



Investor Update

May 24, 2023

National Life Group® is a trade name of National Life Insurance Company, founded in Montpelier, VT in 1848, Life Insurance Company of the Southwest, Addison, TX, chartered in 1955, and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

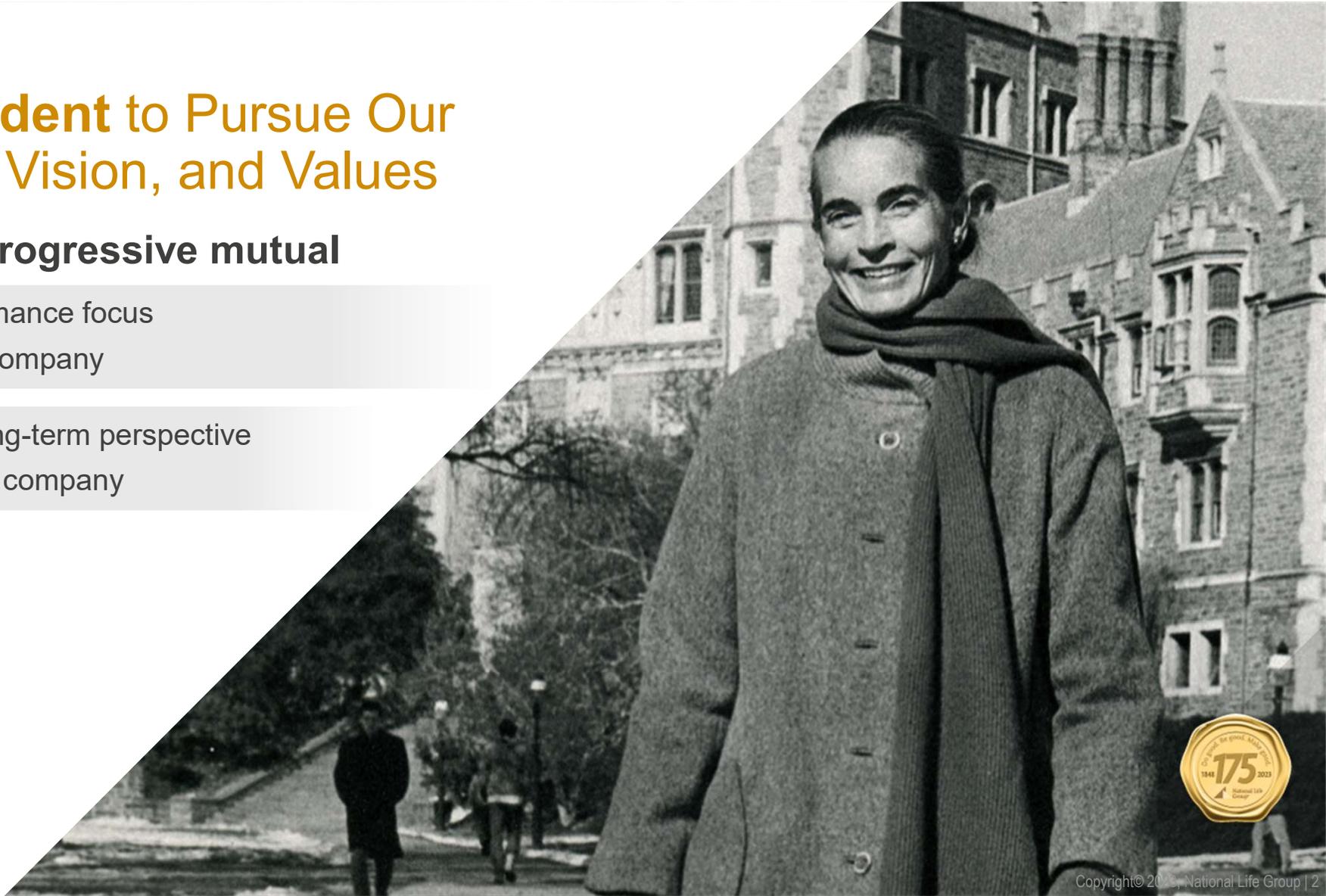
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Independent to Pursue Our Mission, Vision, and Values

