



Second Quarter 2020

Financial and operating results for the period ended June 30, 2020
August 4, 2020

Unless otherwise specified, comparisons in this presentation are between 2Q19 and 2Q20.



Important Legal Information

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 August 4, 2020, 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 financial measures that differ from the comparable measures under Generally Accepted Accounting Principles (GAAP). 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 the 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, CNOinc.com.



Quarter in Review

Operating results reflect strong retention, product and distribution diversity and expense discipline

Strong Operational Performance

- Operating income¹ up 4%; operating income per share¹ up 15%
- Insurance policy income up 1%; insurance product margin up 28%
- Annuity account values up 4%
- Fee income up 18% to \$5.2 million
- Allocated expenses down \$7.1 million / 5%; non-allocated expenses down \$4.9 million / 25% excl. Global Resolution Agreement accrual

Building on Track Record of Execution

- Statutory capital and surplus of \$1.77 billion; RBC of 405%
- Returned \$47 million to shareholders; \$30 million in share buybacks
 - Weighted average shares down 10%
- Continued success with Transformation initiatives
- Operating ROE¹ of 11.4%

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

Growth Scorecard

Strong collected premium, fee revenue, & client assets; sales challenged by COVID environment

(dollars in millions)

	2019				2020		% Change Y/Y	
	2Q	3Q	4Q	TY	1Q	2Q		
Drive Growth	New Annualized Premium¹							
	Life	\$39.4	\$37.3	\$34.9	\$151.3	\$41.1	\$47.4	20.3%
	Health	39.4	40.3	54.7	168.7	38.1	17.7	-55.1%
	Long-term Care	6.4	6.4	8.0	26.6	5.9	4.3	-32.8%
	Total Life, Health, and LTC	\$85.2	\$84.0	\$97.6	\$346.6	\$85.1	\$69.4	-18.5%
	Collected Premiums							
	Life	\$202.5	\$203.5	\$206.3	\$811.2	\$207.7	\$206.1	1.8%
	Health	352.0	353.9	373.7	1439.1	353.9	353.2	0.3%
	Long-term Care	66.5	66.7	68.5	269.1	65.2	66.0	-0.8%
	Total Life, Health, and LTC	\$621.0	\$624.1	\$648.5	\$2,519.4	\$626.8	\$625.3	0.7%
Expand to the Right	Annuity Collected Premiums	\$341.2	\$325.2	\$324.3	\$1,306.4	\$292.2	\$242.7	-28.9%
	Client Assets in BD and Advisory²	\$1,303.0	\$1,362.7	\$1,515.0	\$1,515.0	\$1,358.7	\$1,524.0	17.0%
	Fee Revenue³	\$15.6	\$16.3	\$30.2	\$87.5	\$28.5	\$20.5	31.4%

1 Measured as 100% of new life, health, and LTC annualized premiums, except for single premium whole life deposits, which are measured at 10% of annualized premium.

2 Client assets include cash and securities in brokerage and managed advisory accounts.

3 Represents fee revenue from the sales of third-party insurance products, services provided by WBD, our broker-dealer and registered investment advisor.

Consumer Division Update

Record direct-to-consumer sales; other sales / agent metrics rebounding

Key Initiatives	Second Quarter Highlights
Maintain growth momentum	<ul style="list-style-type: none">• D2C sales up 52% to record \$30 million<ul style="list-style-type: none">• Improving sales efficiency/productivity metrics• Total Life sales up 27%• Health/LTC sales steadily improving from April lows
Optimize distribution	<ul style="list-style-type: none">• Producing agent count down 12% in 2Q20, down 6% in June<ul style="list-style-type: none">• June/July recruiting up sharply• Financial Representative¹ count up 1%; 15% of agent force is dually licensed
Expand reach	<ul style="list-style-type: none">• Launched several new D2C initiatives• Continued acceleration of lead sharing from D2C to exclusive agents

¹ Financial representatives are agents who are licensed to sell certain securities brokerage products and services.

Worksite Division Update

Stable in force block; significant near-term sales headwinds remain

Key Initiatives	Second Quarter Highlights
Continue growth in small employer market	<ul style="list-style-type: none">• Total sales down ~\$9 million or 69%• 25% of sales completed virtually• Employer profiles translating to stable premium collection
Expand to larger small businesses	<ul style="list-style-type: none">• WBD synergies progressing<ul style="list-style-type: none">• Additional digital capabilities in 4Q20• WBD revenue up 1%; up 5% YTD
Enhance portfolio	<ul style="list-style-type: none">• Group critical illness product launched• Group term life offering to follow in 4Q20

Excess Capital Allocation Strategy

Disciplined and opportunistic approach to maximize shareholder value



Organic investments to sustain and grow the core businesses



Return capital to shareholders

- Increased dividend 9% in 2Q20; 8th consecutive annual increase
- \$30 million in share repurchases in 2Q20; \$113 million YTD
- Capacity to continue modest share repurchases as conditions permit



Opportunistic transactions

- Highly selective M&A to expand productivity offerings or enhance distribution

Financial Highlights

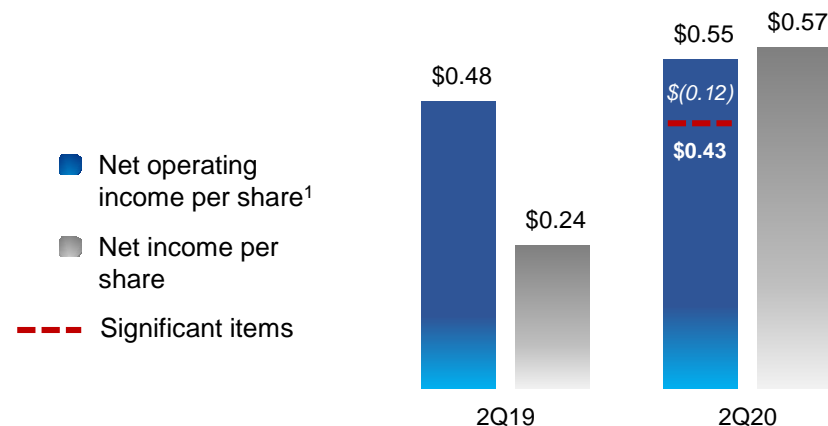
Net operating EPS up 15% to \$0.55; exercised rigorous expense control

Second Quarter 2020

- Net operating EPS¹ of \$0.55, up 15% from \$0.48 in 2Q19
 - Operating EPS excluding significant items¹ down 10%, due to decline in income from alternative investments and calls/prepays
- Weighted average share count down 10% YoY
- Disciplined expense management
 - Allocated expenses down \$7.1 million / 5%
 - Non-allocated expenses down \$4.9 million / 25% excluding significant item
 - Up \$18.6 million including expense related to Global Resolution Agreement
- Operating ROE¹ of 11.4%
 - 10.5% excluding significant items
- Statutory operating income estimated to be \$94 million
- Statutory capital and surplus of \$1.77 billion
- Consolidated RBC of 405%; Holdco liquidity of \$208 million

Earnings Results

(dollars in millions, except where noted)



Net Operating Income ¹	\$76.4	\$79.4
Net Operating Income Excluding Significant Items ¹	\$76.4	\$61.7
Net Income	\$37.6	\$82.0
Weighted Average Shares Outstanding (in millions)	159.7	143.9

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

Insurance Product Margin

Solid growth in Annuity, Health & LTC margins; Life reflects COVID impact

(dollars in millions)

Insurance Product Margin¹

	2Q19	3Q19	4Q19	1Q20	2Q20
Annuity <i>Margin / average net insurance liabilities</i>	\$57.2 2.46%	\$56.2 2.39%	\$60.8 2.54%	\$59.5 2.47%	\$72.3 2.99%
Health <i>Margin / insurance policy income</i>	\$78.3 22%	\$77.0 22%	\$79.0 22%	\$73.6 20%	\$82.3 23%
Life <i>ISL: Margin / average net insurance liabilities</i>	\$51.7 0.60%	\$54.6 0.55%	\$56.4 0.68%	\$44.3 0.67%	\$41.7 0.44%
<i>ISL: Underwriting margin / insurance policy income</i>	41%	45%	26%	42%	42%
<i>Trad: Margin / insurance policy income</i>	23%	24%	23%	17%	16%
<i>Trad: Margin ex. Adv. Exp. / insurance policy income</i>	33%	35%	32%	30%	26%
Long-term Care <i>Margin / insurance policy income</i>	\$11.9 18%	\$12.3 18%	\$14.0 21%	\$13.3 20%	\$13.2 20%
Total Margin	\$199.1	\$200.1	\$210.2	\$190.7	\$209.5

¹ Excluding significant items.

