statements due to a variety of factors, including:

- Weak general economic and business conditions that may affect demand for our products, account balances, investment results, guaranteed benefit liabilities, premium levels and claims experience;
- Adverse global capital and credit market conditions that may affect our ability to raise capital, if necessary, and may cause us to realize impairments on investments and certain intangible assets, including goodwill and the valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- The inability of our subsidiaries to pay dividends to the holding company in sufficient amounts, which could harm the holding company's ability to meet its obligations;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect: the cost of, or demand for, our subsidiaries' products; the required amount of reserves and/or surplus; our ability to conduct business; our affiliate reinsurance arrangements; and restrictions on the payment of revenue sharing and 12b-1 distribution fees;
- Changes in tax law or the interpretation of or application of existing tax laws that could impact our tax costs and the products that we sell;
- The impact of regulations adopted by the Securities and Exchange Commission ("SEC"), the Department of Labor or other federal or state regulators or self-regulatory organizations that could adversely affect our distribution model and sales of our products and result in additional disclosure and other requirements related to the sale and delivery of our products;
- The impact of new and emerging rules, laws and regulations relating to privacy, cybersecurity and artificial intelligence that may lead to increased compliance costs, reputation risk and/or changes in business practices;
- Increasing scrutiny and evolving expectations and regulations regarding ESG matters that may adversely affect our reputation and our investment portfolio;
- Actions taken by reinsurers to raise rates on in-force business;
- Declines in or sustained low interest rates causing a reduction in investment income, the interest margins of our businesses and demand for our products;
- Rapidly increasing or sustained high interest rates that may negatively affect our profitability, value of our investment portfolio and capital position and may cause policyholders to surrender annuity and life insurance policies, thereby causing realized investment losses;
- The impact of the implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- A decline or continued volatility in the equity markets causing a reduction in the sales of our subsidiaries' products; a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products; and an increase in liabilities related to guaranteed benefit riders, which are accounted for as market risk benefits, of our subsidiaries' variable annuity products;
- Ineffectiveness of our risk management policies and procedures, including our various hedging strategies;
- A deviation in actual experience regarding future policyholder behavior, mortality, morbidity, interest rates or equity market returns from the assumptions used in pricing our subsidiaries' products and in establishing related insurance reserves, which may reduce future earnings;
- Changes in accounting principles that may affect our consolidated financial statements;
- Lowering of one or more of our debt ratings issued by nationally recognized statistical rating organizations and the adverse effect such action may have on our ability to raise capital and on our liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of our insurance subsidiaries and the adverse effect such action may have on the premium writings, policy retention, and profitability of our insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud, corporate governance or other issues that may adversely affect the value of certain financial assets, as well as counterparties to which we are exposed to credit risk, requiring that we realize losses on financial assets;
- Interruption in or failure of the telecommunication, information technology or other operational systems of the company or the third parties on whom we rely or failure to safeguard the confidentiality or privacy of sensitive data on such systems, including from cyberattacks or other breaches in security of such systems;
- The effect of acquisitions and divestitures, including the inability to realize the anticipated benefits of acquisitions and dispositions of businesses and potential operating difficulties and unforeseen liabilities relating thereto, as well as the effect of restructurings, product withdrawals and other unusual items;
- The inability to realize or sustain the benefits we expect from, greater than expected investments in, and the potential impact of efforts related to, our strategic initiatives;
- The adequacy and collectability of reinsurance that we have obtained;
- Pandemics, acts of terrorism, war or other man-made and natural catastrophes that may adversely impact liabilities for policyholder claims and adversely affect our businesses and the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that our subsidiaries can charge for their products;
- The unknown effect on our subsidiaries' businesses resulting from evolving market preferences and the changing demographics of our client base; and
- The unanticipated loss of key management or wholesalers.

The risks and uncertainties included here are not exhaustive. Our most recent Form 10-K, as well as other reports that we file with the SEC, include additional factors that could affect our businesses and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, Lincoln disclaims any obligation to correct or update any forward-looking statements to reflect events or circumstances that occur after the date of this press release.

The reporting of Risk-Based Capital ("RBC") measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

2Q25 Scorecard



Adjusted Operating Income¹

+32% YoY

Diversified earnings mix
supported profitable growth

Estimated RBC Ratio²

>420%

Significant buffer
above capital target

Leverage Ratio³

-330bps YoY

Equity growth
drove improvement

Group Protection Operating Margin

+250bps YoY

5th consecutive quarter with
over \$100M in earnings

Life Operating Income

\$32M

In-line alternative investment
income and favorable mortality

Annuities Sales

+5% YoY

Third highest
sales quarter

¹ Represents Adjusted Operating Income Available to Common Stockholders. See Non-GAAP Financial Measures Appendix for definition and reconciliations. ² The RBC ratio is calculated as of December 31 annually, but is reported in the March statutory reporting, and as such, the ratio presented is considered an estimate based on information known at the time of reporting. ³ See Non-GAAP Financial Measures Appendix for definition and reconciliation.

2Q25 Key Messages

Diversified earnings sources contributed to sustained, profitable growth

- Adjusted operating income¹ increased 32% YoY, the 4th consecutive quarter of YoY growth.
- Group Protection record earnings up 33% YoY, and record margin was 12.5%, up 250 bps.
- Life Insurance earnings of \$32M with in-line alternative inv. income and favorable mortality.

Another quarter of strong sales growth driven by differentiated mix of products

- Group Protection sales up 16% YoY driven by local market and supplemental health sales.
- Life Insurance sales were up 15% YoY as momentum in risk-sharing products continued.
- Annuities sales increased 5% YoY supported by a diversified and balanced product mix.
- Retirement Plan Services achieved strong deposit growth, up 10% YoY.

Capital strengthened further, enhanced by close of Bain Capital transaction

- Estimated RBC ratio² >420%, consistent with goal to hold capital buffer above 400% target.
- Leverage ratio³ improved 330bps YoY to 25.6%, driven primarily by equity growth.
- \$1B P-Caps issuance increased access to on-demand capital while extending duration to 2055.

\$ in millions		After-tax	Per share
Adjusted Operating Income, ex. normalizing items		\$427	\$2.36
Normalizing item			
Alternative investment income compared to our 10% long-term return target		-	-
Adjusted Operating Income ¹		\$427	\$2.36

¹ Represents Adjusted Operating Income Available to Common Stockholders. See Non-GAAP Financial Measures Appendix for definition and reconciliations. ² The RBC ratio is calculated as of December 31 annually, but is reported in the March statutory reporting, and as such, the ratio presented is considered an estimate based on information known at the time of reporting. ³ See Non-GAAP Financial Measures Appendix for definition and reconciliations.