We are a progressive mutual

The performance focus of a stock company

With the long-term perspective of a mutual company



Serving Main Street Drives Our Success

Customer-focused products
For protection, retirement and investment

Leader in the K-12 individual 403(b) educator marketplace

Complete set of solutions for small business owners

Embedded in the multicultural markets

Mission

Keeping Our Promises

Vision

Bring Peace of Mind
to Everyone We Touch

Values

Do good.
Be good.
Make good.





NLG had Another Record Year in 2022

\$41B Total Assets¹⁰

Up \$1B over 2021, 7% 5-Year CAGR

\$790M Total Weighted New

Annualized Premium¹ (WNAP) Sales

Record life sales up 5% over 2021, 14% 5-Year CAGR

\$392M Core Earnings²

\$22M above our record from 2021, 12% 5-Year CAGR

\$3.1B Total Adjusted Capital³

7% 5-Year CAGR, excludes \$750 million P-Caps



NLG's Strength and Performance is Recognized

A.M. Best	Standard & Poor's	Moody's
A+	A+	A1
SUPERIOR	STRONG	GOOD
2nd out of 16 ratings ¹⁴	5th out of 21 ratings ¹⁴	5th out of 21 ratings ¹⁴

Both **A.M. Best** and **Moody's** upgraded our financial strength ratings in 2021



We Maintain Consistent Market Prominence

#1

for Fixed Indexed Annuities in Employer Sponsored Plans⁴

#1 for over 10 years

#3

for Indexed Universal Life Insurance Sales⁵

Up from #4 in 2017

#10

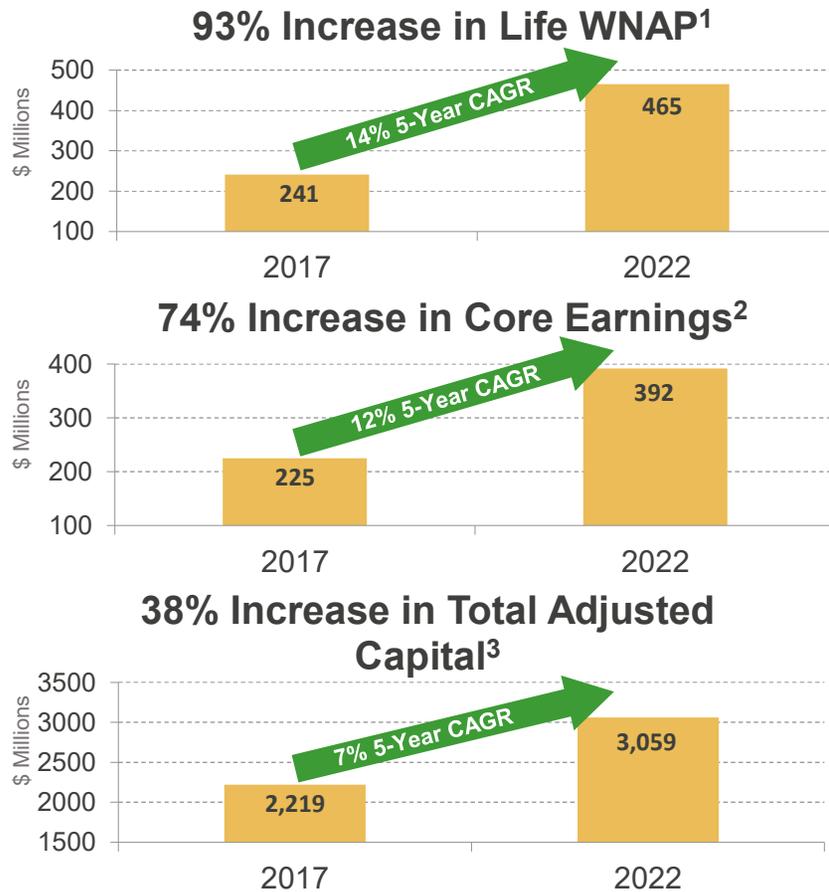
for individual life insurance sales out of all reporting U.S. life insurance companies⁵

