



CNO FINANCIAL GROUP

4Q17

Financial and operating results for the period ended December 31, 2017

February 14, 2018

Unless otherwise specified, comparisons in this presentation are between 4Q16 and 4Q17.

Forward-Looking Statements

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about future results of operations and capital plans. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those included in our press release issued on February 13, 2018, our Quarterly Reports on Form 10-Q, our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

Non-GAAP Measures

This presentation contains the following financial measures that differ from the comparable measures under Generally Accepted Accounting Principles (GAAP): operating earnings measures; book value, excluding accumulated other comprehensive income (loss) per share; operating return measures; earnings before net realized investment gains (losses), fair value changes in embedded derivative liabilities, fair value changes and amendment related to the agent deferred compensation plan, other non-operating items, corporate interest expense and taxes; and debt to capital ratios, excluding accumulated other comprehensive income (loss). Reconciliations between those non-GAAP measures and the comparable GAAP measures are included in the Appendix, or on the page such measure is presented.

While management believes these measures are useful to enhance understanding and comparability of our financial results, these non-GAAP measures should not be considered substitutes for the most directly comparable GAAP measures.

Additional information concerning non-GAAP measures is included in our periodic filings with the Securities and Exchange Commission that are available in the “Investors – SEC Filings” section of CNO’s website, www.CNOinc.com.



CNO FINANCIAL GROUP

2017 Year in Review

- Solid earnings results and continued financial strength
 - Operating EPS up 19% for the full year
 - Capital metrics remained strong throughout the year
 - Strong cash flow generation, returned \$227 million to shareholders
 - Book value per diluted share of \$21.43¹, including impacts from tax reform
- Continued to grow and diversify the franchise
 - Majority of Growth Scorecard measures up year-over-year
 - Strategic growth initiatives advancing
- Completed year-end actuarial assumption review
 - Aggregate margins remain strong

Segment Results

■ Bankers Life

- Total collected premium down 2%, full year up 2%
- Annuity account values increased 5%
- Life and health NAP down 3% and 13%, respectively
 - Full year Life and health NAP decreased 15% and 9%, respectively
- Total average producing agents down 7%, veteran agents¹ essentially flat
- BD/RIA client assets continued growth



■ Washington National

- Total collected premium up 2%; supplemental health up 4%
 - Full year total collected premium up 2%; supplemental health up 4%
- Life and health NAP up slightly, full year up 3%
- Average producing agent count up 1%
- Hurricane impacts in 2H17



■ Colonial Penn

- Total collected premium up 3%, full year increased 4%
- NAP up slightly, full year NAP down 10%

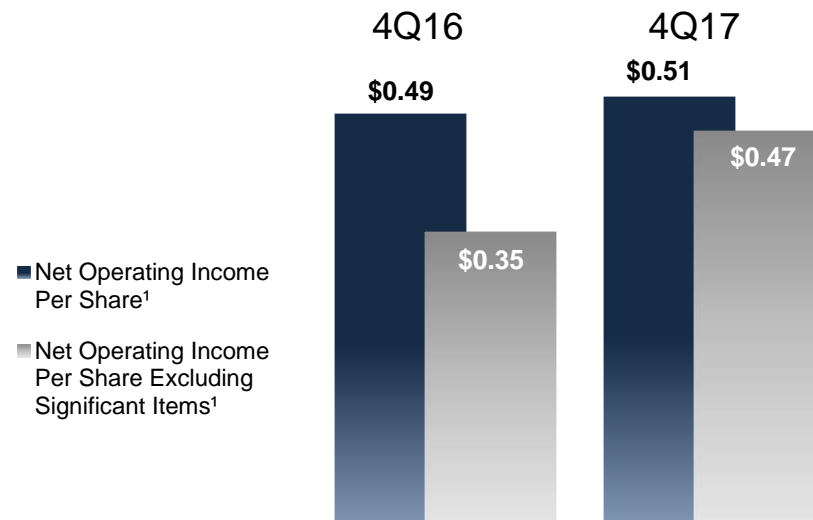


4Q17 Earnings Highlights (\$ millions, except per share data)

Financial Highlights

- Net loss per diluted share of \$0.42
 - Net income per diluted share of \$0.61, excluding impacts of tax reform
- Net operating income per diluted share¹ of \$0.51
 - Excluding significant items, net operating EPS¹ of \$0.47, up 34%
- Operating ROE¹ of 9.2%
- Holding company cash and investments of \$397 million
- Estimated consolidated risk-based capital of 446%
- Repurchased \$27 million of common stock in the quarter and \$167 million for the full year
- Committed to deploying 100% of free cash flow

4Q17 Financial Results



Net Operating Income ¹	\$84.9	\$85.8
Net Operating Income Excl. Significant Items ¹	\$60.8	\$79.4
Weighted Average Shares Outstanding (in millions)	175.2	167.4 ²

¹ A non-GAAP measure. See the Appendix for a reconciliation to the corresponding GAAP measure.

² Equivalent common shares of 2.8 million were not included in the diluted weighted average shares outstanding due to the net loss recognized in 4Q17.

Segment Results (\$ millions)

Segment Adjusted EBIT Excluding Significant Items¹

	4Q16	1Q17	2Q17	3Q17	4Q17
Bankers Life	\$90.7	\$91.4	\$103.2	\$106.9	\$98.9
Washington National	\$29.9	\$24.8	\$23.6	\$27.5	\$24.7
Colonial Penn	\$7.1	(\$0.3)	\$8.0	\$6.0	\$5.9
LTC in run-off	(\$1.3)	\$0.4	\$1.7	(\$1.0)	\$0.6
Corporate	(\$17.5)	(\$8.9)	(\$13.2)	(\$14.9)	(\$3.3)
Total CNO	\$108.9	\$107.4	\$123.3	\$124.5	\$126.8

Segment Highlights

- Bankers Life results reflect higher call/prepayment income and favorable LTC margins
- Washington National results reflect lower investment income and higher expenses partially offset by stronger supplemental health margins
- Colonial Penn results in-line with expectations. Expect 2018 Adjusted EBIT of \$10-20 million
- LTC in run-off in-line with expectations
- Corporate results reflect higher investment income and lower expenses

¹ A non-GAAP measure. See the Appendix for a reconciliation to the corresponding GAAP measure.

