National Life Group®

Income Statement & Balance Sheet

2026 YTD

Income Statement

The income statement is a financial document that summarizes the company's revenues, expenses, and profits or losses over a specific period of time.

Revenues: $2,213
($ in millions)

Income generated through the sale of life insurance, annuities, institutional business and advisory services. We then invest that money so it can grow over time and support our ability to keep our promises to our customers.

Premiums: $224

Term and whole life policyholders give us cash in return for the promise of future benefits.

Net Investment Income: $1,105

Investment income we earn by investing our assets, especially those for annuity and universal life policyholders.

Policy and Contract Charges: $818

We charge our policyholders a fee for the cost of insurance and to cover policy maintenance and administration.

Commissions and Other Income: $66

Money we earned by providing financial planning, investment advisory services, portfolio management services, and other miscellaneous income.

+

Expenses: ($1,782)
($ in millions)

Costs that businesses incur in running their operations. We promise our customers we will pay benefits (claims, interest, etc.) when the time comes. These are the costs associated with keeping those promises.

Benefits to Policyholders: ($1,160)

Cost of claims, other benefits and dividends paid to policyholders as well as money credited to annuity and universal life policies. This is how we keep our promises to policyholders!

Policyholder Reserves: ($22)

For term and whole life policies, this is the change in money we set aside to ensure we can Make Good on our future promises.

Policy-Related Expenses: ($314)

Costs associated in selling and setting up our policies including commissions, interest on any debt, and sales costs.

Operating Expenses: ($286)

These are the costs incurred to run our business like salaries, IT costs, marketing, premium taxes, and other various expenses.

=

Core Earnings: $431
($ in millions)

Measures revenues and expenses associated with the company's primary business activities. Provides a clear picture into aspects of profitability the company can control.

+/-

Other Adjustments: ($58)
($ in millions)

Other financial adjustments not related to the core operations of our business.

Net Investments: $8

Certain assets we hold generating investment income or realized gains/losses when their market values fluctuate.

Non-Core Earnings: $34

We offer indexed products which are affected by changes in the stock market and interest rates. The indexing features of these contracts are accounted for under special accounting rules. These changes in fair market value are outside of our control, and can impact our income statement differently from quarter to quarter. We do not include these changes in Core Earnings, but they are included in Net Income.

Taxes: ($100)

Paying our share to Uncle Sam.

=

Net Income: $373
($ in millions)

Measures the amount of profit that remains after all expenses have been deducted from the company's income.

For Employee Use Only – Not For Distribution Beyond the Home Office

Cat No 107463 (0726)

Balance Sheet

The balance sheet provides the financial position of the Company at a point in time. It is utilized by regulators and investors to assess the Company's financial strength.

Assets = Liabilities + Stockholders' Equity

Assets: *($ in millions)*	**6/30/26**	**12/31/25**
	$65,550	**$63,284**
Something containing economic value and/or future benefit.		
Cash and Investments:	**$ 51,960**	$49,930
Cash received from policyholders is invested in various investments including bonds, stocks, mortgage loans, and derivatives.Income earned on investments is a significant source of income for insurance companies.		
Receivables:	**$548**	$533
Amounts due to the company for unpaid investment income, current policyholder premiums, reinsurance, and other miscellaneous items.		
Deferred Tax Asset:	**$328**	$354
Represents a reduction in future taxable income.		
Deferred Acquistion Costs:	**$5,565**	$5,204
The costs to acquire new business; for accounting purposes, we are able to spread the costs over the life of the policy.		
Corporate Owned Life Insurance:	**$657**	$648
Life insurance policies purchased on employees for the benefit of NLG.		
Separate Account Assets:	**$940**	$903
Funds held separately for policyholders of variable products.		
Reinsurance Receivables:	**$5,003**	$5,204
Current and future amounts due to the company related to our reinsurance arrangements.		
Other Assets:	**$549**	$508
Various other assets including property, equipment, prepaid expenses, and agent debt.		

=

Liabilities: *($ in millions)*	**6/30/26**	**12/31/25**
	$61,685	**$59,589**
Something a company owes.		
Policyholder Liabilities:	**$50,549**	$48,238
Current and future amounts due to policyholders, including amounts due to for claims received, dividends and reserves established to pay future claims and policyholder accounts.		
Payables:	**$8,208**	$8,515
Amounts due for outstanding debt, unpaid taxes, retirement benefits, and miscellaneous other items.		
Deferred Tax Liability:	–	–
Taxes owed by the company but not yet due to be paid.		
Derivatives:	**$1,988**	$1,933
A type of financial contract that the company enters into to reduce the market risk from changes in interest rates.		
Separate Account Liabilities:	**$940**	$903
Funds held separately for policyholders of variable products.		

+

Stockholders' Equity: *($ in millions)*	**6/30/26**	**12/31/25**
	$ 3,865	**$3,695**
The assets remaining once all liabilities have been settled; represents a measure of a business's worth.		
Retained Earnings:	**$6,096**	$5,723
Also known as accumulated earnings, this is the company's cumulative profits.		
Accumulated Other Comprehensive Loss:	**($2,230)**	($2,028)
Represents unrealized gains or losses on certain investments due to market fluctions that do not become realized until sold.		

Consolidated financial position of the National Life Group, which includes the consolidated financial position of NLV Financial Corporation and Subsidiaries, including National Life Insurance Company, Life Insurance Company of the Southwest, NLG Cap Holdco LLC, and Equity Services, Inc., member FINRA/SIPC, a broker/dealer and registered investment adviser. National Life Group's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

National Life Group® is a trade name of National Life Insurance Company (NLIC), Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX, and their affiliates.

For Employee Use Only – Not For Distribution Beyond the Home Office