Up from #18 in 2017

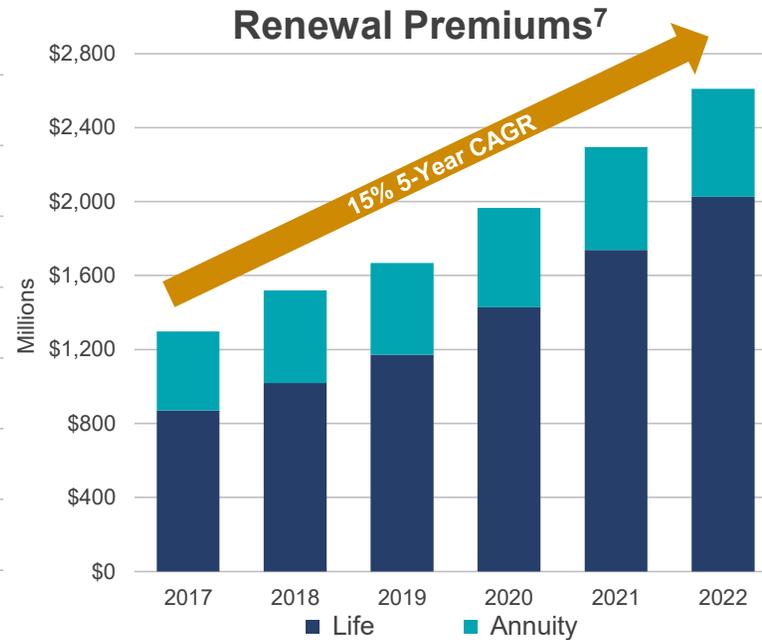
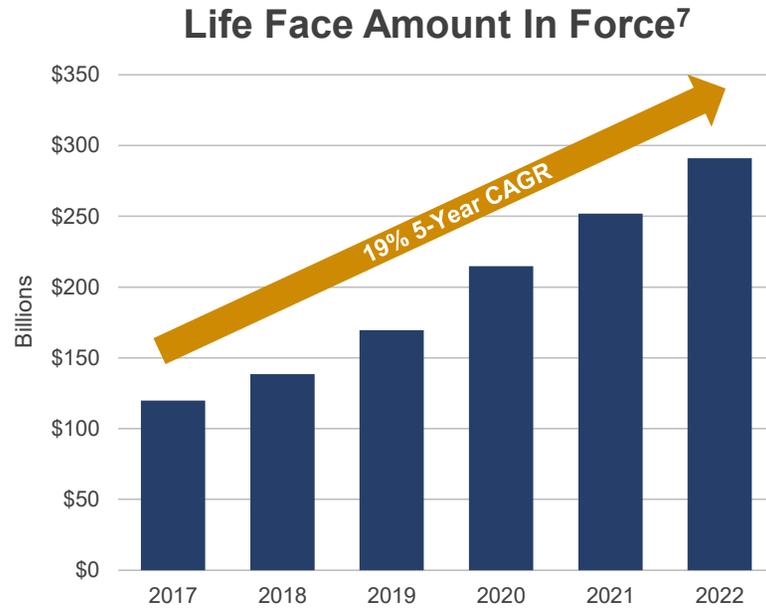
5-Year Life sales **growth of 92%** compared to industry growth of 18%⁶



