

# Corporate Snapshot

ECONOMIC		2022	2021	2020	2019	2018
<b>Financial Performance</b>	Total revenues (millions)	\$3,576.8	\$4,122.2	\$3,821.1	\$4,015.8	\$4,313.5
	Net operating income (millions) <sup>1, a</sup>	\$273.9	\$365.6	\$362.3	\$290.0	\$303.1
	Diluted operating earnings per share <sup>1, a</sup>	\$2.33	\$2.79	\$2.53	\$1.85	\$1.83
	Dividends declared per share	\$0.55	\$0.51	\$0.47	\$0.43	\$0.39
	Total assets (millions) <sup>a</sup>	\$33,339.2	\$36,204.4	\$35,339.9	\$33,630.9	\$31,439.8
	Operating return on equity, as adjusted <sup>1, a</sup>	8.6%	12.1%	12.9%	10.7%	9.8%
	Book value per diluted share <sup>1, a</sup>	\$29.90	\$26.86	\$23.95	\$22.09	\$19.52
	Net investment income (millions)	\$1,015.9	\$1,420.7	\$1,222.5	\$1,362.9	\$1,306.2
	Client assets in brokerage and advisory (millions)	\$2,636.7	\$2,898.5	\$1,793.8	\$1,515.0	\$1,104.9
	Fee revenue (millions) <sup>2</sup>	\$169.3	\$147.6	\$104.5	\$87.5	\$49.8
<b>Life Insurance</b>	Collected premiums (millions)	\$911.8	\$895.8	\$839.6	\$811.2	\$794.8
	New annualized premium (millions) <sup>3</sup>	\$193.1	\$190.5	\$169.9	\$151.3	\$147.5
<b>Health Insurance</b>	Collected premiums (millions)	\$1,608.4	\$1,659.5	\$1,691.6	\$1,708.2	\$1,825.8
	New annualized premium (millions) <sup>3</sup>	\$164.3	\$164.1	\$154.5	\$195.3	\$183.7
<b>Annuities</b>	Collected premiums (millions)	\$1,604.6	\$1,400.4	\$1,165.0	\$1,306.4	\$1,164.5
SOCIAL		2022	2021	2020	2019	2018
<b>Workforce Data</b>	Total full-time associates (approximately)	3,400	3,400	3,400	3,300	3,300
	Percent women in workforce	53%	52%	52%	52%	52%
	Percent people of color in workforce	33%	30%	34%	30%	27%
	Percent women in middle management positions	39%	35%	34%	34%	32%
	Percent people of color in middle management positions	21%	20%	18%	20%	15%
	Percent women in vice president and higher positions	32%	28%	30%	30%	21%
	Percent people of color in vice president and higher positions	10%	8%	8%	8%	6%
	Associate BRGs	5	4	4	4	1
<b>Agent Data</b>	Size of total agent force (approximately) <sup>4</sup>	8,900	9,200	9,500	8,200	7,400
	Exclusive producing agent count <sup>5</sup>	4,336	4,455	5,051	5,373	5,122
	Registered agents <sup>6</sup>	695	655	641	610	560
<b>Supplier Management And Diversity</b>	Supplier code of conduct policy (Y/N)	Y	Y	Y	N	N
<b>Investment Portfolio</b>	Responsible investment policy (Y/N)	Y	Y	Y	N	N
	Proxy voting guidelines (Y/N)	Y	Y	Y	Y	Y
	Signatory to UN PRI (Y/N)	Y	Y	Y	N	N
	Impact investments (Y/N)	Y	Y	Y	Y	Y
<b>Human Rights</b>	Equal employment opportunity policy (Y/N)	Y	Y	Y	Y	Y
<b>Ethics</b>	Code of business conduct (Y/N)	Y	Y	Y	Y	Y
	24/7 ethics hotline (Y/N)	Y	Y	Y	Y	Y
	Whistleblowing and non-retaliation policy (Y/N)	Y	Y	Y	Y	Y
<b>Community</b>	Total community impact of philanthropic efforts (millions)	\$2.6	\$2.5	\$2.0	\$2.3	\$2.4
	Total hours volunteered by associates to corporate-sponsored and personal community service projects	10,500	8,500	5,500	10,400	11,200