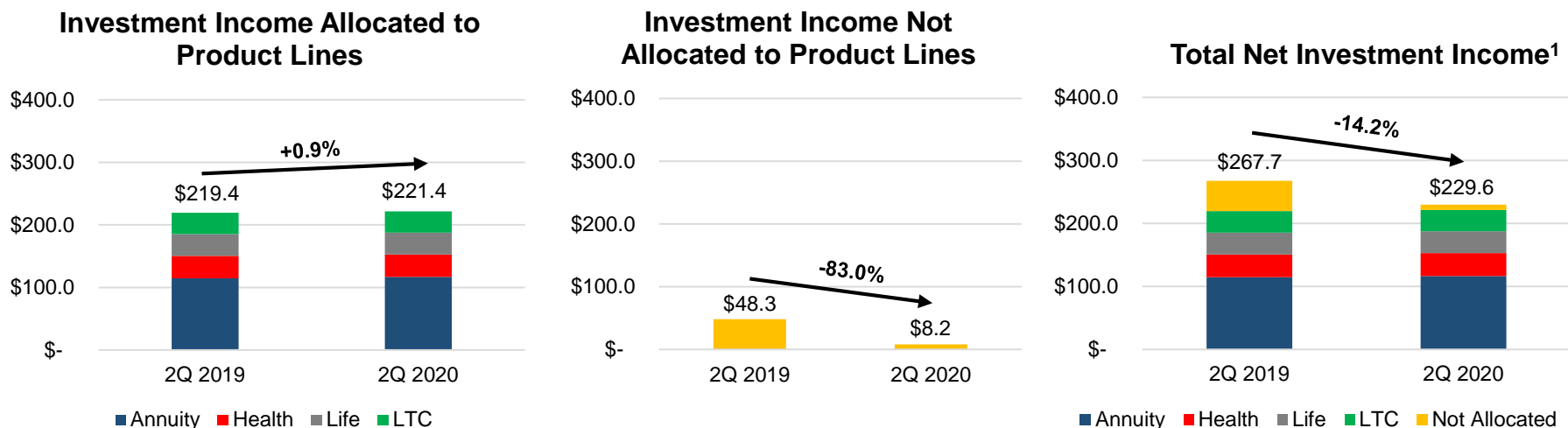
Highlights¹

- Total margin up \$10.4 million or 5%
- Annuity margin up \$15.1 million or 26%
 - Favorable mortality on other annuities (\$10M), favorable persistency (\$5M)
- Health margin up \$4 million or 5%
 - *Medicare Supplement* - favorable claims due to deferral of care
 - *Supplemental health* - higher persistency/reserve build more than offset favorable claims
- Life margin down \$10 million or 19%
 - \$14 million COVID mortality impact; consistent with market share
 - Favorable persistency
- LTC margin up \$1.3 million or 11%
 - Favorable claims/mortality partially offset by reserve build

Investment Results

Steady NII allocated to products; negative VII returns impacted total NII, down 14%

(dollars in millions)



- Invested assets up 3%
- New money rate of 4.49%
- Investment Income Allocated to Product Lines steady despite lower interest rates
 - Average yield on allocated investments was 4.92% compared to 5.08% in 2Q19

- Investment Income Not Allocated to Product Lines down \$40.1 million due to unfavorable alternatives results and lower prepayments / calls
 - Alts are reported on one quarter lag
- \$920 million new money investments had average rating of A, average duration of 8.8 years
- Rating migration trends less impactful than forecast

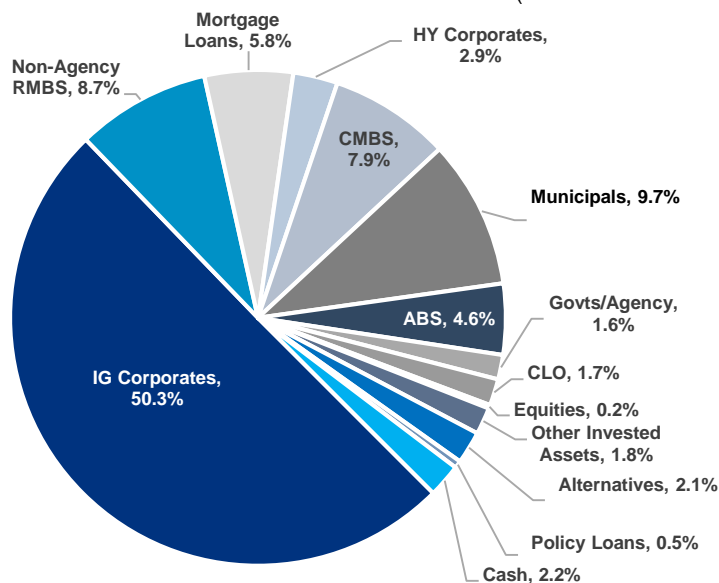
1 Reflects sum of allocated and non-allocated investment income. Refer to pages 16-19 of the financial supplement for more information on the components of net investment income.

Portfolio Composition

High quality; well-positioned for current environment

\$26 billion of Invested Assets

(Fair Value as of 6/30/2020)



General Approach

- Positioned for stable performance across credit cycles
- Emphasizing quality
- Lower than average allocation to most higher risk categories – all carefully calibrated
- Low impairments through multiple cycles

Highlights

- **65% of portfolio in corporate and government bonds**
 - 41% BBBs; consistent with March 31
- **\$21.6 billion of assets with high degree of liquidity**
 - ~\$12.9 billion public corporate bonds
 - ~\$5.9 billion structured securities
 - ~\$2.8 billion municipal, political subdivisions, and US and foreign government bonds
- **Strong credit risk profile across portfolio**
 - Underweight COVID-19 impacted sectors
 - 96% rated NAIC 1 / 2
 - Diversified commercial and residential mortgages with low LTVs
 - Significant credit enhancement in structured products
 - Alternative investments that avoid binary outcomes

Cash Flow Profile

Strong free cash flow generation and conversion

(dollars in millions)