2Q25 Earnings Drivers

\$ in millions



Annuities

Operating Income

\$297

\$287

2Q24

2Q25

Primary Drivers



- Favorable equity markets
- Growth in spread-based earnings
- Lower net G&A expenses



- Traditional variable annuity outflows

Group Protection

Operating Income

\$130

\$173

2Q24

2Q25

Primary Drivers



- Favorable life experience
- Favorable disability results
- Sustained growth in supplemental health

Retirement Plan Services

Operating Income

\$40

\$37

2Q24

2Q25

Primary Drivers



- Favorable equity markets



- Stable value outflows

Life Insurance

Operating Income

\$(35)

2Q24

\$32

2Q25

Primary Drivers



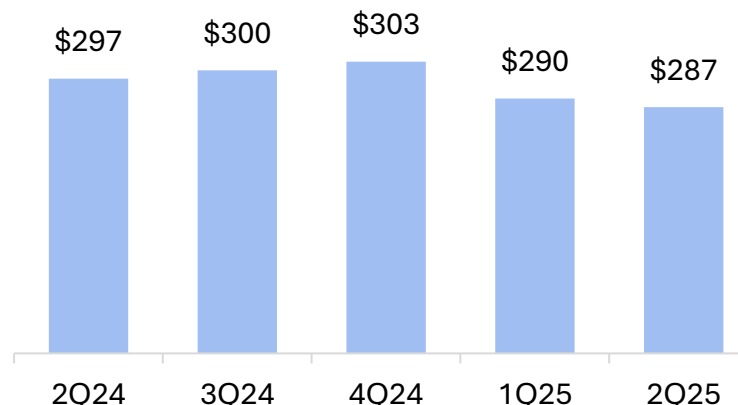
- Higher alternative investment income
- Favorable mortality
- Lower net G&A expenses

Annuities

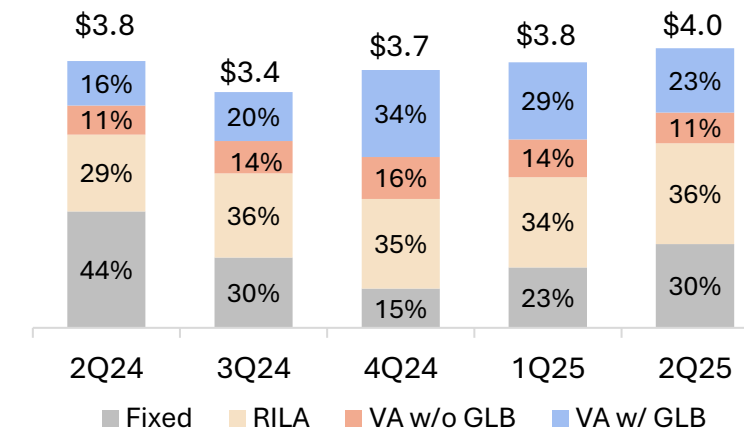
Key Highlights

- Operating income decreased 3% YoY, as outflows drove a decline in traditional VA average account balances², partially offset by favorable equity markets.
- Sales increased 5% YoY, with spread-based products comprising 66% of total sales.
- Ending account balances² grew 5% YoY driven by RILA account balance growth and favorable equity markets.

Operating Income¹ (\$M)



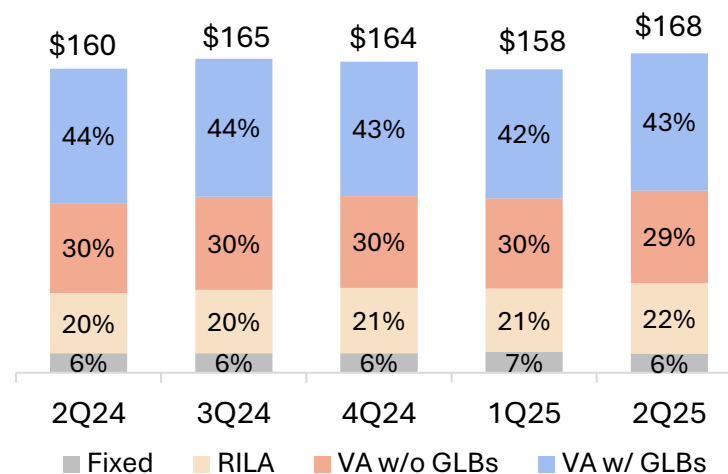
Sales (\$B)



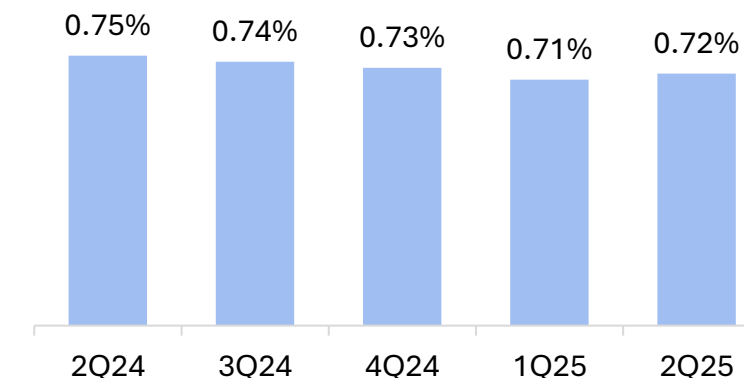
Key Priorities

- Grow our addressable market by extending reach to spread-based products.
- Increase market competitiveness through development of new product features.
- Optimize general account to support spread expansion.

Ending Account Balances² (\$B)



