



December 31, 2019 – Financials at a Glance

# Our Strong Financial Foundation WAS CRAFTED AND BUILT BY DESIGN

## Balanced and Disciplined Growth Provide a Foundation for Sustainable Results

In 2019, our disciplined approach through a decade of increasing growth produced record core earnings. We showed higher profits than 2018 across all our lines of business, bolstered by outstanding results from our investment portfolio. We ended 2019 with a strong foundation of high quality assets, ample liquidity and a solid capital position. That financial strength, complemented by a fresh and comprehensive product portfolio, a highly effective hedging program and the agility to pivot quickly to doing business in a digital world, provides a solid foundation as we face the challenges ahead.

**TOTAL ASSETS<sup>1</sup>**  
**\$34 BILLION**



In our bond portfolio, 59% of our fixed income securities are rated NAIC 1, the highest quality category, and 37% are high quality NAIC 2.

**TOTAL LIABILITIES<sup>1</sup>**  
**\$32 BILLION**

**2019 PREMIUMS and DEPOSITS<sup>2</sup>**  
**\$3.0 BILLION**

up 20% from 2018.

Fueled by growth in sales and recurring premiums.



**2019 SALES<sup>4</sup>**

Life  
**\$361 MILLION**



Flow Annuity  
**\$161 MILLION**



SPDA Annuity  
**\$996 MILLION**

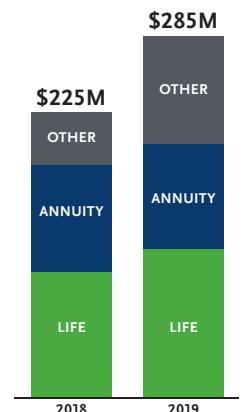
**STATUTORY CAPITAL<sup>3</sup>**  
**\$2.5 BILLION**  
up 8% over 2018.

An important measure of our financial strength.

**2019 CORE EARNINGS<sup>5</sup>**  
**\$285 MILLION**

A 27% increase over 2018.

Disciplined growth and investment performance drove strong profitability.



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1. Based on consolidated results of all National Life Group (“NLG”) companies, and stated on a U.S. Generally Accepted Accounting Principles (“GAAP”) accounting basis. Total assets exclude bond unrealized gains and losses. Statutory basis financial figures as of December 31, 2019: NLG consolidated admitted assets were \$35.6B and liabilities were \$33.2B. National Life Insurance Company (“NLIC”) admitted assets were \$10.1B and liabilities were \$7.8B.
  2. Based on the consolidated statutory results of National Life Insurance Company (“NLIC”) and Life Insurance Company of the Southwest (“LSW”). Total premiums and deposits as of December 31, 2019 for NLIC were \$339 million.
  3. Statutory total adjusted capital (“TAC”) as of December 31, 2019 for NLIC. TAC is an insurance industry term that in general means the statutory capital and surplus, plus any other adjustments including those for risk based capital requirements.
  4. Life sales include total weighted new annualized premium (“WNAP”) for NLIC and LSW. Flow annuity and single premium deferred annuity (“SPDA”) sales include total deposits for NLIC and LSW. For the year ended December 31, 2019, NLIC life insurance WNAP were \$53M, flow annuity total deposits were \$9M, and SPDA total deposits were \$1M.
  5. Core Earnings is a group only non-GAAP, pre-tax measure we use to evaluate our financial performance. It excludes capital gains/losses and accounting volatility related to our indexed life and annuity products. We believe Core Earnings is a useful measure to analyze our results and trends because it excludes such short-term volatility and is more consistent with the economics and long-term performance of our indexed products. For additional information, refer to our quarterly financial statements by visiting: <https://www.nationallife.com/OurStory-Financials>.