


TruStage Financial Group, Inc. and Subsidiaries

**Consolidated Financial Results, Unaudited
as of March 31, 2023 and December 31,
2022 and for the Three months ended
March 31, 2023 and 2022**



TruStage Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets, unaudited

March 31, 2023 and December 31, 2022

(000s omitted)

Assets	March 31, 2023	December 31, 2022
Cash and investments		
Debt securities, available for sale, at fair value, net	\$ 21,116,914	\$ 20,498,718
Debt securities, trading, at fair value	40,199	39,616
Equity securities	562,902	555,127
Mortgage loans, net	3,927,853	3,945,218
Policy loans	125,938	125,448
Limited partnerships	2,355,246	2,266,107
Securities lending assets	578,035	565,358
Derivative financial Instruments, at fair value	725,986	554,009
Other invested assets	230,071	284,589
Total investments	29,663,144	28,834,190
Cash and cash equivalents	403,821	371,527
Total cash and investments	30,066,965	29,205,717
Accrued investment income	244,918	226,720
Premiums receivable, net	357,242	355,893
Reinsurance recoverables, net	3,221,392	3,232,501
Net federal income taxes recoverable	35,119	28,640
Deferred policy acquisition costs	1,458,683	1,416,384
Value of business acquired	184,039	180,772
Office properties, equipment and computer software at cost, net	296,278	275,530
Net deferred tax asset	782,099	888,192
Goodwill, net	601,668	601,512
Intangible assets, net	90,231	92,278
Assets on deposit	761,886	709,714
Other assets and receivables	453,702	471,898
Separate account assets	3,711,641	3,653,995
Total assets	\$ 42,265,863	\$ 41,339,746

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

Liabilities and Stockholder's Equity	March 31, 2023	December 31, 2022
Liabilities		
Policyholder account balances	\$ 20,103,419	\$ 19,844,428
Claim and policy benefit reserves - life and health	10,790,735	10,718,259
Loss and loss adjustment expense reserves - property and casualty	570,987	545,220
Unearned premiums	935,193	882,483
Notes and interest payable	1,451,145	1,509,383
Dividends payable to policyholders	12,740	12,996
Reinsurance payable	112,539	115,180
Net federal income taxes payable	10,799	1,365
Accrued pension and postretirement benefit liability	141,052	139,154
Payable for securities lending	578,035	565,358
Derivative liabilities, at fair value	442,215	496,422
Accounts payable and other liabilities	904,203	811,705
Separate account liabilities	3,711,641	3,653,995
Total liabilities	39,764,703	39,295,948
Stockholder's Equity		
Additional paid in capital	22,500	22,500
Retained earnings	4,853,614	4,810,879
Accumulated other comprehensive income (loss), net of tax	(2,374,954)	(2,789,581)
Total stockholder's equity	2,501,160	2,043,798
Total liabilities and stockholder's equity	\$ 42,265,863	\$ 41,339,746

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income, unaudited

Three Months Ended March 31, 2023 and 2022

(000s omitted)

	March 31, 2023	March 31, 2022
Revenues		
Life and health premiums, net	\$ 547,237	\$ 484,375
Contract charges	71,224	69,610
Property and casualty premiums, net	294,575	257,578
Net investment income	278,116	314,864
Net realized investment gains (losses)	(48,061)	62,139
Commission and fee income	112,372	111,071
Other income	19,570	9,976
Total revenues	1,275,033	1,309,613
Benefits and expenses		
Life and health insurance claims and benefits, net	411,405	399,922
Property and casualty insurance loss and loss adjustment expenses, net	188,965	154,750
Interest credited to policyholder account balances	106,548	94,088
Policyholder dividends	6,295	6,375
Operating and other expenses	512,180	467,574
Total benefits and expenses	1,225,393	1,122,709
Income from operations before income taxes	49,640	186,904
Income tax expense	6,905	37,413
Net income	42,735	149,491
Foreign currency translation adjustment, net of tax	(2,895)	(4,145)
Change in unrealized gains (losses), net of tax	434,036	(1,454,976)
Change in shadow adjustments, net of tax	(22,339)	118,294
Change in pension liability, net of tax	5,825	3,978
Other comprehensive income (loss)	414,627	(1,336,849)
Total comprehensive income (loss)	\$ 457,362	\$ (1,187,358)