2017 GAAP Loss Recognition Testing Results

- Aggregate GAAP margins
 - Margins increased by approximately \$165 million to \$4.2 billion primarily driven by new business
 - Testing margins steady at 22% of net GAAP liabilities
 - No loss recognition charges
 - No changes to ultimate new money rate
- Long-term care margins
 - Bankers Life LTC margin stable at 7% of net GAAP liabilities
 - Closed-block LTC margin improved to 4% of net GAAP liabilities

Impact of Tax Reform

4Q17 Impacts

- GAAP charge of \$172 million, components include
 - \$224 million due to write-down of deferred tax assets
 - (\$52) million valuation allowance release
- \$2.23 decrease to book value per diluted share (excluding AOCI)
- Statutory capital decreased by \$46 million, or 9 RBC percentage points, due to a reduction in admissible deferred taxes

Estimated Future Impacts

- GAAP effective tax rate in the 21-23% range
- Cash tax rate of ~13%
- Modest increase to cash flows of ~\$10 million annually
- Increase to operating EPS of 22%
- ROE increase of ~225bps
- Future updates to RBC formula would result in an estimated required capital increase of ~\$80 million (~65 percentage point decrease to consolidated RBC ratio)

Priorities & Opportunities

- Continue franchise growth and diversification through
 - Launching new products and services
 - Expanding to the ‘right’
 - Enhancing customer experience
- Reducing long-term care exposure
- Committed to effective capital deployment

Questions and Answers

Appendix

Growth Scorecard (\$ millions)

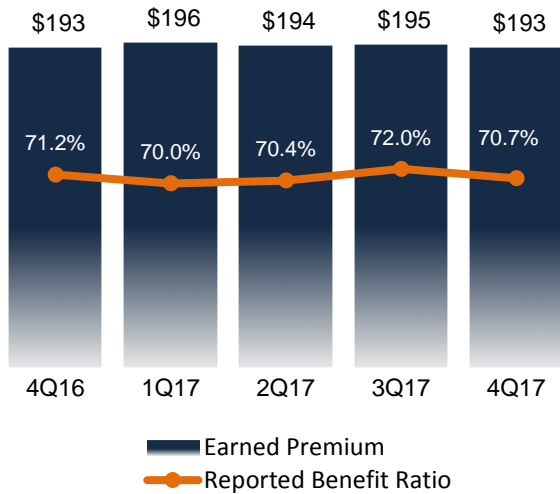
		2016		2017					% Change	
		4Q	TY	1Q	2Q	3Q	4Q	TY	Q/Q	Y/Y
First Year Collected Premiums	Bankers Life	\$342.1	\$1,211.9	\$311.1	\$319.9	\$288.2	\$326.4	\$1,245.6	-4.6%	2.8%
	Washington National	19.3	78.2	20.5	19.7	18.9	19.3	78.4	0.0%	0.3%
	Colonial Penn	13.2	54.8	13.7	12.7	12.1	11.6	50.1	-12.1%	-8.6%
	Total CNO	\$374.6	\$1,344.9	\$345.3	\$352.3	\$319.2	\$357.3	\$1,374.1	-4.6%	2.2%
Collected Premiums	Bankers Life	\$711.6	\$2,666.4	\$687.8	\$680.6	\$641.7	\$696.3	\$2,706.4	-2.2%	1.5%
	Washington National	165.2	659.3	173.1	167.5	164.2	168.6	673.4	2.1%	2.1%
	Colonial Penn	69.8	280.3	74.5	72.5	72.6	72.0	291.6	3.2%	4.0%
	LTC in run-off	4.7	4.7	4.6	4.4	3.9	4.0	16.9	-14.9%	N/A
	Total CNO	\$951.3	\$3,610.7	\$940.0	\$925.0	\$882.4	\$940.9	\$3,688.3	-1.1%	2.1%
Policies Inforce ¹ (thousands)	Bankers Life	1,686.9	1,686.9	1,673.5	1,671.7	1,665.6	1,672.0	1,672.0	-0.9%	-0.9%
	Washington National	961.7	961.7	964.6	964.5	963.1	964.1	964.1	0.2%	0.2%
	Colonial Penn	846.4	846.4	853.3	849.4	845.1	841.0	841.0	-0.6%	-0.6%
	LTC in run-off	10.2	10.2	10.1	9.8	9.5	9.3	9.3	-8.8%	-8.8%
	Total CNO	3,505.2	3,505.2	3,501.5	3,495.4	3,483.3	3,486.4	3,486.4	-0.5%	-0.5%
New Annualized Premium ²	Life Insurance	\$33.5	\$164.1	\$41.5	\$36.0	\$34.3	\$33.6	\$145.4	0.3%	-11.4%
	Health Insurance	56.2	194.7	46.4	45.9	43.1	51.8	187.2	-7.8%	-3.9%
	Total Life & Health Insurance	\$89.7	\$358.7	\$87.9	\$81.9	\$77.4	\$85.4	\$332.6	-4.8%	-7.3%
Annuity Account Values	Bankers Life	\$7,788.5	\$7,788.5	\$7,869.7	\$7,954.7	\$8,047.2	\$8,163.3	\$8,163.3	4.8%	4.8%
	Washington National	413.7	413.7	404.5	393.4	385.7	378.2	378.2	-8.6%	-8.6%
	Total	\$8,202.2	\$8,202.2	\$8,274.2	\$8,348.1	\$8,432.9	\$8,541.5	\$8,541.5	4.1%	4.1%
Annuity Collected Premiums	Bankers Life	\$284.9	\$970.0	\$257.5	\$264.3	\$236.5	\$272.3	\$1,030.6	-4.4%	6.2%
Fee Revenue	Bankers Life	\$10.7	\$33.9	\$10.1	\$10.1	\$10.8	\$11.2	\$42.2	4.7%	24.5%

¹ Includes third party products sold. See page 20 for a reconciliation to total policies inforce.

² Measured as 100% of new term life and health annualized premiums and 10% of single premium whole life deposits.

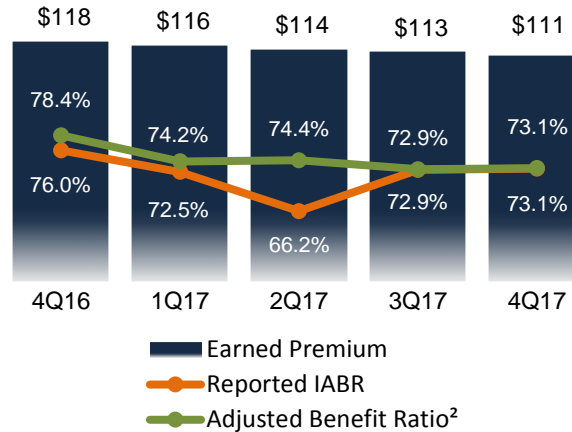
Health Margins (\$ millions)

