

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
December 31, 2019 and 2018
Unaudited
(in thousands)

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Fixed maturity securities, at fair value	\$ 21,957,854	\$ 17,724,705
Equity securities, at fair value	606,737	503,408
Mortgage loans, net	4,322,318	3,749,228
Other invested assets	2,193,456	1,471,108
Total investments	<u>29,080,365</u>	<u>23,448,449</u>
Cash and cash equivalents	525,699	345,070
Deferred policy acquisition costs	1,416,878	1,996,101
Other assets	2,974,725	2,534,284
Separate account assets	29,155,683	23,580,924
Total assets	<u>\$ 63,153,350</u>	<u>\$ 51,904,828</u>
 <u>Liabilities and Surplus</u>		
Liabilities:		
Policyholder benefits and funds	\$ 24,090,456	\$ 20,010,643
Other liabilities	3,681,046	3,438,857
Separate account liabilities	29,155,683	23,580,924
Total liabilities	<u>56,927,185</u>	<u>47,030,424</u>
Surplus:		
Unassigned funds	5,547,220	5,122,295
Accumulated other comprehensive income (loss)	649,627	(272,269)
Total Minnesota Mutual Companies, Inc. and subsidiaries surplus	<u>6,196,847</u>	<u>4,850,026</u>
Noncontrolling interests	29,318	24,378
Total surplus	<u>6,226,165</u>	<u>4,874,404</u>
Total liabilities and surplus	<u>\$ 63,153,350</u>	<u>\$ 51,904,828</u>

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and Changes in Surplus
Years ended December 31, 2019, and 2018
Unaudited
(in thousands)

<u>Statements of Operations and Comprehensive Income (Loss)</u>	<u>2019</u>	<u>2018</u>
Revenues:		
Premiums	\$ 3,959,195	\$ 3,213,350
Policy and contract fees	871,411	816,177
Net investment income	1,023,245	913,327
Net realized investment gains (losses)	131,423	(17,359)
Other income	615,740	570,941
Total revenues	<u>6,601,014</u>	<u>5,496,436</u>
Benefits and expenses:		
Policyholder benefits	3,513,814	2,957,201
Interest credited	671,390	539,841
Other operating costs and expenses	1,903,349	1,654,066
Total benefits and expenses	<u>6,088,553</u>	<u>5,151,108</u>
Income from operations before taxes	512,461	345,328
Income tax expense	76,973	29,123
Net income	435,488	316,205
Less: Net income attributable to noncontrolling interests	2,327	3,722
Net income attributable to Minnesota Mutual Companies, Inc. and subsidiaries	<u>\$ 433,161</u>	<u>\$ 312,483</u>
Other comprehensive income (loss):		
Other comprehensive income (loss), net of tax	<u>\$ 921,896</u>	<u>\$ (566,554)</u>
Comprehensive income (loss) attributable to Minnesota Mutual Companies, Inc. and subsidiaries	<u>\$ 1,355,057</u>	<u>\$ (254,071)</u>
 <u>Changes in Surplus</u>		
Unassigned funds:		
Beginning balance	\$ 5,122,295	\$ 4,787,869
Net income	433,161	312,483
Change in accounting principles	(8,236)	21,943
Total unassigned funds	<u>\$ 5,547,220</u>	<u>\$ 5,122,295</u>
Accumulated other comprehensive income (loss):		
Beginning balance	\$ (272,269)	\$ 316,228
Other comprehensive income (loss)	921,896	(566,554)
Change in accounting principles	-	(21,943)
Total accumulated other comprehensive income (loss)	<u>\$ 649,627</u>	<u>\$ (272,269)</u>
Total Minnesota Mutual Companies, Inc. and subsidiaries surplus	<u>\$ 6,196,847</u>	<u>\$ 4,850,026</u>
Noncontrolling interests:		
Beginning balance	\$ 24,378	\$ 25,711
Net income	2,327	3,722
Change in equity of noncontrolling interests	2,613	(5,055)
Total noncontrolling interests	<u>\$ 29,318</u>	<u>\$ 24,378</u>
Total surplus	<u>\$ 6,226,165</u>	<u>\$ 4,874,404</u>

MINNESOTA MUTUAL COMPANIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
Years ended December 31, 2019, and 2018
Unaudited
(in thousands)

<u>Cash Flows from Operating Activities</u>	<u>2019</u>	<u>2018</u>
Net income	\$ 435,488	\$ 316,205
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest credited to annuity and insurance contracts	350,488	273,716
Fees deducted from policy and contract balances	(606,713)	(584,022)
Change in future policy benefits	1,047,921	519,673
Change in other policyholder liabilities, net	580,863	(130,001)
Amortization of deferred policy acquisition costs	308,752	274,677
Capitalization of policy acquisition costs	(427,526)	(419,574)
Net realized investment losses (gains)	(131,423)	17,359
Change in reinsurance recoverables	(173,754)	1,011
Other, net	219,372	(30,612)
Net cash provided by operating activities	<u>1,603,468</u>	<u>238,432</u>
 <u>Cash Flows from Investing Activities</u>		
Proceeds from sales of investments	3,242,282	4,929,058
Proceeds from maturities and repayments of investments	1,559,759	1,117,800
Purchases and originations of investments	(8,044,025)	(8,717,575)
Other, net	(851,820)	101,267
Net cash used for investing activities	<u>(4,093,804)</u>	<u>(2,569,450)</u>
 <u>Cash Flows from Financing Activities</u>		
Deposits credited to annuity and insurance contracts	6,200,316	5,483,134
Withdrawals from annuity and insurance contracts	(3,506,171)	(3,562,261)
Proceeds from Issuance of debt	140,100	618,415
Payments on debt	(190,100)	(345,000)
Other, net	26,820	(1,135)
Net cash provided by financing activities	<u>2,670,965</u>	<u>2,193,153</u>
 Net increase (decrease) in cash and cash equivalents	180,629	(137,865)
Cash and cash equivalents, beginning of year	345,070	482,935
Cash and cash equivalents, end of year	<u>\$ 525,699</u>	<u>\$ 345,070</u>