	For the Quarter		Trailing Twelve Months	
	2Q19	2Q20	2Q19	2Q20
Net Operating Income ¹	\$ 76.4	\$ 79.4	\$ 289.5	\$ 311.5
Holding Company Cash Flows:				
Dividends from Subsidiaries	\$ 89.9	\$ 77.6	\$ 281.3	\$ 220.8
Management Fees	28.3	27.0	111.4	114.8
Surplus Debenture Interest	12.3	12.1	59.0	59.2
Earnings on Corporate Investments	3.7	12.5	15.3	29.1
Tax Refund	-	-	5.8	-
Other	15.4	21.0	20.0	13.2
Holding Company Sources of Cash²	149.6	150.2	492.8	437.1
Holding Company Expenses and Other	(13.2)	(33.0)	(83.3)	(109.0)
Interest Payments	(21.8)	(26.4)	(45.3)	(52.1)
Excess Cash Flow to Holding Company²	114.6	90.8	364.2	276.0
Net Proceeds from New Debt	64.9	-	64.9	-
Share Repurchases	(59.0)	(30.0)	(140.4)	(265.3)
Dividend Payments to Stockholders	(17.4)	(17.4)	(66.7)	(66.8)
Contributions to Insurance Subsidiaries	-	-	(265.0)	-
Acquisition	(68.8)	-	(68.8)	-
Net Change in Holding Company Cash and Investments	34.3	43.4	(111.8)	(56.1)
Non-Cash Changes in Investment Balances	-	(3.5)	(0.1)	-
Cash and Investments, Beginning of Period	229.8	168.1	376.0	264.1
Cash and Investments, End of Period	\$ 264.1	\$ 208.0	\$ 264.1	\$ 208.0

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

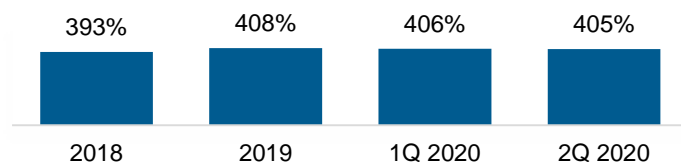
2 Cash flows exclude capital contributions to insurance subsidiaries, acquisitions, dividend payments, stock repurchases, and financing transactions.

Capital and Liquidity Overview

Conservative approach to capital structure

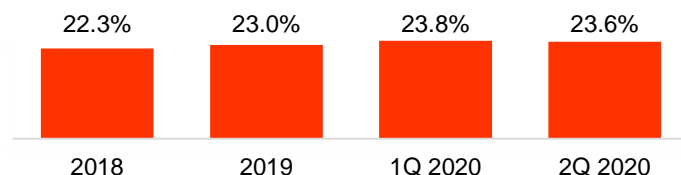
(dollars in millions)

Consolidated Risk Based Capital (“RBC”) Ratio¹



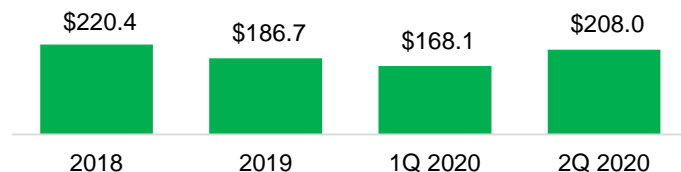
- Targeted consolidated RBC ratio of 375-400%
- Excess due to intentional conservative positioning
- RBC variability can be expected in periods of market volatility

Debt to Capital²



- Target leverage of 22.5 – 25.0%
- Debt covenant ceiling of 35%
- Debt capacity within limit of target leverage \$80.7 million

Holding Company Liquidity



- Minimum targeted holding company liquidity of \$150 million
- Liquidity bolstered by \$250 million undrawn revolver
- No outstanding debt maturities until 2025

1 The ratio of the combined capital of the insurance companies to the minimum amount of capital appropriate to support the overall business operations, as determined based on the methodology developed by the National Association of Insurance Commissioners.

2 Excluding accumulated other comprehensive income (a non-GAAP measure). See the Appendix for a reconciliation to the corresponding GAAP measure.

2020 Outlook

Less severe mortality impact; continued capacity to maintain modest buybacks

Scenario modeling – 2020 COVID impacts

Prior (May) projections

- Mortality
 - 80k – 120k U.S. COVID deaths
 - \$20M – \$30M net mortality impact
 - \$250k per 1,000 deaths
- Morbidity
 - Net neutral impact
- Premium deferral / Shock lapse
 - Potential for significant favorable impact given uncertainty regarding persistency

Current (August) projections

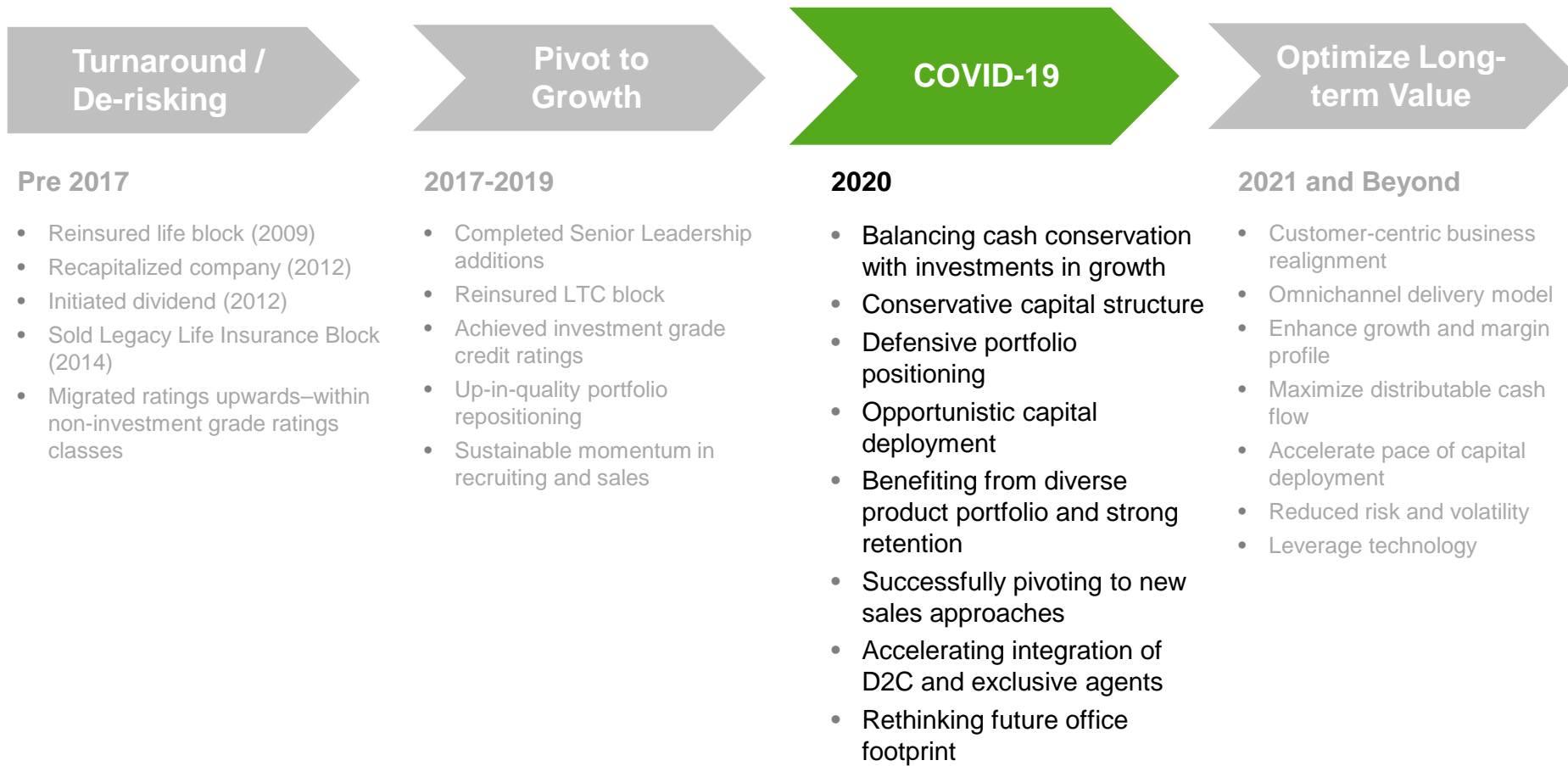
- Mortality
 - 150k – 400k U.S. COVID deaths
 - \$20M – \$52M net mortality impact
 - \$130k per 1,000 deaths
- Morbidity
 - Favorable in 2Q20; net neutral impact in 2H20, with potential upside, if deferred healthcare and LTC treatments become permanent
- Premium deferral / Shock lapse
 - Potential for modestly positive impact given favorable persistency observed in 2Q20