Bankers Life Medicare Supplement Benefit Ratio



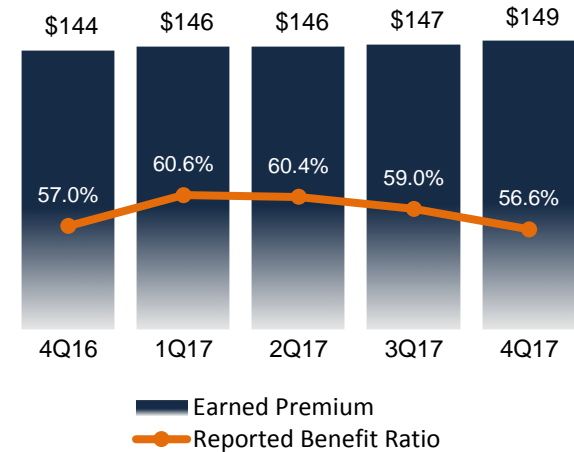
- Benefit ratio of 70.7% in-line with expectations
- Benefit ratio guidance of 71-74% for 2018**

Bankers Life Long-term Care IABR¹



- Adjusted IABR² of 73.1%, reflects favorable incurred claims
- IABR¹ guidance of 75-80% for 2018**

Washington National Supplemental Health IABR¹



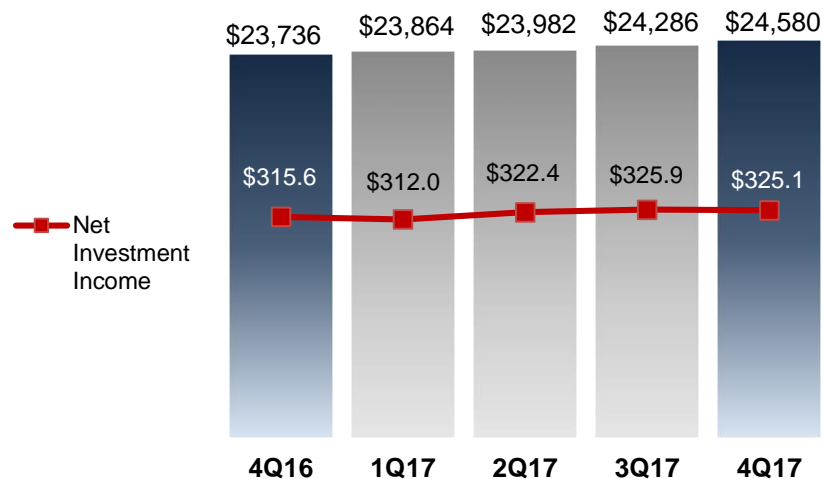
- IABR¹ of 56.6% reflects favorable incurred claims
- IABR¹ guidance of 58-61% for 2018**

¹ Interest-adjusted benefit ratio (IABR); a non-GAAP measure. Refer to the Appendix for the corresponding GAAP measure.

² Adjusted benefit ratio; long-term care IABR¹ excluding impact of policyholder actions following rate increases and other one-time impacts

Investment Results (\$ millions)

Average Invested Assets and Cash



New Money Rate	5.02%	5.23%	4.64%	5.38%	5.16%
Earned Yield ¹ :	5.58%	5.42%	5.54%	5.51%	5.43%
Pre-Pay/Call/Make-whole Income	\$5.3	\$0.6	\$9.8	\$16.9	\$11.7
Alternative Investment Income	\$6.7	\$8.5	\$6.1	\$8.9	\$10.2
Impairments	\$7.5	\$8.4	\$5.1	\$4.7	\$4.6

Quarter Highlights

- Results benefited from high prepayment/call income and strong private credit performance
- New money rate attributable to investments in real asset alternatives, long dated IG corporates, and selected esoteric ABS
- Low impairment trend continues
- Continue to liquidate recaptured assets; remaining balance of \$20.1 million as of 12/31/17, down from \$33.4 million as of 9/30/17

¹ Earned Yield excludes assets held in our FHLB matchbook program.

Average Producing Agents¹

	Bankers Life				Washington National			
	1st Yr	2nd Yr	3rd Yr +	Total	1st Yr	2nd Yr	3rd Yr +	Total
12/31/2017	1,845	463	1,863	4,171	288	85	314	687
9/30/2017	1,887	483	1,873	4,243	287	89	310	686
6/30/2017	1,941	503	1,880	4,324	285	91	308	684
3/31/2017	1,994	533	1,877	4,404	280	92	308	680
12/31/2016	2,037	567	1,875	4,479	279	90	308	677
9/30/2016	2,081	584	1,875	4,540	283	89	309	681
6/30/2016	2,123	598	1,882	4,603	284	88	307	679
3/31/2016	2,194	604	1,888	4,686	287	90	300	677
12/31/2015	2,266	613	1,883	4,761	282	92	292	666

¹ Producing agent counts are determined at the end of each month and only include agents who submitted at least one policy in the month. The average producing agent counts represent the average of the last 12 months producing agent counts.

4Q17 Holding Company Liquidity (\$ millions)

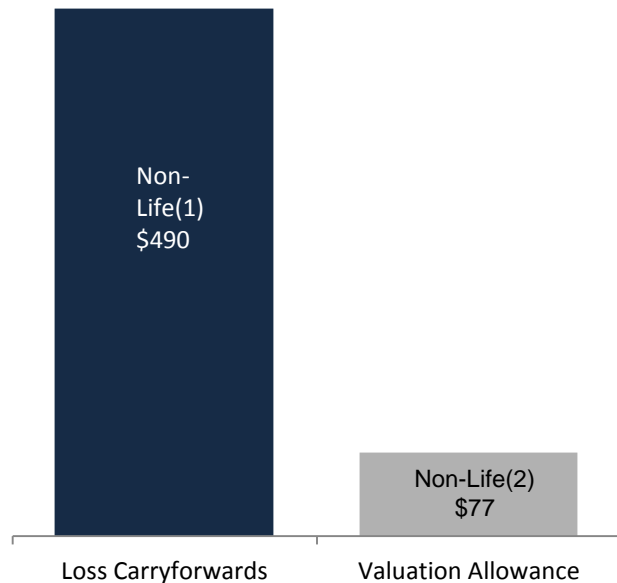
	4Q17	2017
Cash and Investments Balance - Beginning	\$379.8	\$263.6
Sources		
Dividends from Insurance Subsidiaries	70.9	357.7
Dividends from Non-insurance Subsidiaries	-	5.8
Service and Investment Fees, Net	17.0	108.1
Surplus Debenture Interest	12.3	56.8
Interest/Earnings on Corporate Investments	3.9	16.6
Other	7.6	15.7
Total Sources	111.7	560.7
Uses		
Share Repurchases ¹	26.0	166.1
Interest	21.2	43.9
Common Stock Dividends	15.1	59.6
Intercompany Payments ²	-	41.4
Tax Payments	18.5	71.3
General Expenses & Other	20.8	62.4
Total Uses	101.6	444.7
Non-Cash Changes in Investment Balances	6.7	17.0
Cash and Investments Balance - December 31, 2017	\$396.6	\$396.6

¹ Excludes \$1.0 million of 4Q17 reported repurchases settled in 1Q18.

