

September 30, 2021 – Financials at a Glance

# Strengthening Our Capital TO SUPPORT OUR GROWTH

## NLG closes strong first nine months and enhances capital position

On the heels of credit rating upgrades from both A.M. Best and Moody's Investor Service, National Life Group came out of the second quarter with wind in our sails - and the third quarter did not disappoint. Our life sales broke \$100M for the fourth straight quarter, our flow annuity premiums in September were the highest month ever, and our core earnings for the first nine months were exceptional. In addition, in early October we seized a unique market opportunity to further strengthen our capital position by issuing \$750M of long term contingent debt at an attractive cost. We're excited about how this will help us bring peace of mind to more of Middle America, the most underserved segment of the market, and we look forward to finishing the year strong!

**TOTAL ASSETS<sup>1</sup>**  
**\$39 BILLION**

Up 3% from December 31, 2020.



In our bond portfolio, 53% of our fixed income securities are rated NAIC 1, the highest quality category, and 42% are high quality NAIC 2.

**TOTAL LIABILITIES<sup>1</sup>**  
**\$36 BILLION**

**Q3 2021 YTD PREMIUMS  
and DEPOSITS<sup>2</sup>**

**\$2.9 BILLION**

Up 21%  
from Q3 2020 YTD.

**Q3 2021 YTD SALES<sup>4</sup>**



Life  
**\$314 MILLION**



Flow Annuity  
**\$111 MILLION**



SPDA Annuity  
**\$609 MILLION**

**STATUTORY CAPITAL<sup>3</sup>**  
**\$3.1 BILLION**

Up from \$2.9 billion  
at December 31, 2020.

**Q3 2021 YTD CORE EARNINGS<sup>5</sup>**

**\$286 MILLION**

\$74 million above Q3 2020 YTD.

Q3 2021 YTD reflects  
our highest nine month  
period earnings.

### RATINGS<sup>6</sup>

A.M. Best **A+/Superior**  
(Second highest of 16)

Standard & Poor's **A+/Strong**  
(Fifth highest of 21)

Moody's **A1/Good**  
(Fifth highest of 21)

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1. Based on the consolidated financial position as of September 30, 2021 stated on the basis of U.S. Generally Accepting Accounting Principles (“GAAP”) of NLV Financial Corporation (“NLVF”) and its subsidiaries and affiliates, including National Life Insurance Company (“NLIC”) and Life Insurance Company of the Southwest (“LSW”). NLVF and its subsidiaries and affiliates operate as a unified organization under the trade name of National Life Group (“NLG”). Total assets exclude bond unrealized gains and losses. Statutory basis financial figures as of September 30, 2021: NLG consolidated admitted assets were \$39.8B and liabilities were \$37.0B. NLIC admitted assets were \$10.6B and liabilities were \$8.0B.
  2. Based on the consolidated financial results of NLVF for the nine months ended September 30, 2021, premiums and deposits include premiums on a GAAP basis plus policyholders’ deposits from the GAAP basis statement of cash flows. Premiums on a statutory basis of accounting for the nine months ended September 30, 2021 for NLIC were \$287 million.
  3. Statutory total adjusted capital (“TAC”) as of September 30, 2021 for NLIC. TAC is an industry measure used by state regulators to measure a life insurer’s risk-based capital adequacy, and includes statutory capital and surplus adjusted for certain liabilities.
  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 nine months ended September 30, 2021, NLIC life insurance WNAP were \$39M and flow annuity total deposits were \$6M. There were no SPDA deposits during the period.
  5. Core Earnings is a group only non-GAAP, pre-tax measure we use to evaluate our financial performance. It excludes investment 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>.
  6. Financial strength ratings for NLIC and LSW as of November 1, 2021. Ratings are subject to change.