Return on Average Account Balances²

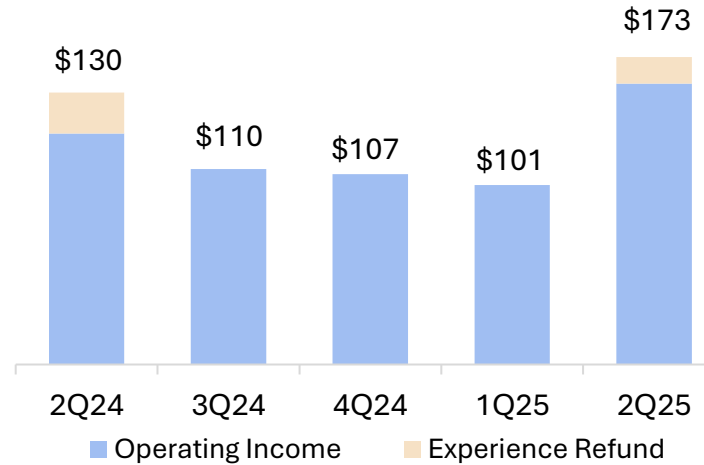


Group Protection

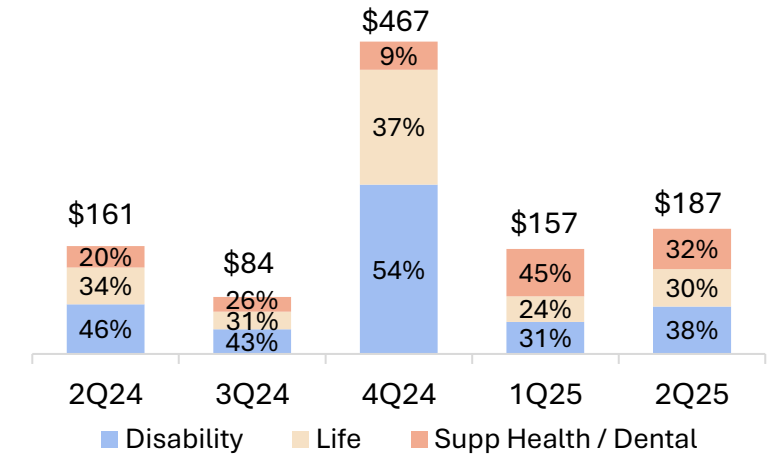
Key Highlights

- Record operating income up 33%, record margin up 250 bps YOY, driven by life experience and favorable LTD results.
- Excluding the annual experience refund, earnings were up 48% and the margin increased by 320 bps YoY.
- Premiums were 7% higher YoY driven by prior-year sales and strong persistency; Growth in the local market segment and strong supplemental health sales drove total sales up 16% YOY.

Operating Income¹ (\$M)



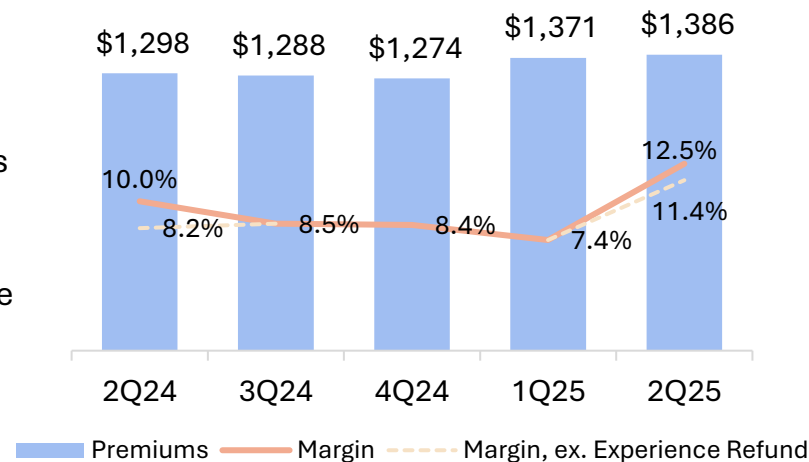
Sales (\$M)



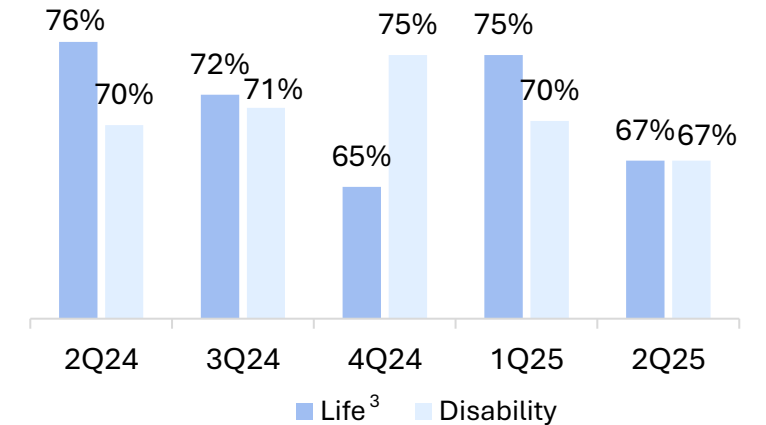
Key Priorities

- Diversify across market segments with an emphasis on growing local markets.
- Expand and deepen product portfolio with a focus on growth in supplemental health.
- Continued pricing discipline focused on profitable growth while investing in capabilities to improve the customer experience.

Premiums & Margin^{1,2} (\$M)



Loss Ratios^{1,2}



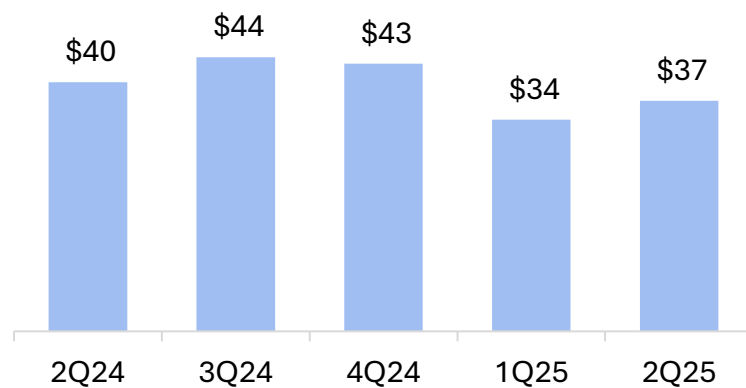
Retirement Plan Services



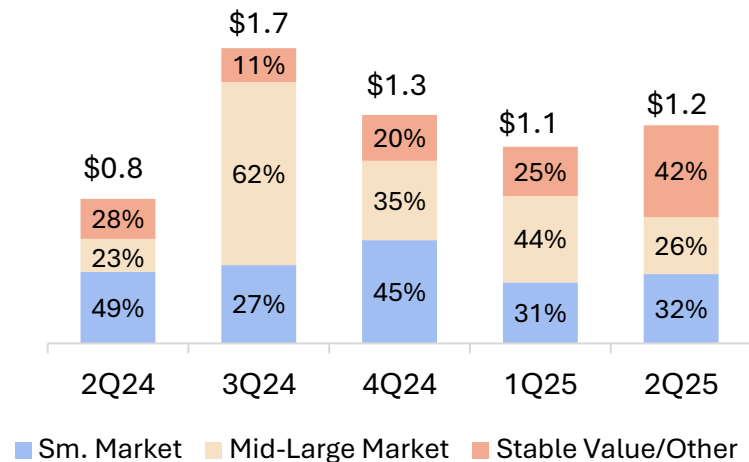
Key Highlights

- Operating income decreased by 8% YoY, primarily due to stable value outflows, partially offset by favorable equity markets.
- First year sales grew almost 50% driven by strong stable value sales.
- Ending account balances were up 8% YoY, resulting from favorable equity markets.