GOVERNANCE <sup>7</sup>		2022	2021	2020	2019	2018
<b>Board Composition and Independence</b>	Size of the board (number of nominees elected at the annual meeting)	9	9	10	9	9
	Board average age	63	66	66	65	66
	Mandatory requirement age (Y/N)	N	N	N	N	N
	Average director tenure	3	6	5.5	5.0	6.0
	Independence of committees (other than Executive and Investment Committees) (Y/N)	Y	Y	Y	Y	Y
	Independent chair (Y/N)	Y	Y	Y	Y	Y
<b>Board Diversity</b>	Number of women on the board	2	2	2	2	2
	Percent of directors who are women	22%	22%	20%	22%	22%
	Number of women committee chairs	1	2	2	2	1
	Number of directors with racial/ethnic diversity	2	2	2	1	1
	Percent of directors with racial/ethnic diversity	22%	22%	20%	11%	11%
<b>Board and Committee Meetings</b>	Number of board and committee meetings during the calendar year	44	43	46	50	42
	Number of directors attending less than 75 percent of meetings during the calendar year	0	0	0	0	0
	Executive sessions (Y/N)	Y	Y	Y	Y	Y
<b>Stockholder Rights</b>	Annual election of directors (Y/N)	Y	Y	Y	Y	Y
	Majority voting standard for director elections (Y/N)	Y	Y	Y	Y	Y
	Single voting class (Y/N)	Y	Y	Y	Y	Y
	Proxy access (Y/N)	Y	Y	Y	Y	Y
	Shareholder engagement program (Y/N)	Y	Y	Y	Y	Y
	Section 382 Shareholder Rights Plan (Y/N)	Y	Y	Y	Y	Y
<b>Executive Compensation</b>	CEO pay ratio disclosure	Y	Y	Y	Y	Y
	Clawback provision for executive compensation (Y/N)	Y	Y	Y	Y	Y
	Double-trigger vesting upon change in control (Y/N)	Y	Y	Y	Y	Y
	CEO stock ownership guidelines (Y/N)	Y	Y	Y	Y	Y
	Senior executive member stock ownership guidelines (Y/N)	Y	Y	Y	Y	Y
	Director stock ownership guidelines (Y/N)	Y	Y	Y	Y	Y
ENVIRONMENTAL		2022	2021	2020	2019	2018
<b>Climate</b>	CDP carbon disclosures (Y/N)	N	N	N	N	N
	Environmental policy (Y/N)	Y	Y	Y	N	N
	Board oversight of ESG (Y/N)	Y	Y	Y	Y	Y
<b>GHG Emissions</b>	GHG emissions inventory (Y/N)	Y	Y	Y	N	N
	Emissions reduction initiatives (Y/N)	Y	Y	Y	N	N
SUSTAINABILITY DISCLOSURES		2022	2021	2020	2019	2018
<b>Disclosure Frameworks</b>	GRI disclosure (Y/N)	N	N	N	N	N
	SASB disclosure (Y/N)	Y	Y	Y	N	N
	TCFD disclosure (Y/N)	Y	Y	Y	N	N

<sup>1</sup> A non-GAAP financial measure. See pages 3–6 for a reconciliation to the corresponding GAAP measure.

<sup>2</sup> Represents fee revenue from the sales of third-party insurance products; services provided by WBD; fee revenue earned by Optavise (formerly known as DirectPath prior to its name change in April 2022); fees generated by our broker-dealer and registered investment advisor.

<sup>3</sup> Measured by new annualized premium for life and health products, which includes 10% of single premium whole life deposits and 100% of all other premiums (excluding annuities). Medicare Advantage sales are not comparable to other sales and are therefore excluded in all periods.