Key Outputs of Modeling

- Base case second half earnings down compared to prior year, driven primarily by COVID-19 mortality impacts
 - Expenses in total excluding significant items flat to prior year, despite accelerating investments to better position for the future
 - Investment income not allocated to product lines also generally flat
- Adverse case free cash flow supports continued modest level of share repurchase

Delivering On Our Commitments

Shifting to a tactical approach while navigating COVID environment



Turnaround / De-risking

Pre 2017

- Reinsured life block (2009)
- Recapitalized company (2012)
- Initiated dividend (2012)
- Sold Legacy Life Insurance Block (2014)
- Migrated ratings upwards—within non-investment grade ratings classes

Pivot to Growth

2017-2019

- Completed Senior Leadership additions
- Reinsured LTC block
- Achieved investment grade credit ratings
- Up-in-quality portfolio repositioning
- Sustainable momentum in recruiting and sales

COVID-19

2020

- Balancing cash conservation with investments in growth
- Conservative capital structure
- Defensive portfolio positioning
- Opportunistic capital deployment
- Benefiting from diverse product portfolio and strong retention
- Successfully pivoting to new sales approaches
- Accelerating integration of D2C and exclusive agents
- Rethinking future office footprint

Optimize Long-term Value

2021 and Beyond

- Customer-centric business realignment
- Omnichannel delivery model
- Enhance growth and margin profile
- Maximize distributable cash flow
- Accelerate pace of capital deployment
- Reduced risk and volatility
- Leverage technology

Investment Highlights



Well-positioned in
underserved senior
middle-income
market



Favorable
demographic
tailwinds



Highly
differentiated
business model



Sustainable
growth initiatives
in place



Strong balance
sheet; robust
free cash flow
generation

Questions and Answers

Appendix 1: Quarter in Review

Strong Operational Performance

- COVID-19 Response
- Broker-Dealer/Registered Investment Advisor
- Agent Counts

Slide 20

Slide 21

Slide 22

Building on Strong Track Record of Execution

- Retained LTC Insurance
- New Money Summary
- Portfolio Overview
- Tax Asset Summary

Slide 23

Slide 24

Slides 25-28

Slide 29

COVID-19 Response: Committed to Key Stakeholders

Embracing our obligations; rising to the challenge

Supporting our Associates & Agents

- Committed to no COVID-19 related layoffs in 2020
- Introduced agent financial support programs
- Provided technology, training, & other tools to support effective working from home
- COVID-19 testing & treatment reimbursed at 100%
- Expanded PTO policies
- Free LiveHealth tele-visits
- Employee Assistance programs offering 24/7 counseling

Helping our Customers

- Call centers, claims processing, other services operating remotely
- Allowing deferral of premium payments of up to 90 days
- Enhanced digital capabilities and servicing
- Providing agents with tools to support virtual sales and servicing; digital applications
- Continuing to provide products to protect the health and retirement needs of our customers

Giving Back to Others

- Committed to maintaining 2020 annual budget for corporate donations to our philanthropic community partners
- Engaged associates in virtual volunteering opportunities to support local food banks and first responders
- Donated \$300,000 to support funds for associates and agents impacted by COVID-19 or other personal financial emergencies

Broker-Dealer/Registered Investment Advisor

Account values up YoY; \$1.5 billion in client assets

(dollars in millions)

		2019			2020	
		2Q	3Q	4Q	1Q	2Q
Net New Client Assets in Brokerage and Advisory¹	Brokerage	\$5.1	\$13.4	\$17.4	\$15.3	-\$26.7
	Advisory	33.2	29.9	45.4	65.7	38.6
	Total	\$38.3	\$43.3	\$62.8	\$81.0	\$11.9
Client Assets in Brokerage and Advisory¹ at end of period	Brokerage	\$886.0	\$913.7	\$982.9	\$842.3	\$905.3
	Advisory	417.0	449.0	532.1	516.4	618.7
	Total	\$1,303.0	\$1,362.7	\$1,515.0	\$1,358.7	\$1,524.0

¹ Client assets include cash and securities in brokerage and managed advisory accounts. Net new client assets includes total inflows of cash and securities into brokerage and managed advisory accounts less outflows. Inflows include interest and dividends and exclude changes due to market fluctuations.

Bankers Life is the marketing brand of various affiliated companies of CNO Financial Group including, Bankers Life and Casualty Company, Bankers Life Securities, Inc., and Bankers Life Advisory Services, Inc. Non-affiliated insurance products are offered through Bankers Life General Agency, Inc. (dba BL General Insurance Agency, Inc., AK, AL, CA, NV, PA). Agents who are financial advisors are registered with Bankers Life Securities, Inc.

Securities and variable annuity products and services are offered by Bankers Life Securities, Inc. Member FINRA/SIPC, (dba BL Securities, Inc., AL, GA, IA, IL, MI, NV, PA). Advisory products and services are offered by Bankers Life Advisory Services, Inc. SEC Registered Investment Adviser (dba BL Advisory Services, Inc., AL, GA, IA, MT, NV, PA). Home Office: 111 East Wacker Drive, Suite 1900, Chicago, IL 60601

Agent Counts

	2019			2020		% Change
	2Q	3Q	4Q	1Q	2Q	Q/Q
Consumer						
Total Quarterly Average Producing Agents ^{1,3}	4,602	4,579	4,709	4,531	4,066	-12%
Quarterly Average Financial Representatives ^{2,3}	595	596	596	591	602	1%
Worksite						
Total Quarterly Average Producing Agents ^{1,3}	417	420	453	421	225	-46%

1 Producing agents are agents that have submitted at least one policy in the month.

2 Financial representatives are agents who are licensed to sell certain securities brokerage products and services.

3 Quarterly average agent and advisor counts represent the average of the last 3 months.

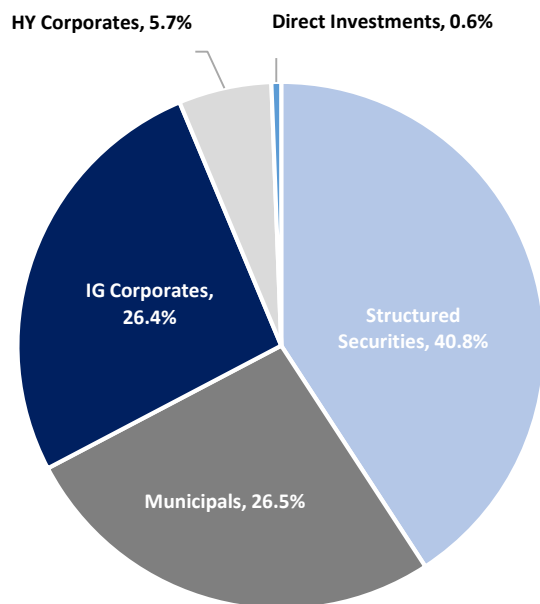
Retained Long-Term Care Insurance

Highly differentiated in-force block; prudently managed

- **New sales (~\$25 million annually) focused on short duration products**
 - 98% of new sales for policies with 2 years or less in benefits
 - Average benefit period of 11 months
 - New business 25% reinsured since 2008
- **Reserve assumptions informed by historical experience**
 - No morbidity improvement
 - No mortality improvement
 - Minimal future rate increases
 - New money rate lowered to reflect a level rate throughout the projection horizon
- **Favorable economic profile**
 - Loss Recognition Testing margin reflecting a level new money rate is \$207 million or ~9% of Net GAAP Liabilities
 - Statutory reserves ~\$160 million higher than GAAP net liabilities
 - Total LTC is just 13% of overall CNO reserves
 - Potential adverse impact from severe stress scenarios is significantly reduced