Operating Income (\$M)



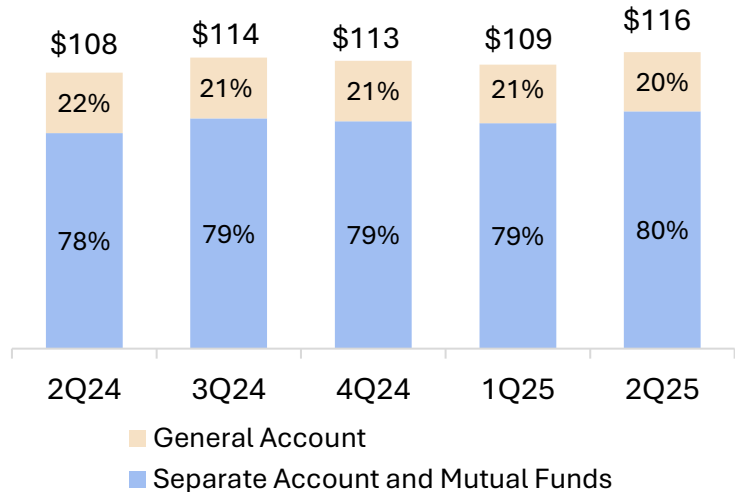
First-year Sales (\$B)



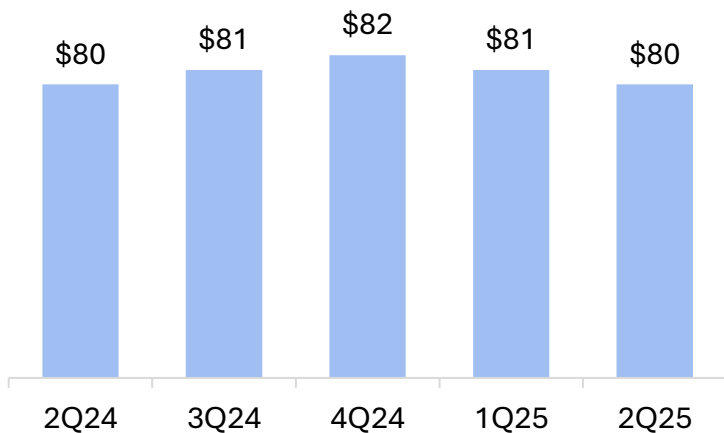
Key Priorities

- Growth in core recordkeeping and institutional market segments through our differentiated service model.
- Expand access to retirement solutions by leveraging distribution relationships and product innovation.
- Increase operational and expense efficiencies to drive down our cost per participant and improve profitability.

Ending Account Balances (\$B)



Net G&A Expenses (\$M)

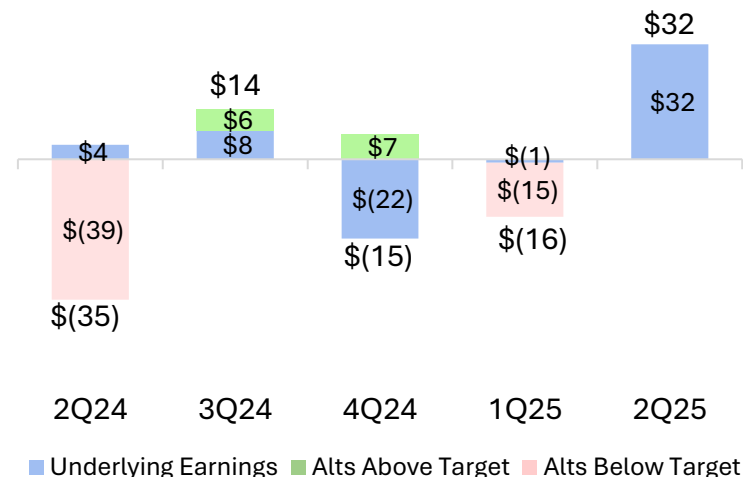


Life Insurance

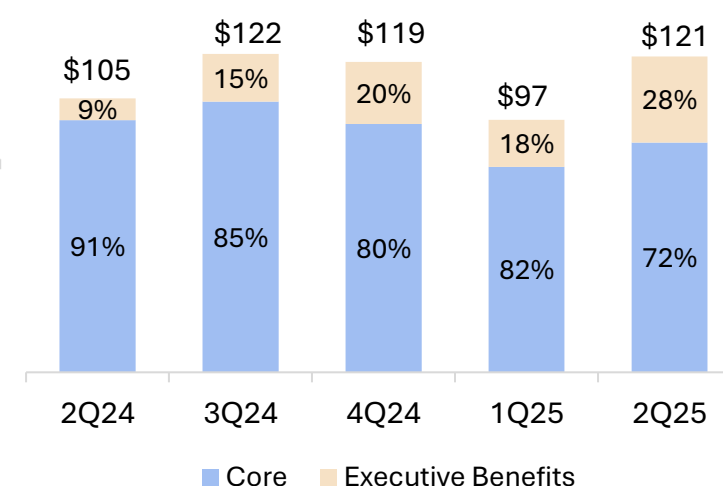
Key Highlights

- Operating income improved by \$67 million, driven by higher alternative investment income and favorable mortality.
- Total sales increased 15% YoY as sales momentum in risk-sharing products continued.
- Net G&A expenses declined 2% YoY, reflecting improved operational efficiency.

Operating Income (Loss)¹ (\$M)



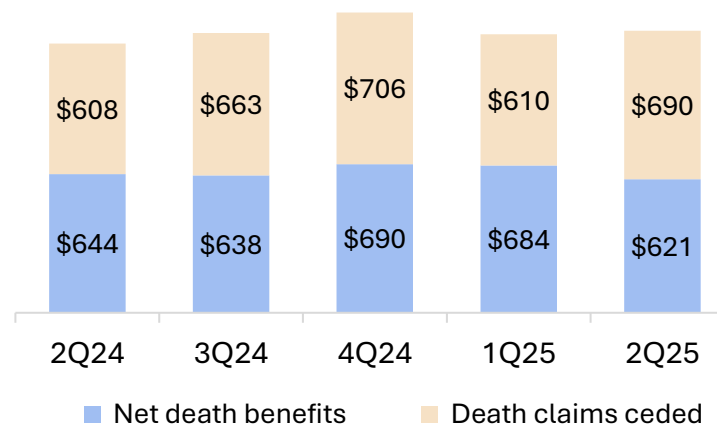
Sales (\$M)



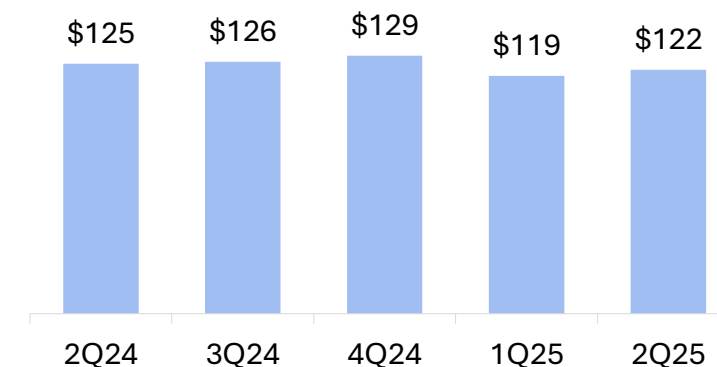
Key Priorities

- Optimize product portfolio to support pivot toward products with more stable cash flows and higher risk-adjusted returns.
- Continue efforts to reduce expense base to drive cost efficiency and earnings growth.
- Maintain focus on optimizing the legacy in force and increase earnings.