² Settlement of intercompany balances related to previously disclosed 4Q16 IRS tax settlement.

Tax Asset Summary (\$ millions)

Loss Carryforwards



- 1 Excludes \$9 million related to state operating loss carryforwards.
- 2 Excludes \$7 million related to state operating loss carryforwards.

Details

- Total estimated economic value of NOLs of \$265 million @ 10% discount rate (~\$1.56 on per share basis)
- NOLs are expected to offset 100% of the taxable income of our non-life companies and 35% of the taxable income of our life insurance companies through 2023

Policies Inforce

The following summarizes total policies inforce as of the end of the period indicated.

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Policies inforce:					
Bankers Life	1,526,344	1,519,474	1,515,445	1,510,160	1,500,573
Washington National	961,689	964,642	964,519	963,141	964,138
Colonial Penn	846,372	853,307	849,353	845,135	840,979
Long-term care in run-off	10,260	10,068	9,769	9,473	9,265
Total policies inforce	3,344,665	3,347,491	3,339,086	3,327,909	3,314,955
Third party policies inforce sold by					
Bankers Life agents	160,548	154,005	156,308	155,430	171,421
Total policies inforce and third party policies inforce sold by Bankers Life agents	3,505,213	3,501,496	3,495,394	3,483,339	3,486,376

4Q16 Significant Items

The table below summarizes the financial impact of significant items on our 4Q16 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended December 31, 2016		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 138.9	\$ (48.2) (1)	\$ 90.7
Washington National	29.9	-	29.9
Colonial Penn	4.6	2.5 (2)	7.1
Long-term care in run-off	(3.9)	2.6 (3)	(1.3)
Adjusted EBIT from business segments	169.5	(43.1)	126.4
Corporate Operations, excluding corporate interest expense	(23.0)	5.5 (4)	(17.5)
Adjusted EBIT	146.5	(37.6)	108.9
Corporate interest expense	(11.5)	-	(11.5)
Operating earnings before tax	135.0	(37.6)	97.4
Tax expense on operating income	50.1	(13.5)	36.6
Net operating income *	\$ 84.9	\$ (24.1)	\$ 60.8
Net operating income per diluted share*	\$ 0.49	\$ (0.14)	\$ 0.35

(1) Pre-tax earnings in the Bankers Life segment included: (i) \$45.8 million of favorable impacts for adjustments arising from our comprehensive annual actuarial review of assumptions, and (ii) the \$2.4 million release of long-term care reserves (net of the reduction in insurance intangibles) due to the impact of policyholder actions following rate increases.

(2) Pre-tax earnings in the Colonial Penn segment were reduced \$2.5 million related to the impact of loss recognition on a closed block of payout annuities.

(3) Pre-tax earnings in Long-term care in run-off segment were reduced by \$2.6 million related to the impact of loss recognition on this closed block of long-term care business.

(4) Pre-tax earnings in the Corporate segment included a \$5.5 million increase to legal reserves related to legacy business of our predecessor.

* A non-GAAP measure. See pages 26 and 28 for a reconciliation to the corresponding GAAP measure.

1Q17 Significant Items

The table below summarizes the financial impact of significant items on our 1Q17 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended March 31, 2017		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 89.7	\$ 1.7 (1)	\$ 91.4
Washington National	23.5	1.3 (2)	24.8
Colonial Penn	(0.3)	-	(0.3)
Long-term care in run-off	0.4	-	0.4
Adjusted EBIT from business segments	113.3	3.0	116.3
Corporate Operations, excluding corporate interest expense	(8.9)	-	(8.9)
Adjusted EBIT	104.4	3.0	107.4
Corporate interest expense	(11.5)	-	(11.5)
Operating earnings before tax	92.9	3.0	95.9
Tax expense on operating income	33.1	1.1	34.2
Net operating income *	<u>\$ 59.8</u>	<u>\$ 1.9</u>	<u>\$ 61.7</u>
Net operating income per diluted share*	<u>\$ 0.34</u>	<u>\$ 0.01</u>	<u>\$ 0.35</u>

(1) Pre-tax earnings in the Bankers Life segment included: (i) a \$3.5 million expense increase for estimated future state guaranty association assessments, net of premium tax offsets, related to the liquidation of Penn Treaty Network America Insurance Company ("Penn Treaty"); partially offset by (ii) the \$1.8 million release of long-term care reserves (net of the reduction in insurance intangibles) due to the impact of policy holder actions following rate increases.

(2) Pre-tax earnings in the Washington National segment included a \$1.3 million expense increase related to the aforementioned estimated future state guaranty association assessments, net of premium tax offsets, related to Penn Treaty.

* A non-GAAP measure. See pages 26 and 28 for a reconciliation to the corresponding GAAP measure.

2Q17 Significant Items

The table below summarizes the financial impact of significant items on our 2Q17 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended June 30, 2017		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 112.6	\$ (9.4) (1)	\$ 103.2
Washington National	23.6	-	23.6
Colonial Penn	8.0	-	8.0
Long-term care in run-off	1.7	-	1.7
Adjusted EBIT from business segments	145.9	(9.4)	136.5
Corporate Operations, excluding corporate interest expense	(13.2)	-	(13.2)
Adjusted EBIT	132.7	(9.4)	123.3
Corporate interest expense	(11.6)	-	(11.6)
Operating earnings before tax	121.1	(9.4)	111.7
Tax expense on operating income	42.5	(3.3)	39.2
Net operating income *	<u>\$ 78.6</u>	<u>\$ (6.1)</u>	<u>\$ 72.5</u>
Net operating income per diluted share*	<u>\$ 0.45</u>	<u>\$ 0.03</u>	<u>\$ 0.42</u>

(1) Pre-tax earnings in the Bankers Life segment included: (i) favorable persistency (including the results of extensive procedures performed to identify policies that had terminated prior to June 30, 2017 due to death); and (ii) policy holder actions following long-term care rate increases. These items resulted in a release of reserves, primarily related to the long-term care business in the Bankers Life segment, which totaled \$9.4 million.

* A non-GAAP measure. See pages 26 and 28 for a reconciliation to the corresponding GAAP measure.