NLG has Delivered Strong Performance in Challenging Environments



NLG's Robust Sales Drive Growth of In Force

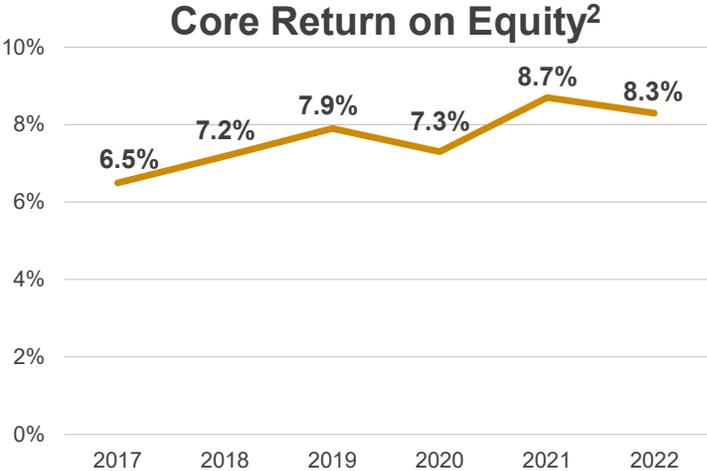


Life Face Amount In Force increased \$39B in 2022 driven by record Life sales

Renewal premiums have more than doubled over the past 5 years reflecting strong top-line growth on a statutory basis



Profitable Growth Drives Record Core Earnings



Life Core Earnings driven by higher policy fees attributed to sales growth, increased investment income, and improved mortality margins

Annuity Core Earnings reflected higher fees and investment income from rising interest rates, increased AUM, lower option costs, and widening spreads due to higher portfolio rates

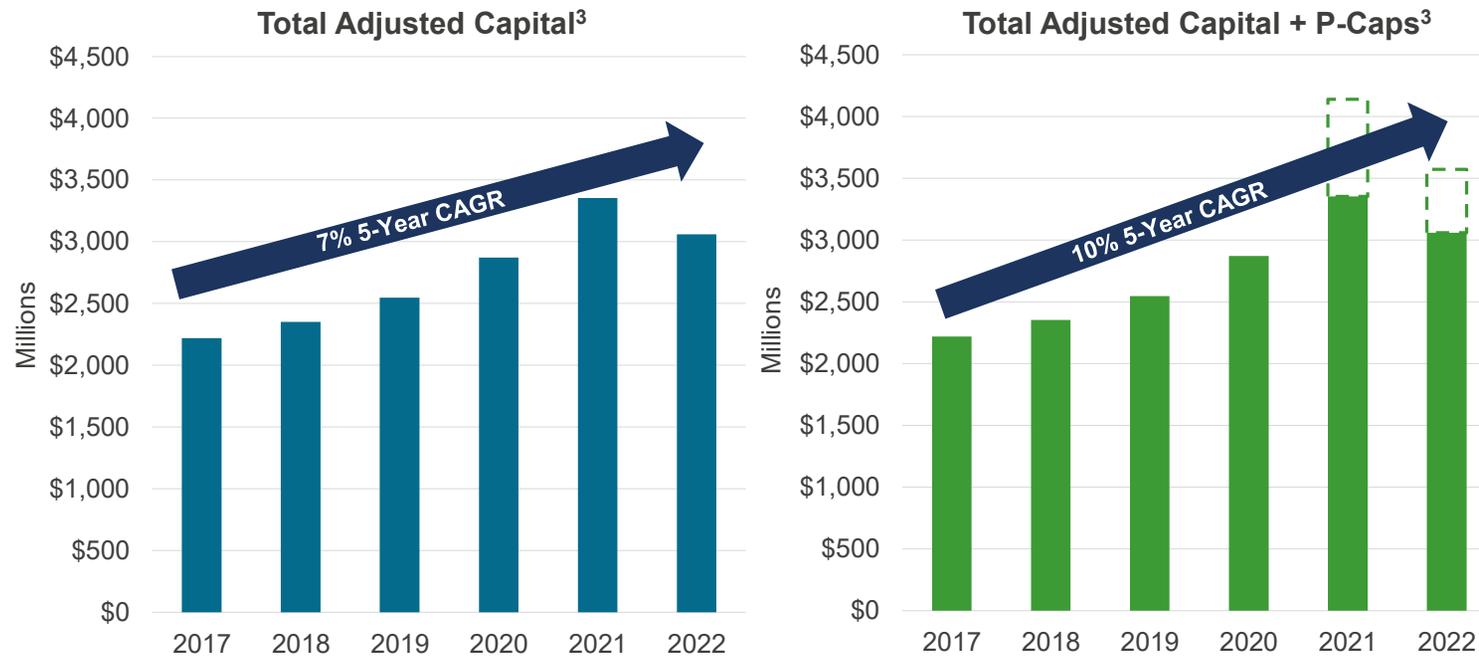
Alternative asset results continued their strong performance in 2022