Net Death Benefits (\$M)



Net G&A Expenses (\$M)



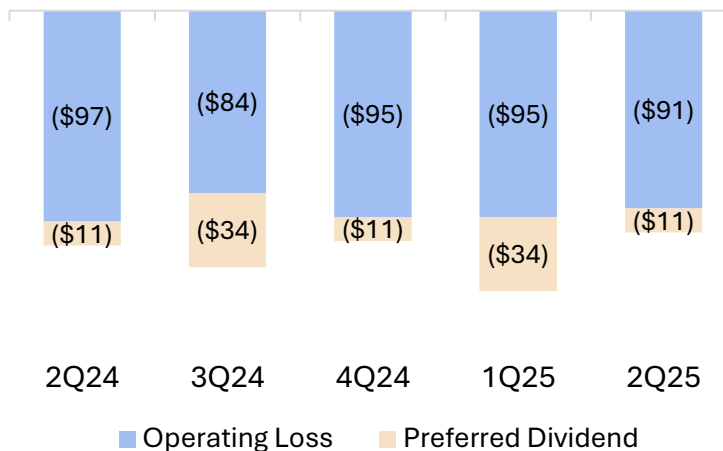
¹ Excludes \$8M in 3Q24 related to annual assumption review.

Other Operations

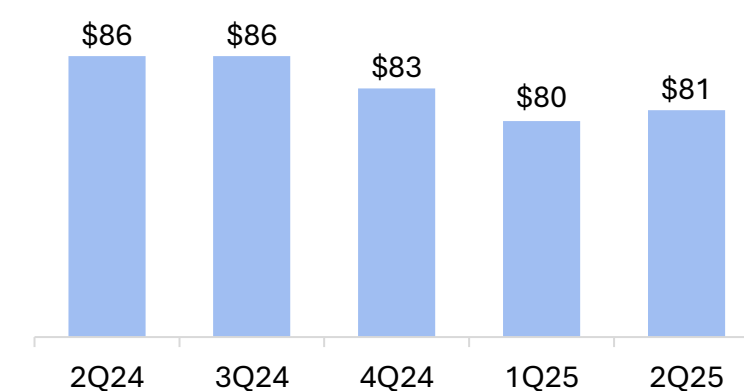
Key Highlights

- Operating loss was \$91 million, down 6% YoY due to lower interest and net G&A expenses.
- Interest expense decreased \$5 million YoY, reflecting lower average outstanding debt and a decline in rates on floating rate debt.
- Leverage ratio improved by 330 basis points driven by equity growth.

Operating Loss and Preferred Dividend (\$M)



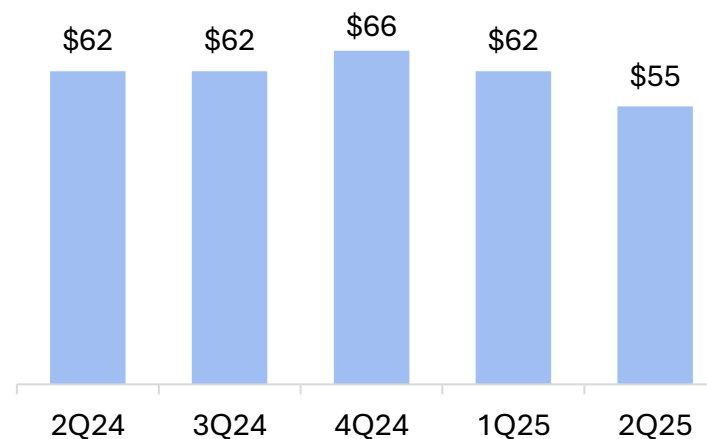
Interest Expense (\$M)



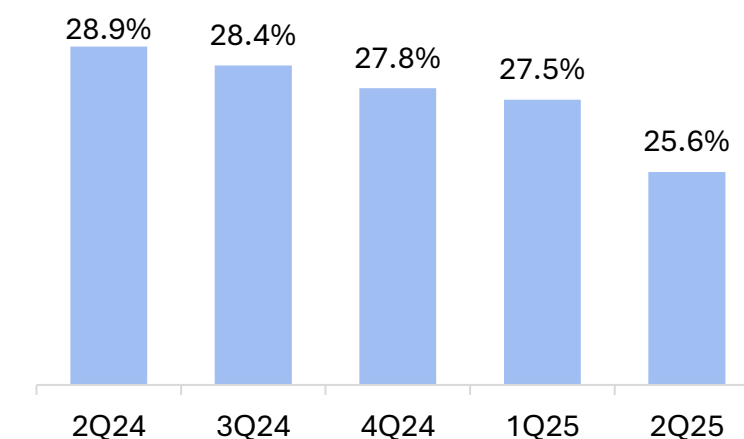
Key Priorities

- Reduce leverage ratio through continued growth in capital and opportunistic deleveraging.
- Continued focus on operational efficiency, including the conclusion of Spark initiative-related projects in 2025.

Net G&A Expenses¹ (\$M)