New Money Summary

Emphasis on high quality investments during second quarter



94% Investment Grade Allocation

Second Quarter Investments

	<u>Allocation \$</u>	<u>Allocation %</u>	<u>Yield</u>	<u>Average Rating</u>	<u>Average Duration</u>
Structured Securities	372	40.8%	4.34%	A	4.7
Municipals	241	26.5%	3.84%	AA	15.4
IG Corporates	241	26.4%	4.88%	BBB	9.8
HY Corporates	52	5.7%	6.16%	BB	4.4
Direct Investments	5	0.6%	9.49%	NR	-
Total	911	100%	4.49%	A	8.8

Portfolio Overview – Sector Breakdown

Underweight COVID-impacted sectors

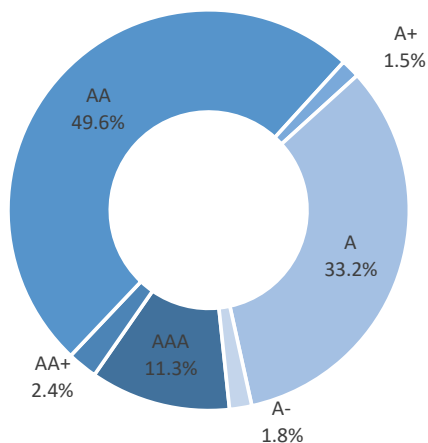
(dollars in millions)

Sector	Book Value	Market Value	Unrealized Gain Loss	Portfolio%	Average NAIC	Over Underweight
Airlines	17.2	17.7	0.5	0.07%	1.5	Underweight
Aircraft Lease Securitizations	33.9	30.2	(3.7)	0.12%	1.0	Underweight
Energy	710.6	774.9	64.2	3.02%	1.9	Underweight
Gaming	0.0	-	-	-	-	Underweight
Hotels	36.1	36.7	0.6	0.14%	2.6	Underweight
Retail ex Grocery	82.6	97.4	14.7	0.38%	1.8	Underweight
Restaurants	19.1	22.6	3.5	0.09%	2.8	Underweight
Whole Business Securitizations	399.5	397.1	(2.3)	1.55%	2.1	Overweight
CMBS	2,003.6	2,020.7	17.1	7.89%	1.0	Overweight

Portfolio Overview: CLO Debt

Significant cushion against stress scenarios

Ratings Composition



100%
AAA-A

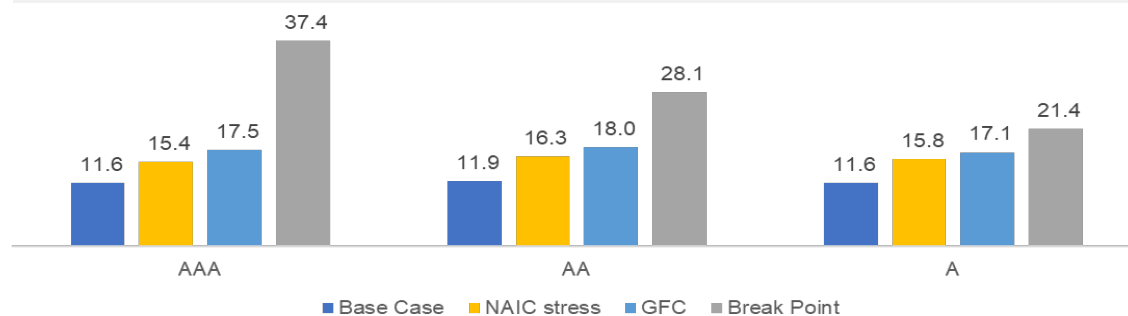
% of Rating Downgrade Watch

	Portfolio	Portfolio	Index
AAA	11.3%	-	-
AA	52.0%	-	0.2%
A	36.7%	-	4.2%
BBB	-	N/A	35.8%
BB	-	N/A	51.9%

Key Portfolio Metrics

	AAA	AA	A
Credit Support			
Portfolio	37%	25%	17%
Market	37%	25%	19%
WARF			
Portfolio	3,315	3,248	3,272
Market	3,233	3,258	3,272
Diversity Score			
Portfolio	79	78	82
Market	77	76	75
EORP			
Portfolio	1.73	2.13	1.81
Market	2.26	2.11	2.12

Cumulative Loss / Breakpoint Analysis



CDR at Break Point	54.7%	27.8%	17.2%
CDR at Base Case	4.5%	4.5%	4.5%
CDR at GFC	5.8%	5.8%	5.8%

Portfolio Overview: Commercial Mortgage Loans

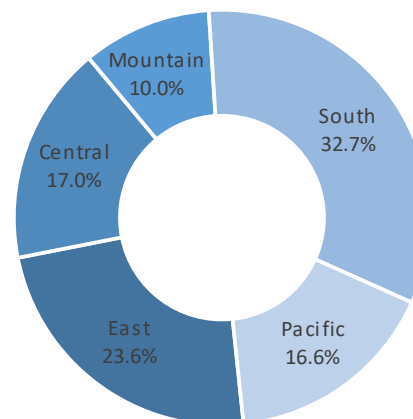
Very conservatively underwritten; loss resistant

Key Portfolio Facts

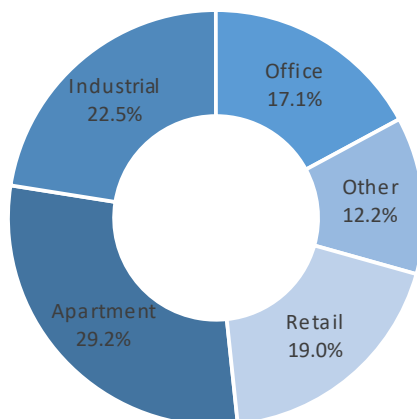
\$1.4 billion of net invested assets

100% First Mortgage
99.5% Rated CM1-2
51% Weighted Avg LTV¹
1.97x Weighted DSCR¹
0.5% Delinquency

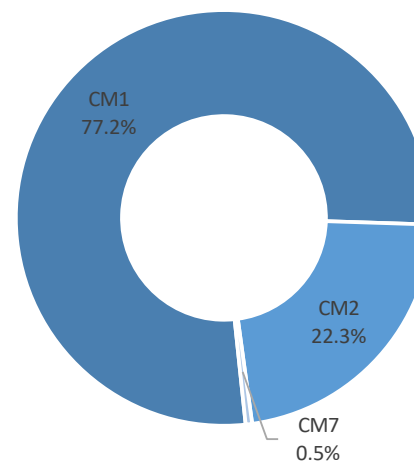
Portfolio Geography



Underlying Property Type



Ratings Composition



¹ LTV and DSCR as of year-end 2019 operating statements.