<sup>4</sup> Monthly average of exclusive agents that have submitted at least one policy in the month in the fourth quarter and the full year average of independent partner agents.

<sup>5</sup> Monthly average of exclusive agents that have submitted at least one policy in the month in the fourth quarter.

<sup>6</sup> Registered agents are dually licensed as insurance agents and financial representatives who can buy and sell securities for clients, and/or investment advisors who can provide ongoing investment advice for clients.

<sup>7</sup> Information is as of the annual meeting held immediately following the stated year, unless otherwise indicated. Data on director membership represents nominees for such annual meeting.

<sup>8</sup> Such amounts are prior to the adoption of ASU 2018-12 related to targeted improvements to the accounting for long-duration insurance contracts which was effective January 1, 2023.

## INFORMATION RELATED TO CERTAIN NON-GAAP FINANCIAL MEASURES

Net operating income is defined as net income before: (i) net realized investment gains or losses from sales, impairments and the change in allowance for credit losses, net of related amortization and taxes; (ii) net change in market value of investments recognized in earnings, net of taxes; (iii) fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed indexed annuities, net of related amortization and taxes; (iv) fair value changes related to the agent deferred compensation plan, net of taxes; (v) loss related to reinsurance transaction net of taxes; (vi) loss on extinguishment of debt, net of taxes; (vii) changes in the valuation allowance for deferred tax assets and other tax items; and (viii) other non-operating items consisting primarily of earnings attributable to variable interest entities, net of taxes. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the Company's underlying fundamentals. A reconciliation from net operating income (and related per share amounts) to net income is as follows (dollars in millions, except per share amounts):

	2022	2021	2020	2019	2018
<b>Net income (loss) applicable to common stock</b>	\$396.8	\$441.0	\$301.8	\$409.4	\$(315.0)
Non-operating items:					
Net realized investment (gains) losses from sales and impairments, net of related amortization	58.8	(34.8)	31.1	(2.1)	(37.9)
Net change in market value of investments recognized in earnings	73.2	17.4	2.7	(25.5)	48.8
Fair value changes in embedded derivative liabilities, net of related amortization	(247.2)	(67.2)	79.1	81.4	(55.5)
Fair value changes related to the agent deferred compensation plan	(48.9)	(8.9)	16.3	20.4	(11.9)
Loss related to reinsurance transaction	–	–	–	–	704.2
Loss on extinguishment of debt	–	–	–	7.3	–
Other	3.9	(3.6)	(9.7)	12.6	(1.7)
Non-operating (income) loss before taxes	(160.2)	(97.1)	119.5	94.1	646.0
Income tax (expense) benefit					
On non-operating (income) loss	(37.3)	(21.7)	25.0	19.8	135.7
Valuation allowance for deferred tax assets and other tax items	–	–	34.0	193.7	(107.8)
Net non-operating (income) loss	(122.9)	(75.4)	60.5	(119.4)	618.1
<b>Net operating income (a non-GAAP financial measure)</b>	<b>\$273.9</b>	<b>\$365.6</b>	<b>\$362.3</b>	<b>\$290.0</b>	<b>\$303.1</b>
<b>Per diluted share:</b>					
<b>Net income (loss)</b>	<b>\$3.37</b>	<b>\$3.36</b>	<b>\$2.11</b>	<b>\$2.61</b>	<b>\$(1.90)</b>
Net realized investment (gains) losses from sales and impairments (net of related amortization and taxes)	0.38	(0.20)	0.17	(0.01)	(0.18)
Net change in market value of investments recognized in earnings (net of taxes)	0.48	0.10	0.02	(0.13)	0.23
Fair value changes in embedded derivative liabilities (net of related amortization and taxes)	(1.61)	(0.40)	0.44	0.41	(0.27)
Fair value changes related to the agent deferred compensation plan (net of taxes)	(0.32)	(0.05)	0.09	0.10	(0.06)
Loss related to reinsurance transaction (net of taxes)	–	–	–	–	4.00
Loss on extinguishment of debt	–	–	–	0.04	–
Valuation allowance for deferred tax assets and other tax items	–	–	(0.24)	(1.23)	0.02
Other	0.03	(0.02)	(0.06)	0.06	(0.01)
<b>Net operating income (a non-GAAP financial measure)</b>	<b>\$2.33</b>	<b>\$2.79</b>	<b>\$2.53</b>	<b>\$1.85</b>	<b>\$1.83</b>

