

TruStage Financial Group, Inc. and Subsidiaries

**Consolidated Financial Results, Unaudited
as of September 30, 2023 and December
31, 2022 and for the Nine Months Ended
September 30, 2023 and 2022**



TruStage Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets, unaudited
September 30, 2023 and December 31, 2022
(000s omitted)

Assets	September 30, 2023	December 31, 2022
Cash and investments		
Debt securities, available for sale, at fair value, net	\$ 20,665,575	\$ 20,498,718
Debt securities, trading, at fair value	61,826	39,616
Equity securities	442,500	555,127
Mortgage loans, net	4,181,067	3,945,218
Policy loans	130,921	125,448
Limited partnerships	2,522,606	2,266,107
Securities lending assets	576,199	565,358
Derivative financial Instruments, at fair value	773,272	554,009
Other invested assets	365,448	284,589
Total investments	29,719,414	28,834,190
Cash and cash equivalents	317,974	371,527
Total cash and investments	30,037,388	29,205,717
Accrued investment income	256,347	226,720
Premiums receivable, net	373,636	355,893
Reinsurance recoverables, net	3,188,481	3,232,501
Net federal income taxes recoverable	43,230	28,640
Deferred policy acquisition costs	1,616,111	1,416,384
Value of business acquired	189,689	180,772
Office properties, equipment and computer software at cost, net	289,905	275,530
Net deferred tax asset	953,270	888,192
Goodwill, net	601,418	601,512
Intangible assets, net	86,106	92,278
Assets on deposit	828,936	709,714
Other assets and receivables	518,453	471,898
Separate account assets	3,575,682	3,653,995
Total assets	\$ 42,558,652	\$ 41,339,746

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Balance Sheets, unaudited - continued
September 30, 2023 and December 31, 2022
(000s omitted)

Liabilities and Stockholder's Equity	September 30, 2023	December 31, 2022
Liabilities		
Policyholder account balances	\$ 20,587,887	\$ 19,844,428
Claim and policy benefit reserves - life and health	11,116,498	10,718,259
Loss and loss adjustment expense reserves - property and casualty	610,925	545,220
Unearned premiums	1,002,744	882,483
Notes and interest payable	1,462,631	1,509,383
Dividends payable to policyholders	12,396	12,996
Reinsurance payable	125,666	115,180
Net federal income taxes payable	-	1,365
Accrued pension and postretirement benefit liability	147,570	139,154
Payable for securities lending	576,199	565,358
Derivative liabilities, at fair value	436,829	496,422
Accounts payable and other liabilities	1,027,441	811,705
Separate account liabilities	3,575,682	3,653,995
Total liabilities	40,682,468	39,295,948
Stockholder's Equity		
Additional paid in capital	22,500	22,500
Retained earnings	4,941,460	4,810,879
Accumulated other comprehensive income (loss), net of tax	(3,087,776)	(2,789,581)
Total stockholder's equity	1,876,184	2,043,798
Total liabilities and stockholder's equity	\$ 42,558,652	\$ 41,339,746

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income, unaudited

Nine Months Ended September 30, 2023 and 2022

(000s omitted)

	September 30, 2023	September 30, 2022
Revenues		
Life and health premiums, net	\$ 1,743,222	\$ 1,682,933
Contract charges	213,382	213,364
Property and casualty premiums, net	906,961	806,261
Net investment income	877,066	881,587
Net realized investment gains (losses)	(112,982)	8,212
Commission and fee income	318,636	330,949
Other income	64,029	55,032
Total revenues	4,010,314	3,978,338
Benefits and expenses		
Life and health insurance claims and benefits, net	1,334,275	1,328,584
Property and casualty insurance loss and loss adjustment expenses, net	590,927	498,164
Interest credited to policyholder account balances	333,645	279,103
Policyholder dividends	19,960	19,282
Operating and other expenses	1,580,298	1,417,996
Total benefits and expenses	3,859,105	3,543,129
Income from operations before income taxes	151,209	435,209
Income tax expense	20,628	81,175
Net income	130,581	354,034
Foreign currency translation adjustment, net of tax	1,316	4,106
Change in unrealized (losses), net of tax	(327,420)	(3,597,304)
Change in pension liability, net of tax	17,477	12,802
Change in shadow adjustments, net of tax	10,432	240,078
Other comprehensive (loss)	(298,195)	(3,340,318)
Total comprehensive (loss)	\$ (167,614)	\$ (2,986,284)