Portfolio Overview: CMBS

Very conservatively underwritten; loss resistant

Key Portfolio Facts

\$2.0 billion of net invested assets

Rating	Book Value	Market Value	Market/Book	Credit Support	Delinq. Rate	Hotel%	Retail%
AAA	622	647	104%	38.4%	7.6%	12.4%	21.6%
AA	369	374	102%	29.2%	6.9%	10.6%	17.9%
A	606	588	97%	20.0%	5.1%	14.0%	13.0%
BBB	330	337	102%	12.0%	0.1%	0.8%	2.5%
BB	77	74	96%	3.3%	-	-	-
	2,004	2,021	101%	25.5%	5.2%	10.2%	14.3%

80.0%

Rated
AAA-A

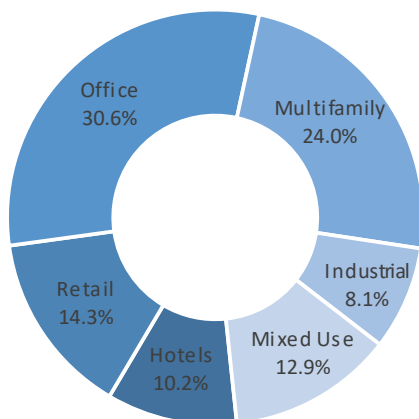
60%

Weighted
Avg LTV¹

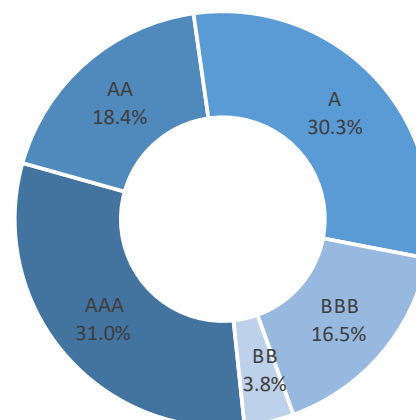
2.11x

Weighted
DSCR¹

Underlying Property Type



Ratings Composition

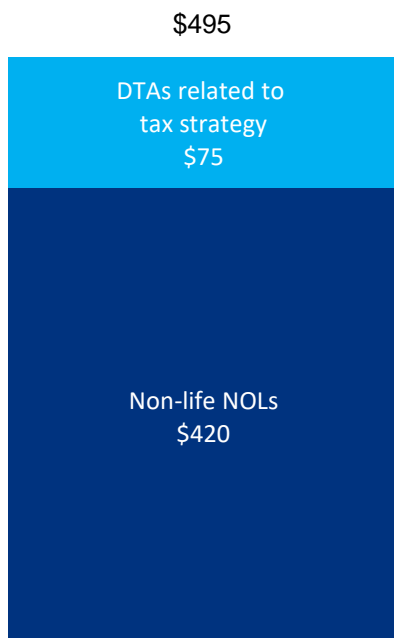


¹ LTV based on appraisal at loan origination, DSCR as of year-end 2019 operating statements.

Tax Asset Summary

Value of NOLs and deferred tax assets (DTAs) related to tax strategy

(dollars in millions)



Details

- Total estimated economic value of NOLs and DTAs related to tax strategy of approximately \$400 million @ 10% discount rate (\$2.80 on per share basis)
- Life NOLs have been fully utilized. Non-life NOLs are expected to offset 100% of non-life taxable income and 35% of the remaining life taxable income not offset by life NOLs through 2023.

Appendix 2: Financial Exhibits

- Non-GAAP Financial Measures

Slides 31-45

2Q20 Significant Items

The table below summarizes the financial impact of significant items on our 2Q20 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended June 30, 2020		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 123.8	\$ 40.0 (1) (91.5) (1)	\$ 72.3
Health	82.3	-	82.3
Life	36.1	5.6 (1)	41.7
Long-term care	13.2	-	13.2
Total insurance product margin	255.4	(45.9)	209.5
Allocated expenses	(128.1)	-	(128.1)
Income from insurance products	127.3	(45.9)	81.4
Fee income	5.2	-	5.2
Investment income not allocated to product lines	8.2	-	8.2
Expenses not allocated to product lines	(38.5)	23.5 (2)	(15.0)
Operating earnings before taxes	102.2	(22.4)	79.8
Income tax expense on operating income	(22.8)	4.7	(18.1)
Net operating income (3)	<u>\$ 79.4</u>	<u>\$ (17.7)</u>	<u>\$ 61.7</u>
Net operating income per diluted share (3)	<u>\$ 0.55</u>	<u>\$ (0.12)</u>	<u>\$ 0.43</u>

The footnotes to the above table are on the following page.

2Q20 Significant Items

(Continued from the previous page)

- (1) Given our expectation that interest rates will remain low for the long-term, we performed an actuarial unlocking exercise in the second quarter of 2020 to reflect our assumption that average new money rates will remain flat at 4 percent forever. This change and the related impacts to persistency assumptions had a \$45.6 million unfavorable impact on pre-tax earnings. As part of the actuarial unlocking exercise, we also changed our assumptions related to the future option costs we incur in providing benefits on fixed index annuities which had a favorable impact on pre-tax earnings of \$91.5 million. The impact of these changes in assumptions is summarized below (dollars in millions):

	Line of business			Total
	Fixed index annuities	Fixed interest annuities	Interest-sensitive life	
	Favorable (unfavorable)			
<u>Impacts of an average new money rate assumption of 4 percent</u>				
Insurance policy benefits	\$ (5.0)	\$ —	\$ (7.4)	\$ (12.4)
Amortization	(25.6)	(9.4)	1.8	(33.2)
Subtotal	(30.6)	(9.4)	(5.6)	(45.6)
<u>Impacts of changes in future option costs</u>				
Insurance policy benefits	104.8	—	—	104.8
Amortization	(13.3)	—	—	(13.3)
Subtotal	91.5	—	—	91.5
Impact on pre-tax income	\$ 60.9	\$ (9.4)	\$ (5.6)	\$ 45.9

This actuarial unlocking exercise does not replace our comprehensive annual review of all assumptions for our insurance products, which we we plan to complete in the fourth quarter of this year. Additional adjustments may be identified based on the results of the comprehensive annual review.

- (2) We increased our liability for claims and interest pursuant to the previously disclosed Global Resolution Agreement entered into in November 2018. Pursuant to this agreement, a third-party auditor is acting on behalf of 41 states and the District of Columbia for the purpose of identifying deceased insureds and contract holders where benefits are payable pursuant to unclaimed property laws. The third-party auditor has provided information that we have processed and verified allowing us to more accurately estimate the ultimate liability pursuant to this agreement.
- (3) A non-GAAP measure. See pages 34 and 36 for a reconciliation to the corresponding GAAP measure.

4Q19 Significant Items

The table below summarizes the financial impact of significant items on our 4Q19 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended December 31, 2019		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 60.5	\$ 0.3 (1)	\$ 60.8
Health	79.0	-	79.0
Life	46.7	9.7 (1)	56.4
Long-term care	14.0		14.0
Total insurance product margin	200.2	10.0	210.2
Allocated expenses	(140.6)	-	(140.6)
Income from insurance products	59.6	10.0	69.6
Fee income	11.7	-	11.7
Investment income not allocated to product lines	26.2	-	26.2
Expenses not allocated to product lines	2.8	(20.0) (2)	(17.2)
Operating earnings before taxes	100.3	(10.0)	90.3
Income tax expense on operating income	(21.7)	2.1	(19.6)
Net operating income (3)	<u>\$ 78.6</u>	<u>\$ (7.9)</u>	<u>\$ 70.7</u>
Net operating income per diluted share (3)	<u>\$ 0.52</u>	<u>\$ (0.05)</u>	<u>\$ 0.47</u>

- (1) Adjustments arising from our comprehensive annual actuarial review of assumptions.
- (2) \$20.0 million of the net favorable impact from legal and regulatory matters.
- (3) A non-GAAP measure. See pages 34 and 36 for a reconciliation to the corresponding GAAP measure.