Disciplined expense management resulted in minimal YoY expense growth of just 2%

Core ROE trend reflects our strong Core Earnings growth



NLG has a History of Strong and Consistent Capital Growth



Capital levels remain **strong while growing** Life sales at 14% 5-Year CAGR

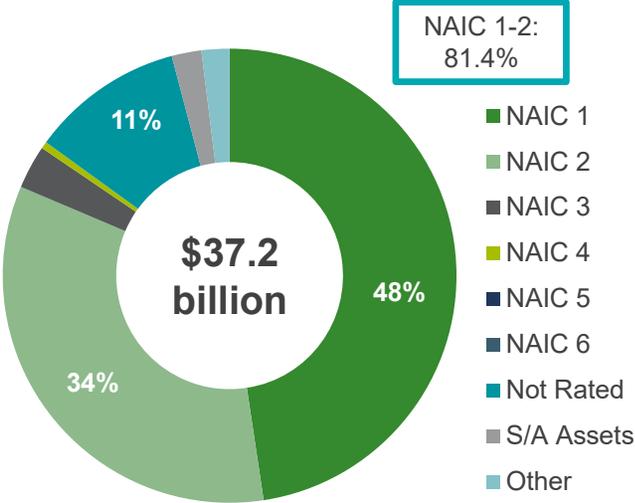
Total Adjusted Capital declined in 2022 due to mark-to-market impacts of hedging options from equity market volatility during the period

The \$750M 30-year Senior P-Caps issuance adds to our strong capital position and **enhances financial flexibility** in all market environments