Leverage Ratio²

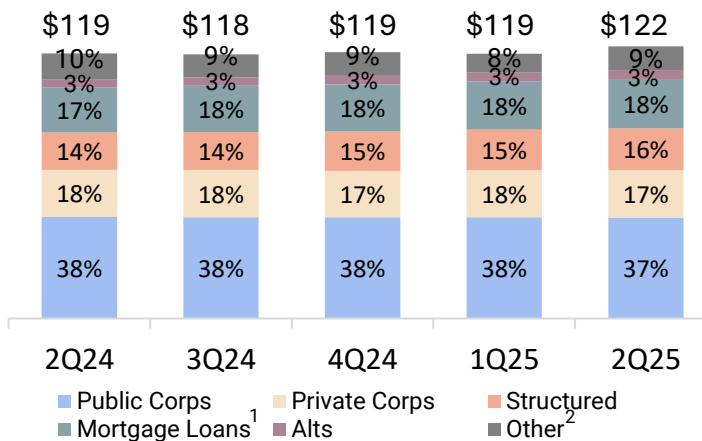


Investment Portfolio

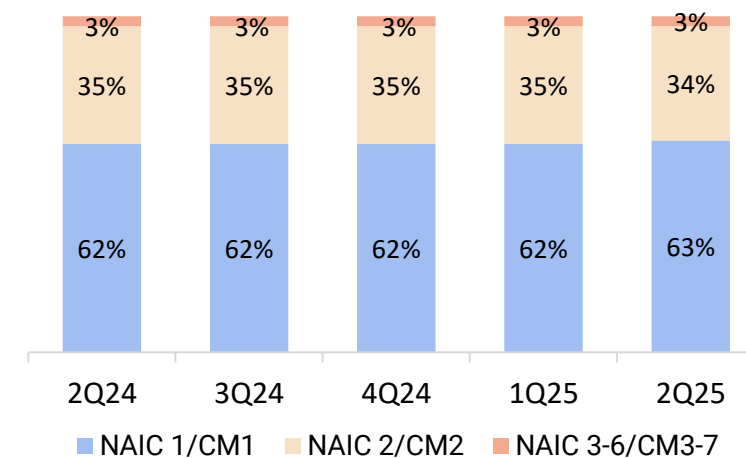
Key Highlights

- Well-diversified portfolio with 97% investment grade rated assets.
- Achieved a 6.1% new money yield; ~150bps above the portfolio yield, driven by the rate environment and our investment strategy optimization.
- Our diversified alternatives portfolio delivered a 2.5% quarterly return or 10% annualized return, in-line with our long-term expectation of 10%.

Investment Portfolio (\$B)



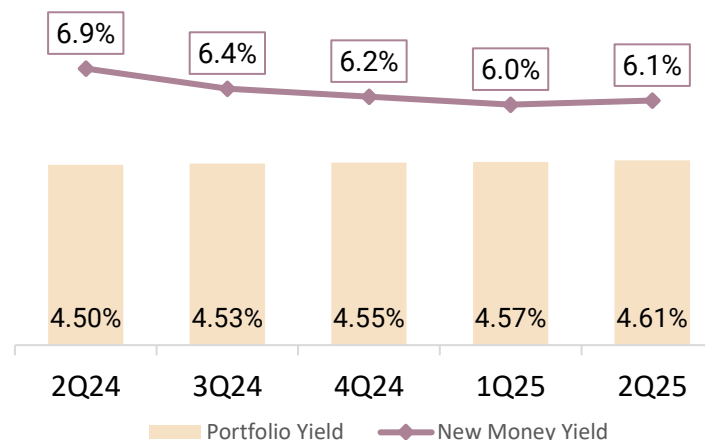
Rated Assets Portfolio Quality



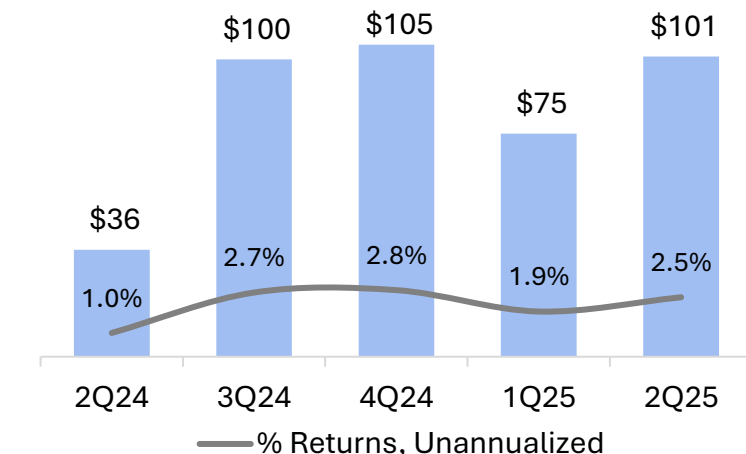
Key Priorities

- Leveraging the sourcing capabilities and security selection of our multi-manager platform for portfolio construction.
- Optimizing our new money strategy with focus on maintaining diversification and high quality while capitalizing on less liquid assets and structured asset class premiums.
- Achieving attractive risk-adjusted alternative returns.

New Money Yields



Alternative Investment Income (\$M), Pre-Tax



¹ Mortgage Loans include CMLs and RMLs.

² Other includes municipals, cash, ICOLI assets, common and preferred stock, sovereign government and UST/agency.

Appendix



Investment Portfolio

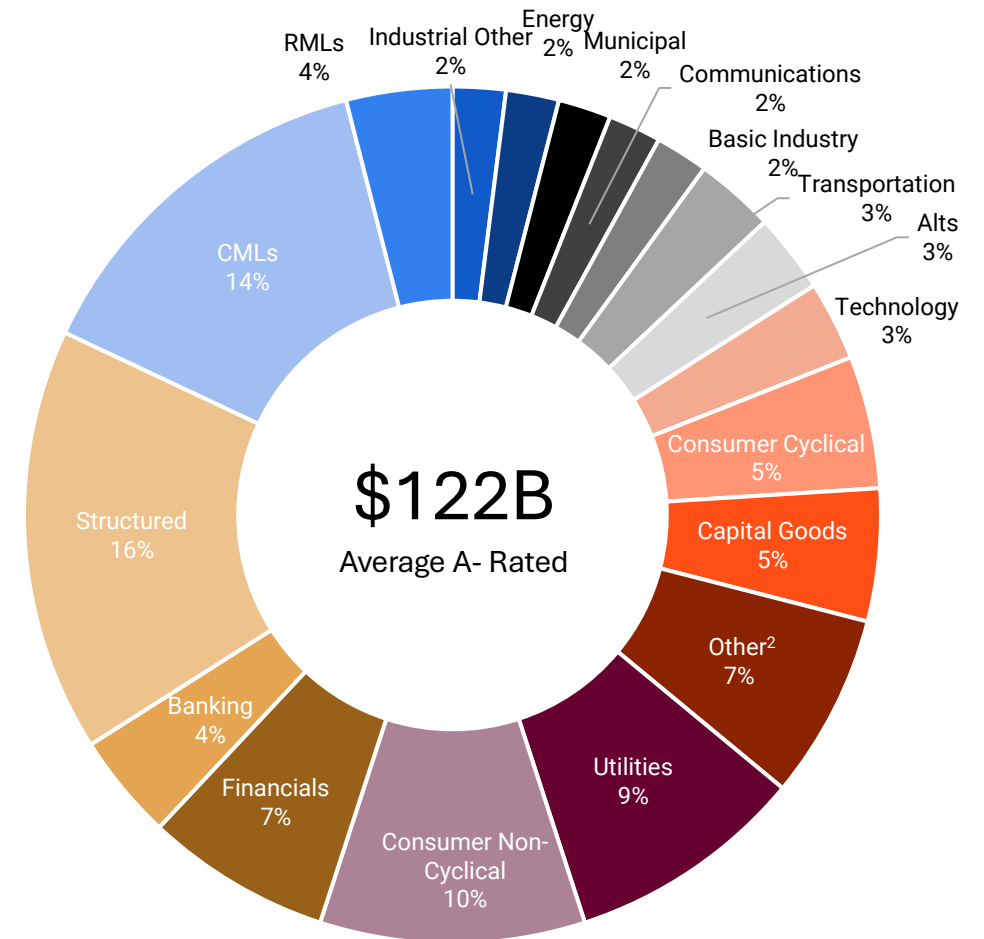
High quality and well-diversified portfolio¹



The portfolio is well-positioned

- Long-term investment strategy is tightly aligned with our liability profile and positioned for various economic cycles.
 - 97% investment grade, the portfolio remains high quality, providing flexibility to further add incremental yield.
 - Well positioned to further optimize the portfolio asset allocation given high-quality asset mix and shift toward shorter duration liabilities.