Quarterly Earnings

(dollars in millions)

	2Q19	3Q19	4Q19	1Q20	2Q20
Insurance product margin					
Annuity	\$ 57.2	\$ 56.2	\$ 60.5	\$ 59.5	\$ 123.8
Health	78.3	77.0	79.0	73.6	82.3
Life	51.7	54.6	46.7	44.3	36.1
Long-term care	11.9	12.3	14.0	13.3	13.2
Total insurance product margin	199.1	200.1	200.2	190.7	255.4
Allocated expenses	(135.2)	(131.3)	(140.6)	(136.6)	(128.1)
Income from insurance products	63.9	68.8	59.6	54.1	127.3
Fee income	4.4	3.0	11.7	7.8	5.2
Investment income not allocated to product lines	48.3	34.3	26.2	57.4	8.2
Expenses not allocated to product lines	(19.9)	(18.2)	2.8	(13.8)	(38.5)
Operating earnings before taxes	96.7	87.9	100.3	105.5	102.2
Income tax expense on operating income	(20.3)	(18.7)	(21.7)	(21.2)	(22.8)
Net operating income	76.4	69.2	78.6	84.3	79.4
Net realized investment gains (losses) from sales, impairments and change in allowance for credit losses (net of related amortization)	(1.7)	(2.6)	7.1	(63.7)	12.3
Net change in market value of investments recognized in earnings	6.8	4.7	(2.6)	(48.4)	31.2
Fair value changes in embedded derivative liabilities (net of related amortization)	(35.9)	(29.3)	13.4	(66.7)	(27.1)
Fair value changes related to agent deferred compensation plan	(11.6)	(6.0)	2.5	-	(13.2)
Loss on extinguishment of debt	(7.3)	-	-	-	-
Other	0.7	(1.2)	(13.3)	2.3	-
Non-operating income (loss) before taxes	(49.0)	(34.4)	7.1	(176.5)	3.2
Income tax expense (benefit):					
On non-operating income (loss)	(10.2)	(7.2)	1.4	(37.0)	0.6
Valuation allowance for deferred tax assets and other tax items	-	-	(193.7)	(34.0)	-
Net non-operating income (loss)	(38.8)	(27.2)	199.4	(105.5)	2.6
Net income (loss)	\$ 37.6	\$ 42.0	\$ 278.0	\$ (21.2)	\$ 82.0

*Management believes that an analysis of earnings before net realized investment gains (losses) from sales, impairments and change in allowance for credit losses, net change in market value of investments recognized in earnings, fair value changes in embedded derivative liabilities, fair value changes related to the agent deferred compensation plan, loss on extinguishment of debt, loss related to reinsurance transaction, 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) from sales, impairments and change in allowance for credit losses; (2) net change in market value of investments recognized in earnings; (3) 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; (4) loss on extinguishment of debt; (5) fair value changes related to the agent deferred compensation plan; (6) loss related to reinsurance transaction; (7) charges in the valuation allowance for deferred tax assets and other tax items; and (8) 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 from sales, impairments and change in allowance for credit losses, net change in market value of investments recognized in earnings, 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 related to the agent deferred compensation plan, loss on extinguishment of debt, loss related to reinsurance transaction, 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>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>
Net income (loss) applicable to common stock	\$ 37.6	\$ 42.0	\$ 278.0	\$ (21.2)	\$ 82.0
Non-operating items:					
Net realized investment (gains) losses from sales and impairments, net of related amortization	1.7	2.6	(7.1)	63.7	(12.3)
Net change in market value of investments recognized in earnings	(6.8)	(4.7)	2.6	48.4	(31.2)
Fair value changes in embedded derivative liabilities, net of related amortization	35.9	29.3	(13.4)	66.7	27.1
Fair value changes related to the agent deferred compensation plan	11.6	6.0	(2.5)	-	13.2
Loss on extinguishment of debt	7.3	-	-	-	-
Other	(0.7)	1.2	13.3	(2.3)	-
Non-operating (income) loss before taxes	49.0	34.4	(7.1)	176.5	(3.2)
Income tax (expense) benefit					
On non-operating (income) loss	10.2	7.2	(1.4)	37.0	(0.6)
Valuation allowance for deferred tax assets and other tax items	-	-	193.7	34.0	-
Net non-operating (income) loss	38.8	27.2	(199.4)	105.5	(2.6)
Net operating income (a non-GAAP financial measure)	\$ 76.4	\$ 69.2	\$ 78.6	\$ 84.3	\$ 79.4
Per diluted share:					
Net income (loss)	\$ 0.24	\$ 0.27	\$ 1.84	\$ (0.15)	\$ 0.57
Net realized investment (gains) losses from sales and impairments (net of related amortization and taxes)	0.01	0.01	(0.04)	0.35	(0.07)
Net change in market value of investments recognized in earnings (net of taxes)	(0.04)	(0.02)	0.01	0.26	(0.17)
Fair value changes in embedded derivative liabilities (net of related amortization and taxes)	0.18	0.15	(0.07)	0.36	0.15
Fair value changes related to the agent deferred compensation plan (net of taxes)	0.06	0.03	(0.01)	-	0.07
Loss on extinguishment of debt	0.03	-	-	-	-
Valuation allowance for deferred tax assets and other tax items	-	-	(1.28)	(0.23)	-
Other	-	0.01	0.07	(0.01)	-
Net operating income (a non-GAAP financial measure)	\$ 0.48	\$ 0.45	\$ 0.52	\$ 0.58	\$ 0.55

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>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20 (a)</u>	<u>2Q20</u>
Operating income	<u>\$ 76.4</u>	<u>\$ 69.2</u>	<u>\$ 78.6</u>	<u>\$ 84.3</u>	<u>\$ 79.4</u>
Weighted average shares outstanding for basic earnings per share	158,816	154,257	150,138	145,829	143,422
Effect of dilutive securities on weighted average shares:					
Stock options, restricted stock and performance units	919	1,003	1,269	-	519
Weighted average shares outstanding for diluted earnings per share	<u>159,735</u>	<u>155,260</u>	<u>151,407</u>	<u>145,829</u>	<u>143,941</u>
Net operating income per diluted share	<u>\$ 0.48</u>	<u>\$ 0.45</u>	<u>\$ 0.52</u>	<u>\$ 0.58</u>	<u>\$ 0.55</u>

(a) Equivalent common shares of 768 were not included in the diluted weighted average shares outstanding due to the net less recognized in 1Q20.

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.