A reconciliation of operating income and shares used to calculate basic and diluted operating earnings per share is as follows: (dollars in millions, except per-share amounts, and shares in thousands)

	2022	2021	2020	2019	2018 <sup>a</sup>
Operating income	\$273.9	\$365.6	\$362.3	\$290.0	\$303.1
Weighted average shares outstanding for basic earnings per share	115,733	128,400	142,096	156,040	165,457
Effect of dilutive securities on weighted average shares:					
Stock options, restricted stock and performance units	1,984	2,726	1,068	1,108	–
Weighted average shares outstanding for diluted earnings per share	117,717	131,126	143,164	157,148	165,457
Net operating income per diluted share	\$2.33	\$2.79	\$2.53	\$1.85	\$1.83

<sup>a</sup> Equivalent common shares of 2,104 were not included in the diluted weighted average shares outstanding due to the net loss recognized in 2018.

## INFORMATION RELATED TO CERTAIN NON-GAAP FINANCIAL MEASURES

Management also believes that operating return on equity, excluding accumulated other comprehensive income and net operating loss carryforwards, enhances the understanding of our operating results.

This non-GAAP financial measure also differs from return on equity because accumulated other comprehensive income (loss) has been excluded from the value of equity used to determine this ratio. Management believes this non-GAAP financial measure is useful because it removes the volatility that arises from changes in accumulated other comprehensive income (loss). Such volatility is often caused by changes in the estimated fair value of our investment portfolio resulting from changes in general market interest rates rather than the business decisions made by management.

In addition, our equity includes the value of significant net operating loss carryforwards (included in income tax assets). In accordance with GAAP, these assets are not discounted, and accordingly will not provide a return to shareholders (until after it is realized as a reduction to taxes that would otherwise be paid). Management believes that excluding this value from the equity component of this measure enhances the understanding of the effect these non-discounted assets have on operating returns and the comparability of these measures from period to period.

Operating return measures are used in measuring the performance of our business units and are used as a basis for incentive compensation.

The calculations of: (i) operating return on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure); and (ii) return on equity are as follows (dollars in millions):

	2022	2021	2020	2019	2018
Net operating income	\$273.9	\$365.6	\$362.3	\$290.0	\$303.1
Net income (loss)	\$396.8	\$441.0	\$301.8	\$409.4	\$(315.0)
Average common equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,176.0	\$3,026.0	\$2,812.4	\$2,703.9	\$3,086.7
Average common shareholders' equity	\$2,632.8	\$5,197.4	\$4,665.4	\$4,166.8	\$4,200.3
Operating return on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	8.6%	12.1%	12.9%	10.7%	9.8%
Return on equity	15.1%	8.5%	6.5%	9.8%	(7.5)%

## INFORMATION RELATED TO CERTAIN NON-GAAP FINANCIAL MEASURES

A reconciliation of consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

				4Q17
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)				3,225.6
Net operating loss carryforwards				409.8
Accumulated other comprehensive income				1,212.1
Common shareholders' equity				\$4,847.5

	1Q18	2Q18	3Q18	4Q18
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,318.7	\$3,366.0	\$2,705.8	\$2,687.3
Net operating loss carryforwards	404.2	388.7	510.6	505.9
Accumulated other comprehensive income	894.3	700.2	403.5	177.7
Common shareholders' equity	\$4,617.2	\$4,454.9	\$3,619.9	\$3,370.9

	1Q19	2Q19	3Q19	4Q19
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$2,703.4	\$2,702.9	\$2,685.0	\$2,761.9
Net operating loss carryforwards	479.6	451.1	425.4	542.6
Accumulated other comprehensive income	654.9	1,098.2	1,442.9	1,372.5
Common shareholders' equity	\$3,837.9	\$4,252.2	\$4,553.3	\$4,677.0