Portfolio allocation by asset class



¹ Data on slide is as of June 30, 2025. ² Other includes cash, ICOLI assets, common and preferred stock, sovereign government and UST/agency.

Note: All information regarding LNC's investment portfolio in this earnings supplement excludes assets related to certain modified coinsurance and coinsurance with funds withheld transactions. The modified coinsurance and funds withheld reinsurance agreements investment portfolio has counterparty protections in place including investment guidelines, as well as additional support including trusts and letters of credit that were established to meet LNC's risk management objectives.

Non-GAAP Financial Measures Appendix



Non-GAAP Financial Measures



Non-GAAP Financial Measures

Non-GAAP financial measures do not replace the most directly comparable GAAP measures. Reconciliations of the following non-GAAP financial measures to the most directly comparable GAAP financial measures or calculations of such measures, as applicable, are presented herein beginning on slide 17.

Adjusted Income (Loss) From Operations

Adjusted income (loss) from operations is GAAP net income (loss) excluding the effects of the following items, as applicable:

- Items related to annuity product features, which include changes in market risk benefits ("MRBs"), changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits, and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products (collectively, "net annuity product features");
- Items related to life insurance product features, which include changes in the fair value of derivatives we hold as part of variable universal life insurance ("VUL") hedging, changes in reserves resulting from benefit ratio unlocking associated with the impact of capital markets, and changes in the fair value of the embedded derivative liabilities of our indexed universal life insurance ("IUL") contracts and the associated index options we hold to hedge them (collectively, "net life insurance product features");
- Credit loss-related adjustments on fixed maturity available-for-sale ("AFS") securities, mortgage loans on real estate and reinsurance-related assets ("credit loss-related adjustments");
- Changes in the fair value of equity securities and certain other investments, the impact of certain derivatives, and realized gains (losses) on sales, disposals and impairments of financial assets (collectively, "investment gains (losses)");
- Changes in the fair value of reinsurance-related embedded derivatives, trading securities and mortgage loans on real estate electing the fair value option ("changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans");
- Income (loss) from the initial adoption of new accounting standards, accounting policy changes and new regulations, including changes in tax law;
- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Losses from the impairment of intangible assets and gains (losses) on other non-financial assets;
- Income (loss) from discontinued operations;
- Other items, which include the following: certain legal and regulatory accruals; severance expense related to initiatives that realign the workforce; transaction, integration and other costs related to mergers and acquisitions, including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business, and certain other corporate initiatives; mark-to-market adjustment related to the LNC stock component of our deferred compensation plans ("deferred compensation mark-to-market adjustment"); gains (losses) on modification or early extinguishment of debt; and impacts from settlement or curtailment of defined benefit obligations; and
- Income tax benefit (expense) related to the above pre-tax items, including the effect of tax adjustments such as changes to deferred tax valuation allowances.

Adjusted income (loss) from operations available to common stockholders is defined as after-tax adjusted income (loss) from operations less preferred stock dividends.

Non-GAAP Financial Measures, Cont'd



Management believes that the use of the non-GAAP financial measures adjusted income (loss) from operations, adjusted income (loss) from operations available to common stockholders (or adjusted operating income) and adjusted income (loss) from operations per diluted share available to common stockholders is helpful to investors in evaluating the company's performance.

Management believes that excluding the following items from adjusted income (loss) from operations enhances understanding of the underlying trends and long-term performance of the company's business. Management excludes "net annuity product features" as this adjustment primarily represents the difference between the valuation of reserves and the valuation of derivatives utilized for hedging our variable annuity and indexed annuity products, which can fluctuate significantly from period to period based on changes in equity markets and interest rates. This difference is due to the hedge focus on managing risks to statutory capital as opposed to the GAAP reserves. Management excludes "net life insurance product features" for similar reasons. In addition, management excludes "credit loss-related adjustments" and "investment gains (losses)" as the timing of changes in allowances or sales of credit-impaired investments depends largely on market credit cycles and can vary considerably from period to period and the timing of other sales of investments that would result in gains or losses is driven by market conditions, including interest rates, and other factors. Management excludes "changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans" as this adjustment represents the economics of investments in underlying funds withheld portfolios supporting reinsurance agreements that have been transferred to third-party reinsurers, which is not indicative of our ongoing results.

Finally, management excludes from adjusted income (loss) from operations certain additional items (as set forth in the definition above) that are not necessarily indicative of current operating fundamentals or future performance of the business segments, and, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments. Management believes excluding these items better explains the results of the company's ongoing businesses in a manner that allows for enhanced understanding of underlying trends, company performance and business fundamentals.

Adjusted Stockholders' Equity

Adjusted stockholders' equity is stockholders' equity, excluding AOCI, preferred stock, changes in MRBs, guaranteed living benefit ("GLB") and guaranteed death benefit ("GDB") hedge instruments gains (losses), and the difference between amounts recognized in net income (loss) on reinsurance-related embedded derivatives and the underlying asset portfolios ("reinsurance-related embedded derivatives and portfolio gains (losses)"). Management believes this metric is useful to investors to analyze our net worth because it eliminates the effect of market movements that can fluctuate significantly from period to period, primarily related to changes in equity markets and interest rates. Stockholders' equity is the most directly comparable GAAP measure.

Leverage Ratio

Leverage ratio is a measure that we use to monitor the level of our debt relative to our total capitalization. Debt used in this metric reflects total debt and preferred stock adjusted for certain items. Total capitalization reflects debt used in the numerator of this ratio and stockholders' equity adjusted for certain items.