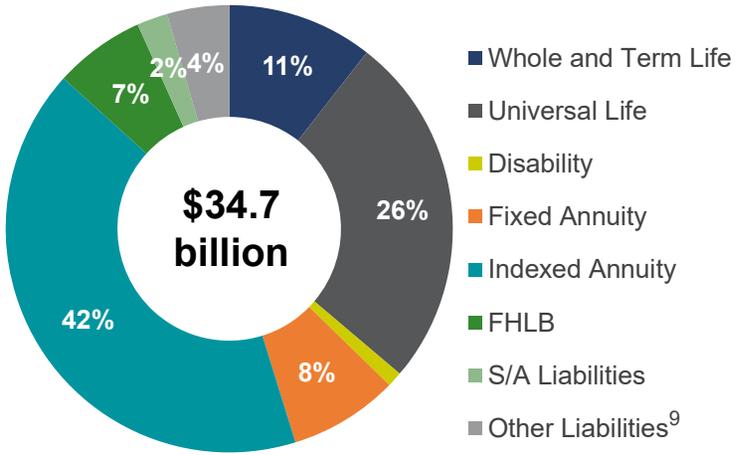


High-Quality Investments Supports a Diversified Product Portfolio

Total Statutory Assets⁸



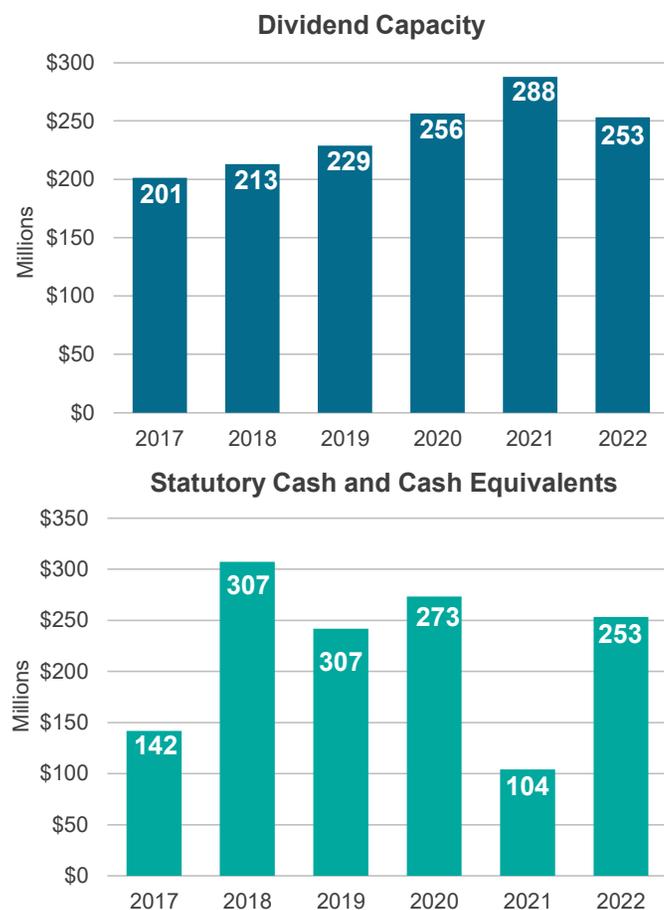
Total Statutory Liabilities⁸



Over 96% of rated fixed income securities are NAIC 1 or 2
 Our product portfolio is **well diversified** with a balance of life and annuities



NLG Maintains Significant Financial Flexibility and Robust Liquidity



- **In excess of \$1B in available liquidity** from FHLB Boston and Dallas as of 2022
- Our dividend capacity **provides significant financial flexibility** despite a slight YoY decrease in total assets from decline in the value of hedge assets
- **Statutory cash and cash equivalents** remains robust and contributes to our excellent liquidity position
- **Additional financial flexibility** available from:
 - Our ability to loan up to 3% of admitted assets to holding company (\$314 million in capacity representing ~9 years of debt service coverage)
 - The 2021 \$750 million par value P-Caps issuance





NLG is off to a **Historic Start** in the First Quarter of 2023

Highest Q1 Life, Flow Annuity and SPDA **Sales** in Company history
\$112M Life WNAP¹, \$55M Flow¹ and \$647M SPDA¹ Sales

Record Q1 **Core Earnings**² of \$118M reflected growth in all lines of business

Total GAAP Assets¹⁰ were \$43B and **Total Liabilities** were \$39B

Capital, liquidity, and hedging remain strong through market volatility





National Life Group in Summary

An industry leading life insurer

- Top 10 Life Insurer⁵
- #3 in Indexed Universal Life⁵ with a 5-year Life sales CAGR of 14%¹

A Progressive Mutual

- 175-year history
- Long term strategic lens, supporting buying and selling customers
- Short term financial performance standards with record top-line and bottom-line results in 2022

