

2018 Financial Summary



Message from Our Chairman

To Our Clients, Business Partners and Colleagues,

The 130th anniversary of Western & Southern Financial Group's founding was indeed our best year yet.

We completed our largest acquisition to date, with Gerber Life Insurance Company joining our family on Dec. 31. We achieved record total revenue, life and health premiums, annuity sales, and net income. At year end, our capital-to-asset ratio was 17 percent, more than double the average of the 15 largest publicly traded life insurers doing business in the U.S.

The life insurance businesses completed a seventh consecutive year of life and health premiums in excess of \$1 billion. The investment and retirement businesses returned impressive results driven by market and peer group performance, solid client and advisor relationships, new products and strategies, and solutions for employers.

Over the last 30 years, we have worked hard to continuously improve our culture, now a crucial strategic weapon and the secret behind our success.

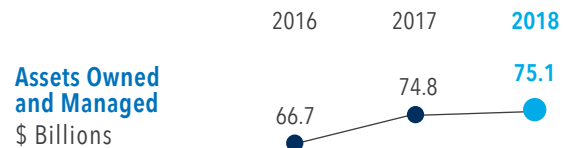
We value your continued confidence and look forward to serving you and generations to come for another 130 years.

Sincerely,



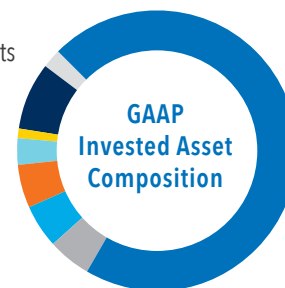
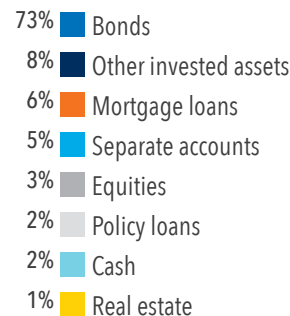
John F. Barrett

Chairman, President and
Chief Executive Officer



\$ Billions

Insurance in force	\$132.7
Total claims and benefits paid	\$ 4.3



Consolidated and Condensed GAAP Income Statement*

\$ Thousands	Year Ended 12/31/2018
Revenue	
Insurance premiums, product charges	\$2,668,402
Net investment income	1,729,069
Commissions, fees, other income	295,563
Total revenue	\$4,693,034
Benefits and expenses	
Policyholder benefits	\$2,716,417
Interest credited to policyholder account balances	641,557
Other operating expenses	919,953
Total benefits and expenses	4,277,927
Operating income**	415,107
Investment gains, non-operating charges	461,852
Income tax expense (benefit)	155,712
Net income	\$721,247

Consolidated and Condensed GAAP Balance Sheet

\$ Thousands	12/31/2018
Assets	
Debt securities	\$34,639,040
Equity securities	1,467,086
Other invested assets	9,206,434
Other general account assets	4,354,537
Assets held in separate accounts	2,166,102
Total assets	\$51,833,199
Liabilities and equity	
Future policy benefits, claims	\$37,829,769
Long-term debt	493,146
Other general account liabilities	2,509,636
Liabilities related to separate accounts	2,166,102
Total liabilities	42,998,653
Total equity	8,834,546
Total liabilities and equity	\$51,833,199

* Excludes Gerber Life Insurance Company.

** Operating income is defined as net income excluding income tax, net realized investment gains or losses, noncontrolling interest related to capital gains, one-time restructuring charges and discontinued operations.