

TruStage Financial Group, Inc. and Subsidiaries

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



TruStage Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets, unaudited

June 30, 2023 and December 31, 2022

(000s omitted)

Assets	June 30, 2023	December 31, 2022
Cash and investments		
Debt securities, available for sale, at fair value, net	\$ 21,146,466	\$ 20,498,718
Debt securities, trading, at fair value	39,923	39,616
Equity securities	437,942	555,127
Mortgage loans, net	4,067,229	3,945,218
Policy loans	127,815	125,448
Limited partnerships	2,434,367	2,266,107
Securities lending assets	593,954	565,358
Derivative financial Instruments, at fair value	1,062,210	554,009
Other invested assets	299,235	284,589
Total investments	30,209,141	28,834,190
Cash and cash equivalents	417,341	371,527
Total cash and investments	30,626,482	29,205,717
Accrued investment income	238,751	226,720
Premiums receivable, net	374,032	355,893
Reinsurance recoverables, net	3,200,255	3,232,501
Net federal income taxes recoverable	40,567	28,640
Deferred policy acquisition costs	1,542,284	1,416,384
Value of business acquired	190,119	180,772
Office properties, equipment and computer software at cost, net	298,795	275,530
Net deferred tax asset	823,213	888,192
Goodwill, net	602,821	601,512
Intangible assets, net	88,207	92,278
Assets on deposit	799,551	709,714
Other assets and receivables	491,507	471,898
Separate account assets	3,784,488	3,653,995
Total assets	\$ 43,101,072	\$ 41,339,746

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

Liabilities and Stockholder's Equity	June 30, 2023	December 31, 2022
Liabilities		
Policyholder account balances	\$ 20,537,681	\$ 19,844,428
Claim and policy benefit reserves - life and health	10,880,284	10,718,259
Loss and loss adjustment expense reserves - property and casualty	586,526	545,220
Unearned premiums	974,408	882,483
Notes and interest payable	1,321,996	1,509,383
Dividends payable to policyholders	12,688	12,996
Reinsurance payable	119,692	115,180
Net federal income taxes payable	6,125	1,365
Accrued pension and postretirement benefit liability	143,946	139,154
Payable for securities lending	593,954	565,358
Derivative liabilities, at fair value	588,896	496,422
Accounts payable and other liabilities	1,212,139	811,705
Separate account liabilities	3,784,488	3,653,995
Total liabilities	40,762,823	39,295,948
Stockholder's Equity		
Additional paid in capital	22,500	22,500
Retained earnings	4,843,371	4,810,879
Accumulated other comprehensive (loss), net of tax	(2,527,622)	(2,789,581)
Total stockholder's equity	2,338,249	2,043,798
Total liabilities and stockholder's equity	\$ 43,101,072	\$ 41,339,746

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income, unaudited

Six Months Ended June 30, 2023 and 2022

(000s omitted)

	June 30, 2023	June 30, 2022
Revenues		
Life and health premiums, net	\$ 1,070,717	\$ 1,108,604
Contract charges	142,498	143,866
Property and casualty premiums, net	596,766	525,464
Net investment income	562,188	631,763
Net realized investment gains (losses)	(142,554)	61,426
Commission and fee income	214,676	213,158
Other income	37,567	33,509
Total revenues	2,481,858	2,717,790
Benefits and expenses		
Life and health insurance claims and benefits, net	806,047	888,778
Property and casualty insurance loss and loss adjustment expenses, net	384,738	323,279
Interest credited to policyholder account balances	217,332	190,255
Policyholder dividends	13,480	12,795
Operating and other expenses	1,030,993	920,479
Total benefits and expenses	2,452,590	2,335,586
Income from operations before income taxes	29,268	382,204
Income tax expense (benefit)	(3,224)	73,316
Net income	32,492	308,888
Foreign currency translation adjustment, net of tax	(2,349)	4,471
Change in unrealized gains (losses), net of tax	261,861	(2,729,845)
Change in pension liability, net of tax	11,364	8,405
Change in shadow adjustments, net of tax	(8,917)	187,983
Other comprehensive income (loss)	261,959	(2,528,986)
Total comprehensive income (loss)	\$ 294,451	\$ (2,220,098)

