



National Life Group®

March 31, 2020 – Financials at a Glance

OUR FINANCIAL FRAMEWORK IS Designed to Handle the Load

Times have Changed, and National Life Group is Rising to the Challenge

On March 17, 2020, we transitioned almost all of our operations to a remote environment and acted quickly to enhance our digital capabilities, updating processes to better support remote sales and interactions. We reached out to our distributors with tools and strategies for customer engagement. Our liquidity, invested asset quality and capital position remained strong as of March 31, 2020. This financial strength, combined with a focus on the needs of our policyholders and distributors, and a comprehensive suite of products designed to deliver value across a range of market conditions, provide a framework that is built to last.

TOTAL ASSETS¹
\$33 BILLION



In our bond portfolio, 58% of our fixed income securities are rated NAIC 1, the highest quality category, and 38% are high quality NAIC 2.

TOTAL LIABILITIES¹
\$31 BILLION

Q1 PREMIUMS and DEPOSITS²
\$694 MILLION

Provides a foundation for strong cash flows.



Q1 SALES⁴
 Life
\$73 MILLION



Flow Annuity
\$37 MILLION



SPDA Annuity
\$171 MILLION

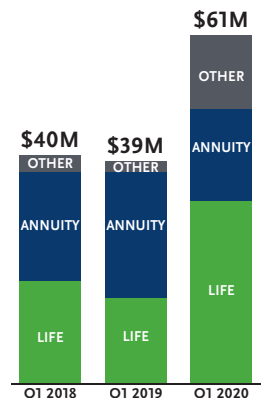
STATUTORY CAPITAL³
\$2.4 BILLION

An important measure of our financial strength.

Q1 CORE EARNINGS⁵
\$61 MILLION

A 56% increase over Q1 2019.

Higher life revenues, alternative investment returns, effective hedging and expense discipline produced strong quarterly results



National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest, Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York. TC114696(0520)1

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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 March 31, 2020: NLG consolidated admitted assets were \$34.8B and liabilities were \$32.5B. National Life Insurance Company (“NLIC”) admitted assets were \$9.6B and liabilities were \$7.4B.
 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 March 31, 2020 for NLIC were \$95 million.
 3. Statutory total adjusted capital (“TAC”) as of March 31, 2020 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 quarter ended March 31, 2020, NLIC life insurance WNAP were \$11M, flow annuity total deposits were \$2M, and SPDA total deposits were less than \$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>.