3Q17 Significant Items

The table below summarizes the financial impact of significant items on our 3Q17 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended September 30, 2017		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 106.9	\$ -	\$ 106.9
Washington National	27.5	-	27.5
Colonial Penn	9.0	(3.0) (1)	6.0
Long-term care in run-off	(1.0)	-	(1.0)
Adjusted EBIT from business segments	142.4	(3.0)	139.4
Corporate Operations, excluding corporate interest expense	(14.9)	-	(14.9)
Adjusted EBIT	127.5	(3.0)	124.5
Corporate interest expense	(11.7)	-	(11.7)
Operating earnings before tax	115.8	(3.0)	112.8
Tax expense on operating income	39.1	(1.0)	38.1
Net operating income *	<u>\$ 76.7</u>	<u>\$ (2.0)</u>	<u>\$ 74.7</u>
Net operating income per diluted share*	<u>\$ 0.45</u>	<u>\$ (0.01)</u>	<u>\$ 0.44</u>

(1) Pre-tax earnings in the Colonial Penn segment reflects a \$3.0 million out-of-period adjustment and refinement to liabilities for insurance products identified in conjunction with periodic updating of assumptions.

* A non-GAAP measure. See pages 26 and 28 for a reconciliation to the corresponding GAAP measure.

4Q17 Significant Items

The table below summarizes the financial impact of significant items on our 4Q17 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended December 31, 2017		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 109.7	\$ (10.8) (1)	\$ 98.9
Washington National	23.7	1.0 (1)	24.7
Colonial Penn	5.9	-	5.9
Long-term care in run-off	0.6	-	0.6
Adjusted EBIT from business segments	139.9	(9.8)	130.1
Corporate Operations, excluding corporate interest expense	(3.3)	-	(3.3)
Adjusted EBIT	136.6	(9.8)	126.8
Corporate interest expense	(11.7)	-	(11.7)
Operating earnings before tax	124.9	(9.8)	115.1
Tax expense on operating income	39.1	(3.4)	35.7
Net operating income *	<u>\$ 85.8</u>	<u>\$ (6.4)</u>	<u>\$ 79.4</u>
Net operating income per diluted share*	<u>\$ 0.51</u>	<u>\$ (0.04)</u>	<u>\$ 0.47</u>

(1) Pre-tax earnings in the Bankers Life and Washington National segments reflect \$10.8 million of favorable impacts and \$1.0 million of unfavorable impacts, respectively, from our comprehensive annual actuarial review of assumptions.

* A non-GAAP measure. See pages 26 and 28 for a reconciliation to the corresponding GAAP measure.

Quarterly Earnings

(\$ millions)

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Bankers Life	\$ 138.9	\$ 89.7	\$ 112.6	\$ 106.9	\$ 109.7
Washington National	29.9	23.5	23.6	27.5	23.7
Colonial Penn	4.6	(0.3)	8.0	9.0	5.9
Long-term care in run-off	<u>(3.9)</u>	<u>0.4</u>	<u>1.7</u>	<u>(1.0)</u>	<u>0.6</u>
Adjusted EBIT from business segments	169.5	113.3	145.9	142.4	139.9
Corporate operations, excluding interest expense	<u>(23.0)</u>	<u>(8.9)</u>	<u>(13.2)</u>	<u>(14.9)</u>	<u>(3.3)</u>
Adjusted EBIT*	146.5	104.4	132.7	127.5	136.6
Corporate interest expense	<u>(11.5)</u>	<u>(11.5)</u>	<u>(11.6)</u>	<u>(11.7)</u>	<u>(11.7)</u>
Operating earnings before taxes	135.0	92.9	121.1	115.8	124.9
Tax expense on period income	<u>50.1</u>	<u>33.1</u>	<u>42.5</u>	<u>39.1</u>	<u>39.1</u>
Net operating income	<u>84.9</u>	<u>59.8</u>	<u>78.6</u>	<u>76.7</u>	<u>85.8</u>
Net realized investment gains (losses), net of related amortization	(14.8)	7.9	14.9	28.5	(2.0)
Fair value changes in embedded derivative liabilities, net of related amortization	46.2	(4.4)	(5.9)	2.3	5.5
Fair value changes and amendment related to the agent deferred compensation plan	15.1	-	-	(13.4)	1.2
Other	<u>(0.8)</u>	<u>0.3</u>	<u>(1.6)</u>	<u>(3.3)</u>	<u>(4.2)</u>
Non-operating income before taxes	45.7	3.8	7.4	14.1	0.5
Income tax expense (benefit):					
On non-operating income (loss)	16.0	1.3	2.6	5.0	0.1
Valuation allowance for deferred tax assets and other tax items	<u>(119.6)</u>	<u>-</u>	<u>-</u>	<u>(15.0)</u>	<u>157.1</u>
Net non-operating income (loss)	<u>149.3</u>	<u>2.5</u>	<u>4.8</u>	<u>24.1</u>	<u>(156.7)</u>
Net income (loss)	<u>\$ 234.2</u>	<u>\$ 62.3</u>	<u>\$ 83.4</u>	<u>\$ 100.8</u>	<u>\$ (70.9)</u>

*Management believes that an analysis of earnings before net realized investment gains (losses), fair value changes in embedded derivative liabilities, fair value changes and amendment related to the agent deferred compensation plan, other non-operating items, corporate interest expense and taxes ("Adjusted EBIT," a non-GAAP financial measure) provides a clearer comparison of the operating results of the company quarter-over-quarter because it excludes: (1) net realized investment gains (losses); (2) fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities that are unrelated to the company's underlying fundamentals; (3) fair value changes and amendment related to the agent deferred compensation plan; (4) charges in the valuation allowance for deferred tax assets and other tax items; and (5) other non-operating items consisting primarily of earnings attributable to variable interest entities. The table above provides a reconciliation of Adjusted EBIT to net income.

Information Related to Certain Non-GAAP Financial Measures

The following provides additional information regarding certain non-GAAP measures used in this presentation. A non-GAAP measure is a numerical measure of a company's performance, financial position, or cash flows that excludes or includes amounts that are normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. While management believes these measures are useful to enhance understanding and comparability of our financial results, these non-GAAP measures should not be considered as substitutes for the most directly comparable GAAP measures. Additional information concerning non-GAAP measures is included in our periodic filings with the Securities and Exchange Commission that are available in the "Investors – SEC Filings" section of CNO's website, www.CNOinc.com.

Operating earnings measures

Management believes that an analysis of net income applicable to common stock before net realized investment gains or losses, fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, fair value changes and amendment related to the agent deferred compensation plan, changes in the valuation allowance for deferred tax assets and other tax items and other non-operating items consisting primarily of earnings attributable to variable interest entities ("net operating income," a non-GAAP financial measure) is important to evaluate the financial performance of the Company and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the Company's underlying fundamentals.