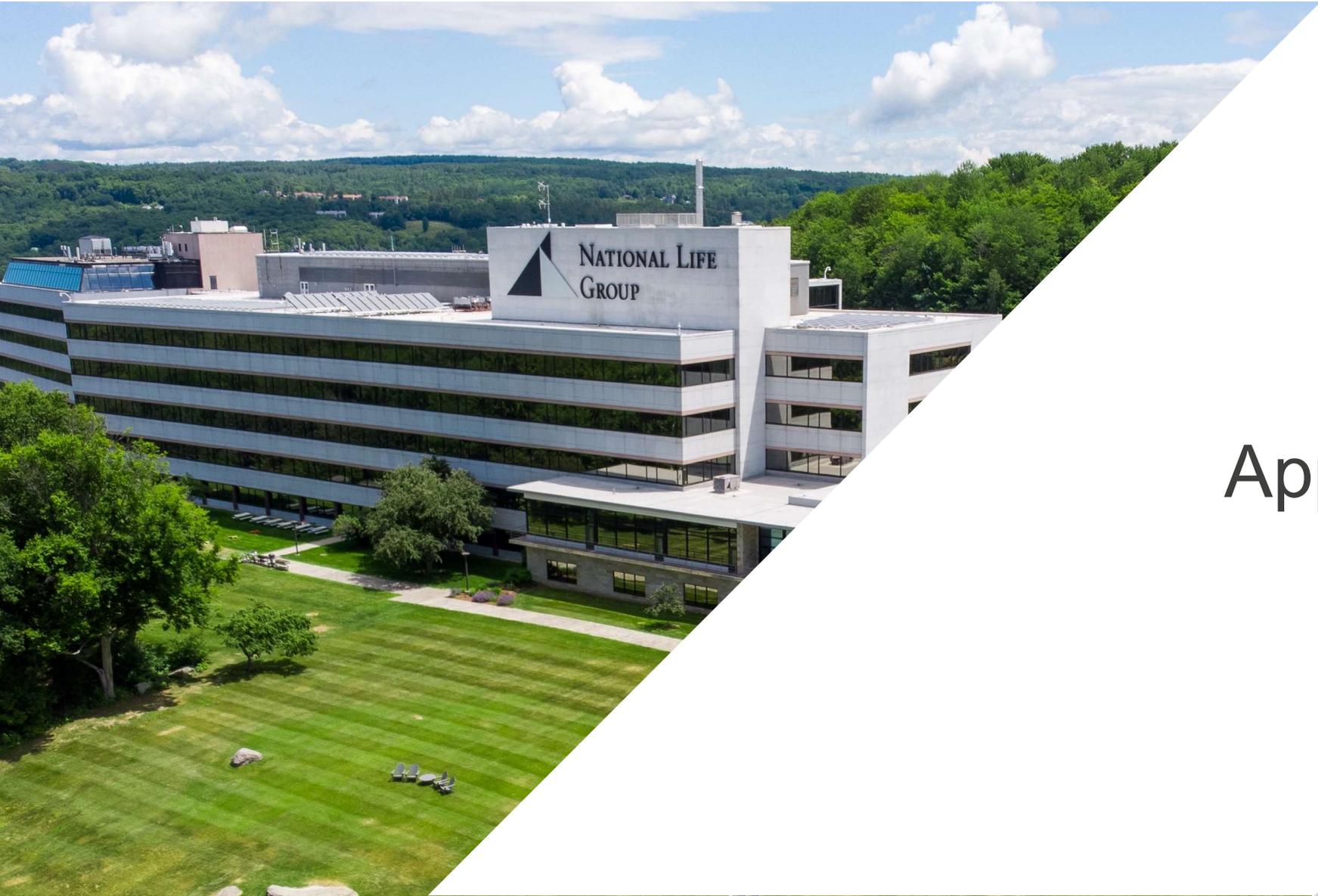
Robust growth with financial discipline

- Serving an underserved Middle America market
- Focus on quality of business and long-term distribution relationships
- Products that perform for policyholders and for the company across a range of economic scenarios

Balance sheet strength

- Strength and performance recognized by rating agencies
- Strong capital levels enhanced by access to contingent capital
- Integrated risk management function ingrained throughout business
- Clean balance sheet assets and liabilities





Appendix



Our Core Earnings Metric Removes Market Volatility

\$ Millions	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2020	2021	2022	1Q22	1Q23
Net income	\$193.6	\$392.1	\$132.4	\$68.0	\$77.8
Net investment losses (gains)	20.4	(175.3)	6.1	(37.4)	32.0
Other non-core adjustments related to net investment gains and losses	(1.6)	9.2	(14.2)	(4.7)	2.0
Income tax expense	15.2	100.5	26.0	18.1	20.7
Pre-tax operating income	227.6	326.5	150.3	44.0	132.5
Non-core losses (earnings)	61.3	43.6	241.6	46.9	(14.8)
Core earnings²	\$289.0	\$370.1	\$391.9	\$90.9	\$117.7