Reconciliation of Net Income (Loss) Available to Common Stockholders to Adjusted Income (Loss) from Operations Available to Common Stockholders

Unaudited (millions of dollars, except per share data)



	For the Three Months Ended				
	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Net Income					
Net income (loss) available to common stockholders – diluted	\$ 884	\$ (562)	\$ 1,675	\$ (756)	\$ 688
Less:					
Preferred stock dividends declared	(11)	(34)	(11)	(34)	(11)
Net income (loss)	895	(528)	1,686	(722)	699
Less:					
Net annuity product features, pre-tax ⁽¹⁾	252	(381)	1,187	(1,092)	405
Net life insurance product features, pre-tax	4	(125)	46	42	(58)
Credit loss-related adjustments, pre-tax	(34)	(88)	(28)	(28)	(25)
Investment gains (losses), pre-tax	(230)	(105)	(67)	(103)	(81)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽²⁾	201	(446)	587	(90)	14
Gains (losses) on other non-financial assets – sale of subsidiaries/businesses, pre-tax ⁽³⁾	584	(2)	—	—	—
Other items, pre-tax ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾	(33)	(19)	(32)	(35)	75
Income tax benefit (expense) related to the above pre-tax items	(184)	246	(350)	270	(69)
Total adjustments	560	(920)	1,343	(1,036)	261
Adjusted income (loss) from operations	335	392	343	314	438
Add:					
Preferred stock dividends declared	(11)	(34)	(11)	(34)	(11)
Adjusted income (loss) from operations available to common stockholders	\$ 324	\$ 358	\$ 332	\$ 280	\$ 427
Earnings (Loss) Per Common Share – Diluted					
Net income (loss) (diluted)	\$ 5.11	\$ (3.29)	\$ 9.63	\$ (4.41)	\$ 3.80
Adjusted income (loss) from operations (diluted)	1.87	2.06	1.91	1.60	2.36

Refer to following slide 18 for footnotes to table.

Reconciliation of Net Income (Loss) Available to Common Stockholders to Adjusted Income (Loss) from Operations Available to Common Stockholders (continued from previous slide)

Unaudited (millions of dollars)



- (1) Includes changes in MRBs of \$126 million, \$(666) million, \$1,282 million, \$(1,302) million and \$932 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$50 million, \$188 million, \$(212) million, \$274 million and \$(595) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$76 million, \$97 million, \$117 million, \$(64) million and \$68 million for the second quarter of 2024, third quarter of 2024, fourth quarter of 2024, first quarter of 2025 and second quarter of 2025, respectively.
- (2) Includes primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- (3) Relates to the sale of our wealth management business, which provided approximately \$650 million of statutory capital benefit.
- (4) For the fourth quarter of 2024, includes certain legal accruals of \$(15) million and regulatory accruals of \$(12) million related to estimated state guaranty fund assessments net of estimated state premium tax recoveries.
- (5) Includes severance expense related to initiatives to realign the workforce of \$(7) million, \$(16) million, \$(2) million, \$(6) million and \$(2) million in the second quarter of 2024, third quarter of 2024, fourth quarter of 2024, first quarter of 2025 and second quarter of 2025, respectively.
- (6) Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives of \$(27) million, \$(2) million, \$(1) million and \$(20) million in the second quarter of 2024, third quarter of 2024, fourth quarter of 2024 and first quarter of 2025, respectively, primarily related to the sale of our wealth management business and \$(18) million in the second quarter of 2025 primarily related to the Bain Capital transaction.
- (7) Includes deferred compensation mark-to-market adjustment of \$1 million, \$(1) million, \$(2) million, \$(9) million and \$1 million in the second quarter of 2024, third quarter of 2024, fourth quarter of 2024, first quarter of 2025 and second quarter of 2025, respectively.
- (8) Includes gains (losses) on early extinguishment of debt of \$94 million in the second quarter of 2025.

Reconciliation of Adjusted Income (Loss) from Operations Available to Common Stockholders to Adjusted Income (Loss) from Operations Available to Common Stockholders, excluding Significant Items

Unaudited (millions of dollars)



	For the Three Months Ended				
	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Adjusted income from operations available to common stockholders ¹	\$324	\$358	\$332	\$280	\$427
Significant items:					
Annual assumption review	-	(8)	-	-	-
Total significant items	-	(8)	-	-	-
Adjusted income from operations available to common stockholders, excluding significant items	\$324	\$350	\$332	\$280	\$427

⁽¹⁾ See reconciliation to Net Income (Loss) Available to Common Stockholders on slide 17.

Leverage Ratio

Unaudited (millions of dollars)



As of or For the Three Months Ended					
	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Leverage Ratio					
Short-term debt	\$ 450	\$ 300	\$ 300	\$ —	\$ —
Long-term debt	5,716	5,897	5,856	5,868	5,767
Total debt	6,166	6,197	6,156	5,868	5,767
Preferred stock	986	986	986	986	986
Total debt and preferred stock	7,152	7,183	7,142	6,854	6,753
Less:					
Operating debt ⁽¹⁾	867	867	868	868	868
Pre-funding of upcoming debt maturities	300	300	300	—	—
25% of capital securities and subordinated notes	302	302	302	302	247
50% of preferred stock	493	493	493	493	493
Carrying value of fair value hedges and other items	123	153	111	122	119
Total numerator	\$ 5,067	\$ 5,068	\$ 5,068	\$ 5,069	\$ 5,026
Adjusted stockholders' equity ⁽²⁾	\$ 11,698	\$ 11,967	\$ 12,367	\$ 12,569	\$ 13,873
Add:					
25% of capital securities and subordinated notes	302	302	302	302	247
50% of preferred stock	493	493	493	493	493
Total numerator	5,067	5,068	5,068	5,069	5,026
Total denominator	\$ 17,560	\$ 17,830	\$ 18,230	\$ 18,433	\$ 19,639
Leverage ratio	28.9 %	28.4 %	27.8 %	27.5 %	25.6 %

⁽¹⁾ We have categorized as operating debt the senior notes issued in October 2007 and June 2010 because the proceeds were used as a long-term structured solution to reduce the strain on increasing statutory reserves associated with secondary guarantee universal life insurance and term policies.

⁽²⁾ See reconciliation to stockholders' equity on slide 21.

Reconciliation of Stockholders' Equity to Adjusted Stockholders' Equity

Unaudited (millions of dollars)



	As of or For the Three Months Ended				
	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Stockholders' Equity, End-of-Period					
Stockholders' equity	\$ 7,949	\$ 9,013	\$ 8,269	\$ 8,193	\$ 9,548
Less:					
Preferred stock	986	986	986	986	986
AOCI	(4,369)	(2,682)	(5,036)	(4,306)	(4,392)
Stockholders' equity, excluding AOCI and preferred stock	11,332	10,709	12,319	11,513	12,954
Changes in MRBs	2,673	2,147	3,165	2,133	2,869
GLB and GDB hedge instruments gains (losses)	(2,770)	(2,763)	(3,062)	(2,993)	(3,602)
Reinsurance-related embedded derivatives and portfolio gains (losses)	(269)	(642)	(151)	(196)	(186)
Adjusted stockholders' equity	<u>\$ 11,698</u>	<u>\$ 11,967</u>	<u>\$ 12,367</u>	<u>\$ 12,569</u>	<u>\$ 13,873</u>