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of net income(loss) applicable to common stock to net operating income (and related per-share amounts) is as follows (dollars in millions, except per-share amounts):

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Net income(loss) applicable to common stock	\$ 234.2	\$ 62.3	\$ 83.4	\$ 100.8	\$ (70.9)
Non-operating items:					
Net realized investment (gains) losses, net of related amortization	14.8	(7.9)	(14.9)	(28.5)	2.0
Fair value changes in embedded derivative liabilities, net of related amortization	(46.2)	4.4	5.9	(2.3)	(5.5)
Fair value changes and amendment related to the agent deferred compensation plan	(15.1)	-	-	13.4	(1.2)
Other	0.8	(0.3)	1.6	3.3	4.2
Non-operating (income) loss before taxes	(45.7)	(3.8)	(7.4)	(14.1)	(0.5)
Income tax (expense) benefit:					
On non-operating (income) loss	(16.0)	(1.3)	(2.6)	(5.0)	(0.1)
Valuation allowance for deferred tax assets and other tax items	119.6	-	-	15.0	(157.1)
Net non-operating (income) loss	(149.3)	(2.5)	(4.8)	(24.1)	156.7
Net operating income (a non-GAAP financial measure)	\$ 84.9	\$ 59.8	\$ 78.6	\$ 76.7	\$ 85.8
Per diluted share:					
Net income(loss)	\$ 1.34	\$ 0.36	\$ 0.48	\$ 0.59	\$ (0.42)
Net realized investment (gains) losses (net of related amortization and taxes)	0.06	(0.03)	(0.06)	(0.11)	0.01
Fair value changes in embedded derivative liabilities (net of related amortization and taxes)	(0.17)	0.01	0.02	(0.01)	(0.02)
Fair value changes and amendment related to the agent deferred compensation plan (net of taxes)	(0.06)	-	-	0.05	(0.01)
Valuation allowance for deferred tax assets and other tax items	(0.68)	-	-	(0.09)	0.94
Other	-	-	0.01	0.02	0.01
Net operating income (a non-GAAP financial measure)	\$ 0.49	\$ 0.34	\$ 0.45	\$ 0.45	\$ 0.51

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of operating income and shares used to calculate basic and diluted operating earnings per share is as follows (dollars in millions, except per-share amounts, and shares in thousands):

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17 (a)</u>
Operating income	\$ <u>84.9</u>	\$ <u>59.8</u>	\$ <u>78.6</u>	\$ <u>76.7</u>	\$ <u>85.8</u>
Weighted average shares outstanding for basic earnings per share	173,634	173,431	170,556	168,684	167,428
Effect of dilutive securities on weighted average shares:					
Stock options, restricted stock and performance units	<u>1,539</u>	<u>1,634</u>	<u>1,796</u>	<u>2,298</u>	<u>-</u>
Weighted average shares outstanding for diluted earnings per share	<u>175,173</u>	<u>175,065</u>	<u>172,352</u>	<u>170,982</u>	<u>167,428</u>
Net operating income per diluted share	\$ <u>0.49</u>	\$ <u>0.34</u>	\$ <u>0.45</u>	\$ <u>0.45</u>	\$ <u>0.51</u>

(a) Equivalent common shares of 2,750 were not included in the diluted weighted average shares outstanding due to the net loss recognized in 4Q17.

Information Related to Certain Non-GAAP Financial Measures

Book value per diluted share

Book value per diluted share reflects the potential dilution that could occur if outstanding stock options were exercised, restricted stock and performance units were vested and convertible securities were converted. The dilution from options, restricted shares and performance units is calculated using the treasury stock method. Under this method, we assume the proceeds from the exercise of the options (or the unrecognized compensation expense with respect to restricted stock and performance units) will be used to purchase shares of our common stock at the closing market price on the last day of the period. In addition, the calculation of this non-GAAP measure differs from the corresponding GAAP measure because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in the unrealized appreciation (depreciation) of our investments. In addition, the value of capital used to calculate this non-GAAP measure at December 31, 2017 is reduced by the \$205.4 million impact recorded in retained earnings in the fourth quarter of 2017 from the remeasurement of deferred tax liabilities originally recorded in accumulated other comprehensive income. Management believes this adjustment to the December 31, 2017 non-GAAP measure is useful because it removes the tax effects stranded in accumulated other comprehensive income as a result of accounting rules which require the effects of the Tax Reform Act on deferred tax balances to be recorded in earnings, even if the balance was originally recorded in accumulated other comprehensive income.

A reconciliation from book value per share to book value per diluted share, excluding accumulated other comprehensive income (loss) is as follows (dollars in millions, except per share amounts):

	4Q16	1Q17	2Q17	3Q17	4Q17
Total shareholders' equity	\$ 4,486.9	\$ 4,606.8	\$ 4,779.3	\$ 4,881.7	\$ 4,847.5
Shares outstanding for the period	173,753,614	172,103,802	169,018,890	167,762,323	166,857,931
Book value per share	\$ 25.82	\$ 26.77	\$ 28.28	\$ 29.10	\$ 29.05
<hr/>					
Total shareholders' equity	\$ 4,486.9	\$ 4,606.8	\$ 4,779.3	\$ 4,881.7	\$ 4,847.5
Less accumulated other comprehensive income	(622.4)	(729.6)	(894.5)	(933.6)	(1,212.1) ^(a)
Adjusted shareholders' equity excluding AOCI	\$ 3,864.5	\$ 3,877.2	\$ 3,884.8	\$ 3,948.1	\$ 3,635.4
Shares outstanding for the period	173,753,614	172,103,802	169,018,890	167,762,323	166,857,931
Dilutive common stock equivalents related to:					
Stock options, restricted stock and performance units	1,721,878	1,714,212	1,840,391	2,474,837	2,796,385
Diluted shares outstanding	175,475,492	173,818,014	170,859,281	170,237,160	169,654,316
Book value per diluted share (a non-GAAP financial measure)	\$ 22.02	\$ 22.31	\$ 22.74	\$ 23.19	\$ 21.43

(a) Accumulated other comprehensive income at December 31, 2017, is increased by \$205.4 million to remove the stranded tax effects related to tax reform.

Information Related to Certain Non-GAAP Financial Measures

Interest-adjusted benefit ratios

The interest-adjusted benefit ratio (a non-GAAP measure) is calculated by dividing the product's insurance policy benefits less imputed interest income on the accumulated assets backing the insurance liabilities by insurance policy income. Interest income is an important factor in measuring the performance of longer duration health products. The net cash flows generally cause an accumulation of amounts in the early years of a policy (accounted for as reserve increases), which will be paid out as benefits in later policy years (accounted for as reserve decreases). Accordingly, as the policies age, the benefit ratio will typically increase, but the increase in the change in reserve will be partially offset by the imputed interest income earned on the accumulated assets. The interest-adjusted benefit ratio reflects the effects of such interest income offset. Since interest income is an important factor in measuring the performance of these products, management believes a benefit ratio, which includes the effect of interest income, is useful in analyzing product performance. The interest-adjusted benefit ratio excluding the impact of rate increases and other one-time impacts eliminates the release of reserves due to the impact of policyholder actions following rate increases and other one-time impacts.