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)

	<u>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>
Total shareholders' equity	\$ 4,252.2	\$ 4,553.3	\$ 4,677.0	\$ 3,765.8	\$ 4,731.2
Shares outstanding for the period	156,768,002	152,183,491	148,084,178	143,610,046	141,718,570
Book value per share	\$ 27.12	\$ 29.92	\$ 31.58	\$ 26.22	\$ 33.38
<hr/>					
Total shareholders' equity	\$ 4,252.2	\$ 4,553.3	\$ 4,677.0	\$ 3,765.8	\$ 4,731.2
Less accumulated other comprehensive income	(1,098.2)	(1,442.9)	(1,372.5)	(595.2)	(1,520.2)
Adjusted shareholders' equity excluding AOCI	\$ 3,154.0	\$ 3,110.4	\$ 3,304.5	\$ 3,170.6	\$ 3,211.0
Shares outstanding for the period	156,768,002	152,183,491	148,084,178	143,610,046	141,718,570
Dilutive common stock equivalents related to:					
Stock options, restricted stock and performance units	894,456	1,059,278	1,496,546	326,110	691,574
Diluted shares outstanding	157,662,458	153,242,769	149,580,724	143,936,156	142,410,144
Book value per diluted share (a non-GAAP measure)	\$ 20.00	\$ 20.30	\$ 22.09	\$ 22.03	\$ 22.55

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 from sales, impairments and change in allowance for credit losses, net change in market value of investments recognized in earnings, 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 related to the agent deferred compensation plan, loss on extinguishment of debt, 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, 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 item, 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				
	2Q19	3Q19	4Q19	1Q20	2Q20
Operating income	\$ 289.5	\$ 271.2	\$ 290.0	\$ 308.5	\$ 311.5
Operating income, excluding significant items	\$ 304.6	\$ 286.3	\$ 282.1	\$ 300.6	\$ 285.9
Net income (loss)	\$ (412.1)	\$ 159.7	\$ 409.4	\$ 336.4	\$ 380.8
Average common equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 2,782.7	\$ 2,697.2	\$ 2,703.9	\$ 2,713.0	\$ 2,722.9
Average common shareholders' equity	\$ 3,795.5	\$ 3,886.9	\$ 4,166.8	\$ 4,321.1	\$ 4,372.0
Operating return on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	10.4%	10.1%	10.7%	11.4%	11.4%
Operating return, excluding significant items, on equity, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	10.9%	10.6%	10.4%	11.1%	10.5%
Return on equity	-10.9%	4.1%	9.8%	7.8%	8.7%

(Continued on next page)

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 (loss):

(dollars in millions)

	Net operating income	Significant items (a)	Net operating income, excluding significant items	Net operating income, excluding significant items - trailing four quarters	Net income (loss)	Net income (loss) - trailing four quarters
3Q18	\$ 87.5	\$ -	\$ 87.5	\$ 321.8	\$ (529.8)	\$ (414.2)
4Q18	59.8	15.1	74.9	317.3	28.3	(315.0)
1Q19	65.8	-	65.8	310.1	51.8	(347.5)
2Q19	76.4	-	76.4	304.6	37.6	(412.1)
3Q19	69.2	-	69.2	286.3	42.0	159.7
4Q19	78.6	(7.9)	70.7	282.1	278.0	409.4
1Q20	84.3	-	84.3	300.6	(21.2)	336.4
2Q20	79.4	(17.7)	61.7	285.9	82.0	380.8

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

(Continued on next page)

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 item, 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)

	Twelve Months Ended				
	2Q19	3Q19	4Q19	1Q20	2Q20
Pretax operating earnings (a non-GAAP financial measure)	\$ 362.3	\$ 341.2	\$ 368.3	\$ 390.4	\$ 395.9
Income tax expense	(72.8)	(70.0)	(78.3)	(81.9)	(84.4)
Operating return	289.5	271.2	290.0	308.5	311.5
Non-operating items:					
Net realized investment gains (losses) from sales and impairments, net of related amortization	24.1	(15.5)	2.1	(60.9)	(46.9)
Net change in market value of investments recognized in earnings	(9.4)	0.6	25.5	(39.5)	(15.1)
Fair value changes in embedded derivative liabilities, net of related amortization	(43.4)	(95.6)	(81.4)	(118.5)	(109.7)
Fair value changes and amendment related to the agent deferred compensation plan	(16.0)	(22.0)	(20.4)	(15.1)	(16.7)
Loss on extinguishment of debt	(7.3)	(7.3)	(7.3)	(7.3)	-
Loss on reinsurance transaction	(704.2)	-	-	-	-
Other	4.5	2.5	(12.6)	(11.5)	(12.2)
Non-operating loss before taxes	(751.7)	(137.3)	(94.1)	(252.8)	(200.6)
Income tax expense (benefit):					
On non-operating loss	(157.9)	(28.8)	(19.8)	(53.0)	(42.2)
Valuation allowance for deferred tax assets and other tax items	107.8	3.0	(193.7)	(227.7)	(227.7)
Net non-operating loss	(701.6)	(111.5)	119.4	27.9	69.3
Net income (loss)	<u><u>\$ (412.1)</u></u>	<u><u>\$ 159.7</u></u>	<u><u>\$ 409.4</u></u>	<u><u>\$ 336.4</u></u>	<u><u>\$ 380.8</u></u>

(Continued on next page)

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)

	1Q17	2Q17	3Q17	4Q17
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	729.6	894.5	933.6	1,212.1
Common shareholders' equity	<u>\$4,606.8</u>	<u>\$4,779.3</u>	<u>\$4,881.7</u>	<u>\$4,847.5</u>
	1Q18	2Q18	3Q18	4Q18
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$3,318.7	\$3,366.0	\$2,705.8	\$2,687.3
Net operating loss carryforwards	404.2	388.7	510.6	505.9
Accumulated other comprehensive income	894.3	700.2	403.5	177.7
Common shareholders' equity	<u>\$4,617.2</u>	<u>\$4,454.9</u>	<u>\$3,619.9</u>	<u>\$3,370.9</u>
	1Q19	2Q19	3Q19	4Q19
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$2,703.4	\$2,702.9	\$2,685.0	\$2,761.9
Net operating loss carryforwards	479.6	451.1	425.4	542.6
Accumulated other comprehensive income	654.9	1,098.2	1,442.9	1,372.5
Common shareholders' equity	<u>\$3,837.9</u>	<u>\$4,252.2</u>	<u>\$4,553.3</u>	<u>\$4,677.0</u>
	1Q20	2Q20		
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$2,701.2	\$2,784.2		
Net operating loss carryforwards	469.4	426.8		
Accumulated other comprehensive income	595.2	1,520.2		
Common shareholders' equity	<u>\$3,765.8</u>	<u>\$4,731.2</u>		

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				
	2Q19	3Q19	4Q19	1Q20	2Q20
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 2,782.7	\$ 2,697.2	\$ 2,703.9	\$ 2,713.0	\$ 2,722.9
Net operating loss carryforwards	479.0	476.2	470.1	473.4	469.1
Accumulated other comprehensive income	533.8	713.5	992.8	1,134.7	1,180.0
Common shareholders' equity	<u>\$ 3,795.5</u>	<u>\$ 3,886.9</u>	<u>\$ 4,166.8</u>	<u>\$ 4,321.1</u>	<u>\$ 4,372.0</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. A reconciliation of these ratios is as follows:

(dollars in millions)

	<u>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>
Corporate notes payable	\$ 988.3	\$ 988.7	\$ 989.1	\$ 989.4	\$ 989.7
Total shareholders' equity	4,252.2	4,553.3	4,677.0	3,765.8	4,731.2
Total capital	<u>\$5,240.5</u>	<u>\$5,542.0</u>	<u>\$5,666.1</u>	<u>\$4,755.2</u>	<u>\$5,720.9</u>
Corporate debt to capital	<u>18.9%</u>	<u>17.8%</u>	<u>17.5%</u>	<u>20.8%</u>	<u>17.3%</u>
<hr/>					
Corporate notes payable	\$ 988.3	\$ 988.7	\$ 989.1	\$ 989.4	\$ 989.7
Total shareholders' equity	4,252.2	4,553.3	4,677.0	3,765.8	4,731.2
Less accumulated other comprehensive income	(1,098.2)	(1,442.9)	(1,372.5)	(595.2)	(1,520.2)
Total capital	<u>\$4,142.3</u>	<u>\$4,099.1</u>	<u>\$4,293.6</u>	<u>\$4,160.0</u>	<u>\$4,200.7</u>
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	<u>23.9%</u>	<u>24.1%</u>	<u>23.0%</u>	<u>23.8%</u>	<u>23.6%</u>