

Message from Our Chairman

To Our Clients, Business Partners, Colleagues and Friends,

At the time of this writing, our country continues to battle the COVID-19 pandemic that is testing the resilience of our nation and the financial markets.

Western & Southern Financial Group was built for times like these. We survived the Spanish flu, the Great Depression, two World Wars, the Korean and Vietnam wars, 9/11, Middle East conflicts, the Great Recession and a number of other financial crises along the way. I am certain 2020 will provide real and difficult challenges. However, we are confident that our associates and management team, coupled with our incredible financial strength, will once again fuel our ability to weather these challenges and power us forward.

Reflecting on 2019, I am pleased to report that Western & Southern experienced our best year yet. We achieved records in total revenue, net income, and life and health premiums. Total life and health premiums and annuity sales grew to record levels, significantly aided by the successful integration of Gerber Life into our family of companies and the continued growth of our national annuity distribution partnerships.

Almost every measure on our balance sheet reached all-time highs, including assets owned, assets owned and managed, and net worth. Our record assets owned and managed were driven by record life and annuity premiums, favorable market performance, and a \$500 million surplus note issued early in the year, leveraging our incredible financial strength and demonstrating investor confidence in our ability to access capital markets.

An important indicator of our ability to fulfill the promises we make is our capital-to-asset ratio. It reached 18.6% at year-

end 2019, more than double the 7.6% average for the 15 largest publicly traded life companies doing business in the U.S.

Our investment businesses returned solid results. Our total assets grew to \$85.3 billion, the highest ever. We expanded our investment management offerings through Fort Washington Investment Advisors to include a new collateralized loan obligation strategy. Our real estate subsidiary, Eagle Realty Group, grew the mortgage loan portfolio by 14%, and 19 mutual funds from Touchstone Investments earned 4- or 5-Star ratings from Morningstar.¹

Now more than ever, the foundation of our success is the incredible corporate culture we have built and continue to improve every day. It guides our actions and drives us to do what it takes to meet the evolving needs of our customers, clients, associates and business partners while ensuring our company's continued longevity.

This gives our company the ability to endure the intense uncertainty that lies ahead. We are incredibly well positioned to deliver the financial solutions you need along life's journey.

Thank you for your continued confidence. We value it and look forward to serving you for years to come. Stay healthy, and stay safe.

Sincerely,



John F. Barrett

Chairman, President and
Chief Executive Officer

