

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
December 31, 2009 and 2008
Unaudited
(in thousands)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Fixed maturity securities:		
Available-for-sale, at fair value	\$ 8,143,183	\$ 6,017,136
Equity securities, at fair value	290,569	357,377
Mortgage loans, net	1,263,581	1,250,198
Finance receivables, net	190,925	185,317
Fixed maturity securities on loan, at fair value	58,891	216,753
Equity securities on loan, at fair value	19,362	36,950
Other invested assets	942,394	921,886
Total investments	10,908,905	8,985,617
Cash and cash equivalents	374,746	612,328
Securities held as collateral	40,170	214,604
Deferred policy acquisition costs	905,127	1,039,071
Accrued investment income	99,684	89,757
Other assets	1,390,077	1,610,656
Separate account assets	11,447,608	9,239,747
Total assets	<u>\$ 25,166,317</u>	<u>\$ 21,791,780</u>
<u>Liabilities and Surplus</u>		
Liabilities:		
Policy and contract account balances	\$ 6,092,352	\$ 5,392,546
Future policy and contract benefits	2,616,824	2,549,792
Other policyholder funds	734,756	719,001
Pension and other postretirement benefits	148,570	217,835
Securities lending collateral	80,750	271,667
Other liabilities	1,164,247	1,112,883
Notes payable	211,288	216,198
Separate account liabilities	11,447,608	9,239,747
Total liabilities	22,496,395	19,719,669
Surplus:		
Unassigned funds	2,697,405	2,496,243
Accumulated other comprehensive income (loss)	(27,483)	(424,132)
Total surplus	2,669,922	2,072,111
Total liabilities and surplus	<u>\$ 25,166,317</u>	<u>\$ 21,791,780</u>

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Changes in Surplus
Years ended December 31, 2009, 2008 and 2007
Unaudited
(in thousands)

<u>Statements of Operations</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:			
Premiums	\$ 1,746,807	\$ 1,906,711	\$ 1,505,626
Policy and contract fees	510,170	503,646	486,590
Net investment income*	593,185	52,092	603,959
Other income	324,101	278,813	260,849
Total revenues	<u>3,174,263</u>	<u>2,741,262</u>	<u>2,857,024</u>
Benefits and expenses:			
Policyholder benefits	1,758,233	1,871,283	1,453,716
Dividends to policyholders and interest credited	336,863	299,179	290,508
Other operating costs and expenses	916,001	928,617	822,213
Total benefits and expenses	<u>3,011,097</u>	<u>3,099,079</u>	<u>2,566,437</u>
Income (loss) from operations before taxes	163,166	(357,817)	290,587
Income tax expense (benefit)	49,687	(95,996)	84,929
Net income (loss)	<u>\$ 113,479</u>	<u>\$ (261,821)</u>	<u>\$ 205,658</u>
<u>Changes in Surplus</u>			
Unassigned funds:			
Beginning balance	\$ 2,496,243	\$ 2,759,367	\$ 2,558,370
Net income (loss)	113,479	(261,821)	205,658
Change in accounting principle	87,683	(1,287)	(4,661)
Other	-	(16)	0
Total unassigned funds	<u>\$ 2,697,405</u>	<u>\$ 2,496,243</u>	<u>\$ 2,759,367</u>
Accumulated other comprehensive income (loss):			
Beginning balance	\$ (424,132)	\$ 134,289	\$ 169,895
Other comprehensive income (loss)	453,432	(558,509)	(13,114)
Change in accounting principle	(56,783)	88	(22,492)
Total accumulated other comprehensive income (loss)	<u>\$ (27,483)</u>	<u>\$ (424,132)</u>	<u>\$ 134,289</u>
Total surplus	<u>\$ 2,669,922</u>	<u>\$ 2,072,111</u>	<u>\$ 2,893,656</u>

*Net investment income includes net realized investment gains and losses.

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
Years ended December 31, 2009, 2008 and 2007
Unaudited
(in thousands)

<u>Cash Flows from Operating Activities</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net income (loss)	\$ 113,479	\$ (261,821)	\$ 205,658
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Interest credited to annuity and insurance contracts	281,163	258,007	247,577
Fees deducted from policy and contract balances	(364,474)	(338,399)	(425,291)
Change in future policy benefits	92,728	296,263	22,504
Change in other policyholder liabilities, net	17,382	15,692	41,305
Amortization of deferred policy acquisition costs	208,946	248,818	188,567
Capitalization of policy acquisition costs	(256,640)	(227,580)	(228,801)
Change in premiums and fees receivable	8,655	(10,916)	(16,893)
Change in income taxes	93,712	(115,034)	703
Net realized investment losses (gains)	(27,599)	503,454	(56,066)
Change in reinsurance recoverables	(14,256)	(29,223)	(32,307)
Other, net	9,670	(6,217)	2,994
Net cash provided by (used for) operating activities	<u>162,766</u>	<u>333,044</u>	<u>(50,050)</u>
<u>Cash Flows from Investing Activities</u>			
Proceeds from sales of investments	2,146,966	2,101,096	1,692,845
Proceeds from maturities and repayments of investments	865,842	705,951	864,360
Purchases and originations of investments	(4,102,264)	(3,131,022)	(2,650,251)
Finance receivable originations or purchases	(131,521)	(131,565)	(138,901)
Finance receivable principal payments	115,880	116,363	116,286
Other, net	(64,206)	(63,921)	(42,763)
Net cash used for investing activities	<u>(1,169,303)</u>	<u>(403,098)</u>	<u>(158,424)</u>
<u>Cash Flows from Financing Activities</u>			
Deposits credited to annuity and insurance contracts	2,742,147	2,551,249	2,342,490
Withdrawals from annuity and insurance contracts	(1,977,430)	(2,171,046)	(2,116,797)
Change in amounts drawn in excess of cash balances	7,922	455	55,607
Payments on debt	(4,910)	(4,604)	(4,318)
Other, net	1,226	6,304	27,363
Net cash provided by financing activities	<u>768,955</u>	<u>382,358</u>	<u>304,345</u>
Net increase (decrease) in cash and cash equivalents	(237,582)	312,304	95,871
Cash and cash equivalents, beginning of year	612,328	300,024	204,153
Cash and cash equivalents, end of year	<u>\$ 374,746</u>	<u>\$ 612,328</u>	<u>\$ 300,024</u>