(Dollars in millions)

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Bankers Life					
Long-term care benefit ratios					
Earned premium	\$ 117.8	\$ 115.6	\$ 113.7	\$ 112.7	\$ 111.1
Benefit ratio before imputed interest income on reserves	134.7%	132.6%	126.9%	134.2%	135.3%
Interest-adjusted benefit ratio	76.0%	72.5%	66.2%	72.9%	73.1%
Interest-adjusted benefit ratio, excluding the impact of reserve releases due to rate increases and other one-time impacts	78.4%	74.2%	74.4%	72.9%	73.1%
Underwriting margin (earned premium plus imputed interest income on reserves less policy benefits)	\$ 28.3	\$ 31.8	\$ 38.4	\$ 30.5	\$ 29.9
Adjusted underwriting margin (excluding the impact of reserve releases due to rate increases and other one-time impacts)	25.6	29.8	29.0	30.5	29.9
Washington National					
Supplemental health benefit ratios					
Earned premium	\$ 144.0	\$ 145.6	\$ 146.3	\$ 147.2	\$ 149.4
Benefit ratio before imputed interest income on reserves	81.0%	84.6%	84.5%	83.2%	80.7%
Interest-adjusted benefit ratio	57.0%	60.6%	60.4%	59.0%	56.6%
Underwriting margin (earned premium plus imputed interest income on reserves less policy benefits)	\$ 62.0	\$ 57.3	\$ 57.9	\$ 60.4	\$ 64.8

Information Related to Certain Non-GAAP Financial Measures

Operating return measures

Management believes that an analysis of net income applicable to common stock before net realized investment gains or losses, fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, fair value changes and amendment related to the agent deferred compensation plan, loss on reinsurance transaction, changes in the valuation allowance for deferred tax assets and other tax items, loss on extinguishment of debt and other non-operating items consisting primarily of earnings attributable to variable interest entities (“net operating income,” a non-GAAP financial measure) is important to evaluate the financial performance of the Company and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the Company’s underlying fundamentals.

Management also believes that an operating return, excluding significant items, is important as the impact of these items enhances the understanding of our operating results.

This non-GAAP financial measure also differs from return on equity because accumulated other comprehensive income (loss) has been excluded from the value of equity used to determine this ratio. Management believes this non-GAAP financial measure is useful because it removes the volatility that arises from changes in accumulated other comprehensive income (loss). Such volatility is often caused by changes in the estimated fair value of our investment portfolio resulting from changes in general market interest rates rather than the business decisions made by management. In addition, the value of capital used to calculate this non-GAAP measure at December 31, 2017 is reduced by the \$205.4 million impact recorded in retained earnings in the fourth quarter of 2017 from the remeasurement of deferred tax liabilities originally recorded in accumulated other comprehensive income. Management believes this adjustment to the December 31, 2017 non-GAAP measure is useful because it removes the tax effects stranded in accumulated other comprehensive income as a result of accounting rules which require the effects of the Tax Reform Act on deferred tax balances to be recorded in earnings, even if the balance was originally recorded in accumulated other comprehensive income.

In addition, our equity includes the value of significant net operating loss carryforwards (included in income tax assets). In accordance with GAAP, these assets are not discounted, and accordingly will not provide a return to shareholders (until after it is realized as a reduction to taxes that would otherwise be paid). Management believes that excluding this value from the equity component of this measure enhances the understanding of the effect these non-discounted assets have on operating returns and the comparability of these measures from period-to-period. Operating return measures are used in measuring the performance of our business units and are used as a basis for incentive compensation.

Information Related to Certain Non-GAAP Financial Measures

The calculations of: (i) operating return on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure); (ii) operating return, excluding significant items, on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure); and (iii) return on equity are as follows (dollars in millions):

	Trailing Twelve Months Ended				
	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Operating income	<u>\$ 262.5</u>	<u>\$ 272.7</u>	<u>\$ 287.6</u>	<u>\$ 300.0</u>	<u>\$ 300.9</u>
Operating income, excluding significant items	<u>\$ 229.1</u>	<u>\$ 244.2</u>	<u>\$ 255.9</u>	<u>\$ 269.7</u>	<u>\$ 288.3</u>
Net Income	<u>\$ 358.2</u>	<u>\$ 375.0</u>	<u>\$ 398.5</u>	<u>\$ 480.7</u>	<u>\$ 175.6</u>
Average common equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	<u>\$ 3,026.5</u>	<u>\$ 3,083.9</u>	<u>\$ 3,148.2</u>	<u>\$ 3,220.5</u>	<u>\$ 3,263.2</u>
Average common shareholders' equity	<u>\$ 4,372.3</u>	<u>\$ 4,463.4</u>	<u>\$ 4,551.3</u>	<u>\$ 4,640.2</u>	<u>\$ 4,733.8</u>
Operating return on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	8.7%	8.8%	9.1%	9.3%	9.2%
Operating return, excluding significant items, on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	7.6%	7.9%	8.1%	8.4%	8.8%
Return on equity	8.2%	8.4%	8.8%	10.4%	3.7%

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Information Related to Certain Non-GAAP Financial Measures

The following summarizes: (i) operating earnings; (ii) significant items; (iii) operating earnings, excluding significant items; and (iv) net income (dollars in millions):

	<u>Net Operating income</u>	<u>Significant items (a)</u>	<u>Net Operating income, excluding significant items</u>	<u>Income, excluding significant items - trailing four quarters</u>	<u>Net income (loss)</u>	<u>Net income - trailing four quarters</u>
1Q16	\$ 49.6	\$ (3.0)	\$ 46.6	\$ 248.8	\$ 45.5	\$ 263.4
2Q16	63.7	(2.9)	60.8	243.0	59.9	276.5
3Q16	64.3	(3.4)	60.9	239.6	18.6	261.3
4Q16	84.9	(24.1)	60.8	229.1	234.2	358.2
1Q17	59.8	1.9	61.7	244.2	62.3	375.0
2Q17	78.6	(6.1)	72.5	255.9	83.4	398.5
3Q17	76.7	(2.0)	74.7	269.7	100.8	480.7
4Q17	85.8	(6.4)	79.4	288.3	(70.9)	175.6

(a) - The significant items have been discussed in prior press releases.