NLG has a **Strong and Flexible Balance Sheet**

\$ Millions	As of December 31,				
	2018	2019	2020	2021	2022
Total debt (senior, surplus, trust)	791	915	915	916	916
Retained Earnings ¹¹	2,742	3,011	3,205	3,597	3,729
Total capitalization¹²	3,533	3,926	4,120	4,513	4,645
Debt / Total capitalization	22.4%	23.3%	22.2%	20.3%	19.7%
Core earnings coverage ¹³	5.6x	5.5x	5.4x	6.6x	6.8x

As of December 31, 2022

\$41B
Assets¹⁰

\$37B
Liabilities¹⁰

\$3.7B
Retained
Earnings¹¹

\$4.6B
Total
Capitalization¹²



¹ Life sales include total weighted new annualized premium (“WNAP”) for National Life Insurance Company (“NLIC”) and Life Insurance Company of the Southwest (“LSW”). Flow annuity and single premium deferred annuity (“SPDA”) sales include total deposits for NLIC and LSW. For the year ended 12/31/22 NLIC life insurance WNAP were \$54M, flow annuity total deposits were \$7M, and SPDA total deposits were \$32M. For the three months ended 3/31/23, NLIC life insurance WNAP were \$12M and flow annuity total deposits were \$2M, and SPDA total deposits were \$128M.

² Core Earnings and Core Return on Equity (“ROE”) are group only non-GAAP measures (U.S. Generally Accepting Accounting Principles or “GAAP”) based on the consolidated financial position of NLV Financial Corporation (“NLVF”) and its subsidiaries and affiliates as of 12/31/22. Core Earnings is a non-GAAP, pre-tax measure we use to evaluate our financial performance. It excludes investment gains/losses and accounting volatility related to our indexed life and annuity products. We believe Core Earnings is a useful measure to analyze our results and trends because it excludes such short-term volatility and is more consistent with the economics and long-term performance of our indexed products. Core ROE is tax effected at the statutory tax rate. For additional information, refer to our quarterly financial statements by visiting: <https://www.NationalLife.com/OurStory-Financials>.

³ Statutory total adjusted capital (“TAC”) for National Life Insurance Company. TAC is an industry measure used by state regulators to measure a life insurer’s risk-based capital adequacy, and includes statutory capital and surplus adjusted for certain liabilities.

⁴ LIMRA US Individual Annuity Industry Sales Report, 4Q2022.

⁵ LIMRA US Retail Individual Sales Participant Report 4Q2022.

⁶ LIMRA US Retail Individual Life Insurance Sales Participant Report, 4Q2017 and 4Q2022.

⁷ Life Face Amount In Force and Renewal Premiums are based on consolidated results of NLIC and LSW for the year ended 12/31/22. NLIC Life Face Amount In Force was \$59.4B and Renewal Premiums were \$481M.

⁸ Comprises the combined portfolios of NLIC and LSW as of 12/31/22 on a statutory basis. Total statutory assets and liabilities for NLIC as of 12/31/22 were \$10.5B and \$7.9B, respectively.

⁹ Other Liabilities include \$510M of derivatives and \$584M of AVR/IVR.

¹⁰ Based on the consolidated GAAP financial position as of 12/31/22. Total assets exclude bond unrealized gains and losses.

¹¹ Retained Earnings is defined as the equity value before other accumulated comprehensive income.

¹² Total capitalization = Debt + Retained Earnings

¹³ Core earnings Coverage = (Core earnings + Interest expense) / Interest expense.

¹⁴ Financial strength ratings for NLIC and LSW as of April 30, 2023. Ratings are subject to change.

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