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity, unaudited

Six Months Ended June 30, 2023

(000s omitted)

	Additional paid in capital	Retained earnings	Accumulated other comprehensive income (loss), net	Total stockholder's equity
Balance, December 31, 2022	\$ 22,500	\$ 4,810,879	\$ (2,789,581)	\$ 2,043,798
Net income	-	32,492	-	32,492
Other comprehensive income	-	-	261,959	261,959
Balance, June 30, 2023	\$ 22,500	\$ 4,843,371	\$ (2,527,622)	\$ 2,338,249

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

	June 30, 2023	June 30, 2022
Cash flows from operating activities		
Net income	\$ 32,492	\$ 308,888
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Undistributed (income) loss of limited partnerships	4,892	(112,440)
Net realized investment (gains) losses	142,554	(61,426)
Amortization of value of business acquired	8,839	5,791
Amortization of deferred policy acquisition costs	211,419	198,526
Policy acquisition costs deferred	(356,238)	(336,568)
Depreciation of office properties, equipment, computer software and real estate	27,930	22,175
Amortization of intangible assets	4,110	4,013
Amortization of premium and discount and low income housing tax credits	47,908	54,682
Deferred income taxes	4,848	(578)
Policyholder charges on investment-type contracts	(183,890)	(148,495)
Interest credited to policyholder account balances	217,332	190,255
Changes in other assets and liabilities		
Purchases of debt securities, trading	-	(2,915)
Accrued investment income	(11,655)	(6,180)
Premiums receivable	(18,130)	(32,953)
Reinsurance recoverables	31,240	3,178
Net federal income taxes	(17,149)	661
Other assets and receivables	(27,928)	(46,102)
Insurance reserves	203,105	288,953
Unearned premiums	85,134	94,036
Reinsurance payable	4,514	11,659
Accounts payable and other liabilities	(26,182)	1,385
Net cash provided by operating activities	385,145	436,545

TruStage Financial Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows, unaudited - continued

Six Months Ended June 30, 2023 and 2022

(000s omitted)

	June 30, 2023	June 30, 2022
Cash flows from investing activities		
Purchases of investments		
Debt securities, available for sale	\$ (834,228)	\$ (1,483,023)
Equity securities	(23,142)	(34,840)
Mortgage loans	(244,511)	(456,295)
Limited partnerships	(223,959)	(195,662)
Derivative financial instruments	(538,284)	(556,790)
Other invested assets	(813,586)	(1,786,709)
Proceeds on sale or maturity of investments		
Debt securities, available for sale	512,210	1,327,226
Equity securities	53,010	54,327
Mortgage loans	121,641	261,587
Real estate	6,730	-
Limited partnerships	52,610	95,934
Derivative financial instruments	371,480	555,164
Other invested assets	1,168,575	1,304,787
Purchases of office properties, equipment, and software	(34,001)	(52,230)
Net change in collateral under securities lending	(51,966)	15,091
Net change in payable for collateral under securities lending	51,966	(15,091)
Cash paid for acquisitions, net of cash acquired	-	(14,254)
Change in policy loans	(2,404)	96
Net cash used in investing activities	(427,859)	(980,682)
Cash flows from financing activities		
Policyholder account - deposits	1,676,959	1,819,559
Policyholder account - withdrawals	(1,356,209)	(1,124,381)
Assets on deposit - deposits	(104,025)	(115,105)
Assets on deposit - withdrawals	13,505	2,905
Notes payable - borrowings	1,085,000	5,515,000
Notes payable - repayments	(1,269,435)	(5,515,241)
Change in bank overdrafts	39,810	-
Payment of debt financing costs	-	(5,461)
Net cash provided by financing activities	85,605	577,276
Change in cash and cash equivalents	42,891	33,139
Effect of foreign exchange rate on cash	2,923	559
Cash and cash equivalents at beginning of year	371,527	320,438
Cash and cash equivalents at end of period	\$ 417,341	\$ 354,136