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity, unaudited

Nine Months Ended September 30, 2023

(000s omitted)

	Additional paid in capital	Retained earnings	Accumulated other comprehensive (loss), net	Total stockholder's equity
Balance, December 31, 2022	\$ 22,500	\$ 4,810,879	\$ (2,789,581)	\$ 2,043,798
Net income	-	130,581	-	130,581
Other comprehensive (loss)	-	-	(298,195)	(298,195)
Balance, September 30, 2023	\$ 22,500	\$ 4,941,460	\$ (3,087,776)	\$ 1,876,184

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows, unaudited
Nine Months Ended September 30, 2023 and 2022
(000s omitted)

	September 30, 2023	September 30, 2022
Cash flows from operating activities		
Net income	\$ 130,581	\$ 354,034
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Undistributed (income) of limited partnerships	(60,623)	(59,941)
Net realized investment (gains) losses	112,982	(8,212)
Amortization of value of business acquired	16,127	9,239
Amortization of deferred policy acquisition costs	339,512	295,035
Policy acquisition costs deferred	(541,241)	(507,463)
Depreciation of office properties, equipment, computer software and real estate	37,860	29,950
Amortization of intangible assets	6,169	6,989
Amortization of premium and discount and low income housing tax credits	75,475	82,921
Deferred income taxes	4,355	(549)
Policyholder charges on investment-type contracts	(275,273)	(236,050)
Interest credited to policyholder account balances	333,645	279,103
Changes in other assets and liabilities		
Purchases of debt securities, trading	(26,516)	(2,915)
Sales of debt securities, trading	4,000	-
Accrued investment income	(30,217)	(28,185)
Premiums receivable	(17,763)	(34,215)
Reinsurance recoverables	42,116	25,000
Net federal income taxes	(2,449)	(63,728)
Other assets and receivables	(67,507)	(88,763)
Insurance reserves	464,013	483,404
Unearned premiums	110,869	131,229
Reinsurance payable	10,488	9,514
Accounts payable and other liabilities	2,265	21,686
Net cash provided by operating activities	668,868	698,083

TruStage Financial Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows, unaudited - continued
Nine Months Ended September 30, 2023 and 2022
(000s omitted)

	September 30, 2023	September 30, 2022
Cash flows from investing activities		
Purchases of investments		
Debt securities, available for sale	\$ (1,348,497)	\$ (2,084,228)
Equity securities	(42,659)	(43,671)
Mortgage loans	(405,910)	(645,545)
Limited partnerships	(339,710)	(283,288)
Derivative financial instruments	(814,812)	(859,504)
Other invested assets	(1,380,094)	(2,299,422)
Proceeds on sale or maturity of investments		
Debt securities, available for sale	680,991	1,640,295
Equity securities	72,577	63,268
Mortgage loans	165,405	364,907
Real estate	6,730	-
Limited partnerships	143,834	136,785
Derivative financial instruments	680,630	749,203
Other invested assets	1,525,622	1,857,988
Purchases of office properties, equipment, and software	(42,787)	(74,496)
Proceeds on office properties, equipment, and computer software, net	17,570	-
Net change in collateral under securities lending	(32,072)	24,553
Net change in payable for collateral under securities lending	32,072	(24,553)
Cash paid for acquisitions, net of cash acquired	-	(14,254)
Change in policy loans	(5,505)	(2,446)
Net cash used in investing activities	(1,086,615)	(1,494,408)
Cash flows from financing activities		
Policyholder account - deposits	2,482,964	2,673,968
Policyholder account - withdrawals	(1,950,479)	(1,712,700)
Assets on deposit - deposits	(138,882)	(184,835)
Assets on deposit - withdrawals	18,270	5,109
Notes payable - borrowings	1,775,000	6,115,000
Notes payable - repayments	(1,824,821)	(6,078,715)
Change in bank overdrafts	(1,917)	-
Payment of debt financing costs	-	(5,462)
Net cash provided by financing activities	360,135	812,365
Change in cash and cash equivalents	(57,612)	16,040
Effect of foreign exchange rate on cash	4,059	(3,520)
Cash and cash equivalents at beginning of year	371,527	320,438
Cash and cash equivalents at end of period	\$ 317,974	\$ 332,958