	1Q20	2Q20	3Q20	4Q20
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$2,701.2	\$2,784.2	\$2,905.1	\$2,956.2
Net operating loss carryforwards	469.4	426.8	377.2	341.9
Accumulated other comprehensive income	595.2	1,520.2	1,801.6	2,186.1
Common shareholders' equity	\$3,765.8	\$4,731.2	\$5,083.9	\$5,484.2

	1Q21	2Q21	3Q21	4Q21
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,019.5	\$3,035.6	\$3,036.3	\$3,068.9
Net operating loss carryforwards	323.1	292.9	266.9	243.7
Accumulated other comprehensive income	1,518.1	1,995.5	1,929.7	1,947.1
Common shareholders' equity	\$4,860.7	\$5,324.0	\$5,232.9	\$5,259.7

	1Q22	2Q22	3Q22	4Q22
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,072.2	\$3,162.3	\$3,272.7	\$3,324.9
Net operating loss carryforwards	238.2	214.7	190.9	169.0
Accumulated other comprehensive income (loss)	380.5	(1,165.0)	(2,165.7)	(2,093.1)
Common shareholders' equity	\$3,690.9	\$2,212.0	\$1,297.9	\$1,400.8

### TRAILING FOUR QUARTER AVERAGE

	4Q22	4Q21	4Q20	4Q19	4Q18
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,176.0	\$3,026.0	\$2,812.4	\$2,703.9	\$3,086.7
Net operating loss carryforwards	212.6	293.9	428.9	470.1	440.4
Accumulated other comprehensive income (loss)	(755.8)	1,877.5	1,424.1	992.8	673.2
Common shareholders' equity	\$2,632.8	\$5,197.4	\$4,665.4	\$4,166.8	\$4,200.3

## INFORMATION RELATED TO CERTAIN NON-GAAP FINANCIAL MEASURES

Book value per diluted share reflects the potential dilution that could occur if outstanding stock options were exercised; and restricted stock and performance units were vested. The dilution from options, restricted shares and performance units is calculated using the treasury stock method. Under this method, we assume the proceeds from the exercise of the options (or the unrecognized compensation expense with respect to restricted stock and performance units) will be used to purchase shares of our common stock at the closing market price on the last day of the period. In addition, the calculation of this non-GAAP measure differs from the corresponding GAAP measure because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in the unrealized appreciation (depreciation) of our investments.

A reconciliation from book value per share to book value per diluted share, excluding accumulated other comprehensive income (loss) is as follows (dollars in millions, except share and per share amounts):

	2022	2021	2020	2019	2018
Total shareholders' equity	\$1,400.8	\$5,259.7	\$5,484.2	\$4,677.0	\$3,370.9
Shares outstanding for the period	114,343,070	120,377,152	135,279,119	148,084,178	162,201,692
Book value per share	\$12.25	\$43.69	\$40.54	\$31.58	\$20.78
Total shareholders' equity	\$1,400.8	\$5,259.7	\$5,484.2	\$4,677.0	\$3,370.9
Less accumulated other comprehensive (income) loss	2,093.1	(1,947.1)	(2,186.1)	(1,372.5)	(177.7)
Adjusted shareholders' equity excluding AOCI	\$3,493.9	\$3,312.6	\$3,298.1	\$3,304.5	\$3,193.2
Shares outstanding for the period	114,343,070	120,377,152	135,279,119	148,084,178	162,201,692
Dilutive common stock equivalents related to:					
Stock options, restricted stock and performance units	2,499,071	2,953,586	2,438,176	1,496,546	1,391,458
Diluted shares outstanding	116,842,141	123,330,738	137,717,295	149,580,724	163,593,150
Book value per diluted share (a non-GAAP measure)	\$29.90	\$26.86	\$23.95	\$22.09	\$19.52