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Information Related to Certain Non-GAAP Financial Measures

A reconciliation of pretax operating earnings (a non-GAAP financial measure) to net income is as follows (dollars in millions):

	Twelve Months Ended				
	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Pretax operating earnings (a non-GAAP financial measure)	\$ 410.3	\$ 425.6	\$ 447.3	\$ 464.8	\$ 454.7
Income tax expense	<u>(147.8)</u>	<u>(152.9)</u>	<u>(159.7)</u>	<u>(164.8)</u>	<u>(153.8)</u>
Operating return	<u>262.5</u>	<u>272.7</u>	<u>287.6</u>	<u>300.0</u>	<u>300.9</u>
Non-operating items:					
Net realized investment gains (losses), net of related amortization	7.6	16.5	19.4	36.5	49.3
Fair value changes in embedded derivative liabilities, net of related amortization	9.6	34.7	45.3	38.2	(2.5)
Fair value changes and amendment related to the agent deferred compensation plan	3.1	9.1	21.4	1.7	(12.2)
Loss on reinsurance transaction	(75.4)	(75.4)	(75.4)	-	-
Other	<u>(2.0)</u>	<u>(1.1)</u>	<u>(2.8)</u>	<u>(5.4)</u>	<u>(8.8)</u>
Non-operating income (loss) before taxes	(57.1)	(16.2)	7.9	71.0	25.8
Income tax expense (benefit):					
On non-operating income (loss)	(20.0)	(5.7)	2.8	24.9	9.0
Valuation allowance for deferred tax assets and other tax items	<u>(132.8)</u>	<u>(112.8)</u>	<u>(105.8)</u>	<u>(134.6)</u>	<u>142.1</u>
Net non-operating income (loss)	<u>95.7</u>	<u>102.3</u>	<u>110.9</u>	<u>180.7</u>	<u>(125.3)</u>
Net income	<u>\$ 358.2</u>	<u>\$ 375.0</u>	<u>\$ 398.5</u>	<u>\$ 480.7</u>	<u>\$ 175.6</u>

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Information Related to Certain Non-GAAP Financial Measures

A reconciliation of consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>4Q15</u>
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 3,026.1	\$ 2,989.7	\$ 2,924.9	\$ 3,011.6
Net operating loss carryforwards	793.3	769.5	735.7	724.1
Accumulated other comprehensive income	<u>934.2</u>	<u>605.0</u>	<u>510.4</u>	<u>402.8</u>
Common shareholders' equity	<u>\$ 4,753.6</u>	<u>\$ 4,364.2</u>	<u>\$ 4,171.0</u>	<u>\$ 4,138.5</u>
	<u>1Q16</u>	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 2,975.3	\$ 3,010.1	\$ 3,010.1	\$ 3,209.5
Net operating loss carryforwards	710.8	668.3	628.2	655.0
Accumulated other comprehensive income	<u>540.5</u>	<u>777.8</u>	<u>855.5</u>	<u>622.4</u>
Common shareholders' equity	<u>\$ 4,226.6</u>	<u>\$ 4,456.2</u>	<u>\$ 4,493.8</u>	<u>\$ 4,486.9</u>
	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 3,236.6	\$ 3,263.2	\$ 3,335.0	\$ 3,225.6
Net operating loss carryforwards	640.6	621.6	613.1	409.8
Accumulated other comprehensive income	<u>729.6</u>	<u>894.5</u>	<u>933.6</u>	<u>1,212.1</u> ^(a)
Common shareholders' equity	<u>\$ 4,606.8</u>	<u>\$ 4,779.3</u>	<u>\$ 4,881.7</u>	<u>\$ 4,847.5</u>

(a) Accumulated other comprehensive income at December 31, 2017, is increased by \$205.4 million to remove the stranded tax effects related to tax reform.

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

	Trailing Four Quarter Average				
	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 3,026.5	\$ 3,083.9	\$ 3,148.2	\$ 3,220.5	\$ 3,263.2
Net operating loss carryforwards	674.2	656.8	642.2	634.4	601.9
Accumulated other comprehensive income	<u>671.6</u>	<u>722.7</u>	<u>760.9</u>	<u>785.3</u>	<u>868.7</u>
Common shareholders' equity	<u>\$ 4,372.3</u>	<u>\$ 4,463.4</u>	<u>\$ 4,551.3</u>	<u>\$ 4,640.2</u>	<u>\$ 4,733.8</u>

Information Related to Certain Non-GAAP Financial Measures

Debt to capital ratio, excluding accumulated other comprehensive income (loss)

The debt to capital ratio, excluding accumulated other comprehensive income (loss), differs from the debt to capital ratio because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP financial measure is useful because it removes the volatility that arises from changes in accumulated other comprehensive income (loss). Such volatility is often caused by changes in the estimated fair value of our investment portfolio resulting from changes in general market interest rates rather than the business decisions made by management. In addition, the value of capital used to calculate this non-GAAP measure at December 31, 2017 is reduced by the \$205.4 million impact recorded in retained earnings in the fourth quarter of 2017 from the remeasurement of deferred tax liabilities originally recorded in accumulated other comprehensive income. Management believes this adjustment to the December 31, 2017 non-GAAP measure is useful because it removes the tax effects stranded in accumulated other comprehensive income as a result of accounting rules which require the effects of the Tax Reform Act on deferred tax balances to be recorded in earnings, even if the balance was originally recorded in accumulated other comprehensive income. A reconciliation of these ratios is as follows (dollars in millions):

	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
Corporate notes payable	\$ 912.9	\$ 913.4	\$ 913.9	\$ 914.4	\$ 914.6
Total shareholders' equity	<u>4,486.9</u>	<u>4,606.8</u>	<u>4,779.3</u>	<u>4,881.7</u>	<u>4,847.5</u>
Total capital	<u>\$ 5,399.8</u>	<u>\$ 5,520.2</u>	<u>\$ 5,693.2</u>	<u>\$ 5,796.1</u>	<u>\$ 5,762.1</u>
Corporate debt to capital	<u>16.9%</u>	<u>16.5%</u>	<u>16.1%</u>	<u>15.8%</u>	<u>15.9%</u>
Corporate notes payable	\$ 912.9	\$ 913.4	\$ 913.9	\$ 914.4	\$ 914.6
Total shareholders' equity	4,486.9	4,606.8	4,779.3	4,881.7	4,847.5
Less accumulated other comprehensive income	<u>(622.4)</u>	<u>(729.6)</u>	<u>(894.5)</u>	<u>(933.6)</u>	<u>(1,212.1)</u> ^(a)
Total capital	<u>\$ 4,777.4</u>	<u>\$ 4,790.6</u>	<u>\$ 4,798.7</u>	<u>\$ 4,862.5</u>	<u>\$ 4,550.0</u>
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	<u>19.1%</u>	<u>19.1%</u>	<u>19.0%</u>	<u>18.8%</u>	<u>20.1%</u>

(a) Accumulated other comprehensive income at December 31, 2017, is increased by \$205.4 million to remove the stranded tax effects related to tax reform.