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity, unaudited

Three Months Ended March 31, 2023

(000s omitted)

	Additional		Accumulated		Total
	paid in	Retained	other	comprehensive	stockholder's
	capital	earnings	income (loss), net	income (loss), net	equity
Balance, December 31, 2022	\$ 22,500	\$ 4,810,879	\$ (2,789,581)	\$	\$ 2,043,798
Net income	-	42,735	-	-	42,735
Other comprehensive income (loss)	-	-	414,627	-	414,627
Balance, March 31, 2023	\$ 22,500	\$ 4,853,614	\$ (2,374,954)	\$	\$ 2,501,160

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows, unaudited

Three Months Ended March 31, 2023 and 2022

(000s omitted)

	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Net income	\$ 42,735	\$ 149,491
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Undistributed (income) loss of limited partnerships	6,103	(58,953)
Net realized investment (gains) losses	48,061	(62,139)
Amortization of value of business acquired	8,023	1,418
Amortization of deferred policy acquisition costs	106,118	102,724
Policy acquisition costs deferred	(184,469)	(171,115)
Depreciation of office properties, equipment, computer software and real estate	16,901	9,873
Amortization of intangible assets	2,051	2,006
Amortization of premium and discount and low income housing tax credits	25,967	28,354
Deferred income taxes	3,596	(396)
Policyholder charges on investment-type contracts	(89,090)	(69,930)
Interest credited to policyholder account balances	106,548	94,088
Changes in other assets and liabilities		
Purchases of debt securities, trading	-	(2,915)
Accrued investment income	(18,157)	(13,700)
Premiums receivable	(1,320)	(1,797)
Reinsurance recoverables	11,108	11,138
Net federal income taxes	(8,234)	33,225
Other assets and receivables	14,937	(47,319)
Insurance reserves	98,173	35,901
Unearned premiums	49,827	41,067
Reinsurance payable	(2,641)	(600)
Net deferred tax liability	-	-
Accounts payable and other liabilities	(83,200)	(9,018)
Net cash provided by operating activities	153,037	71,403

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows, unaudited - continued

Three Months Ended March 31, 2023 and 2022

(000s omitted)

	March 31, 2023	March 31, 2022
Cash flows from investing activities		
Purchases of investments		
Debt securities, available for sale	\$ (333,072)	\$ (744,883)
Equity securities	(19,142)	(23,527)
Mortgage loans	(64,156)	(280,545)
Limited partnerships	(118,753)	(101,459)
Derivative financial instruments	(293,279)	(296,820)
Other invested assets	(426,599)	(803,249)
Proceeds on sale or maturity of investments		
Debt securities, available for sale	237,595	607,086
Equity securities	11,108	51,117
Mortgage loans	81,185	85,978
Limited partnerships	23,512	39,941
Derivative financial instruments	160,798	360,263
Other invested assets	654,793	685,237
Purchases of office properties, equipment, and software	(30,964)	(17,967)
Net change in collateral under securities lending	(33,764)	10,659
Net change in payable for collateral under securities lending	33,764	(10,659)
Cash paid for acquisitions	-	(14,045)
Change in policy loans	(513)	1,108
Net cash used in investing activities	(117,487)	(451,765)
Cash flows from financing activities		
Policyholder account deposits	731,459	965,329
Policyholder account withdrawals	(623,575)	(573,790)
Assets on deposit, net	(52,553)	(55,557)
Notes payable - borrowings	785,000	3,040,656
Notes payable - repayments	(845,588)	(3,009,125)
Change in bank overdrafts	(1,915)	-
Payment of debt financing costs	-	(5,955)
Net cash provided by (used in) financing activities	(7,172)	361,558
Change in cash and cash equivalents	28,378	(18,804)
Effect of foreign exchange rate on cash	3,916	(217)
Cash and cash equivalents at beginning of year	371,527	320,438
Cash and cash equivalents at end of period	\$ 403,821	\$ 301,417