



# Quarterly Financial Supplement - 2Q2015

July 29, 2015

| Table of Contents                                                   | Page  |
|---------------------------------------------------------------------|-------|
| Consolidated balance sheet                                          | 3     |
| Consolidated statement of operations                                | 4     |
| Operating results                                                   | 5     |
| Computation of weighted average shares outstanding                  | 6     |
| EBIT from Business Segments Summarized by In-Force and New Business | 7     |
| Analyses of income before taxes and selected data:                  |       |
| Bankers Life                                                        | 8-11  |
| Washington National                                                 | 12-14 |
| Colonial Penn                                                       | 15-16 |
| Corporate Operations                                                | 17    |
| Premiums collected on insurance products:                           |       |
| Bankers Life                                                        | 18    |
| Washington National                                                 | 19    |
| Colonial Penn                                                       | 20    |
| New Annualized Premiums                                             | 21    |
| Statutory information                                               | 22    |
| Amounts related to CLIC prior to being sold                         | 23-24 |
| Notes                                                               | 25    |

**CNO Financial Group, Inc.**
**Consolidated balance sheet (in millions)**

|                                                                          | Mar-14      | Jun-14      | Sep-14      | Dec-14      | Mar-15      | Jun-15      |
|--------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Assets</b>                                                            |             |             |             |             |             |             |
| Investments:                                                             |             |             |             |             |             |             |
| Fixed maturities, available for sale, at fair value                      | \$ 20,177.8 | \$ 20,583.3 | \$ 20,610.5 | \$ 20,634.9 | \$ 21,058.4 | \$ 20,224.8 |
| Equity securities at fair value                                          | 243.6       | 237.8       | 372.8       | 419.0       | 427.8       | 433.3       |
| Mortgage loans                                                           | 1,501.7     | 1,595.9     | 1,621.8     | 1,691.9     | 1,699.7     | 1,665.5     |
| Policy loans                                                             | 102.6       | 99.7        | 106.2       | 106.9       | 107.1       | 108.1       |
| Trading securities                                                       | 235.5       | 227.4       | 235.0       | 244.9       | 252.3       | 257.5       |
| Investments held by variable interest entities                           | 1,134.1     | 1,241.1     | 1,343.0     | 1,367.1     | 1,499.8     | 1,565.6     |
| Other invested assets                                                    | 409.5       | 426.1       | 394.6       | 443.6       | 453.4       | 435.4       |
| Total investments                                                        | 23,804.8    | 24,411.3    | 24,683.9    | 24,908.3    | 25,498.5    | 24,690.2    |
| Cash and cash equivalents - unrestricted                                 | 285.4       | 378.8       | 452.1       | 611.6       | 426.9       | 453.9       |
| Cash and cash equivalents held by variable interest entities             | 140.3       | 101.8       | 150.7       | 68.3        | 158.5       | 150.6       |
| Accrued investment income                                                | 259.3       | 238.2       | 255.4       | 242.9       | 257.2       | 240.4       |
| Present value of future profits                                          | 527.7       | 512.3       | 505.1       | 489.4       | 472.4       | 465.1       |
| Deferred acquisition costs                                               | 740.4       | 698.9       | 746.6       | 770.6       | 767.2       | 877.4       |
| Reinsurance receivables                                                  | 3,072.8     | 2,892.9     | 3,023.0     | 2,991.1     | 2,958.0     | 2,925.0     |
| Income tax assets, net                                                   | 870.7       | 730.5       | 731.1       | 758.7       | 669.5       | 827.8       |
| Assets held in separate accounts                                         | 10.0        | 9.4         | 6.9         | 5.6         | 5.5         | 5.4         |
| Other assets                                                             | 401.0       | 421.3       | 420.2       | 337.7       | 381.1       | 413.2       |
| Assets of subsidiary being sold                                          | 4,346.3     | 4,518.9     | —           | —           | —           | —           |
| Total assets                                                             | \$ 34,458.7 | \$ 34,914.3 | \$ 30,975.0 | \$ 31,184.2 | \$ 31,594.8 | \$ 31,049.0 |
| <b>Liabilities</b>                                                       |             |             |             |             |             |             |
| Liabilities for insurance products:                                      |             |             |             |             |             |             |
| Policyholder account balances                                            | \$ 10,625.3 | \$ 10,649.7 | \$ 10,659.2 | \$ 10,707.2 | \$ 10,697.8 | \$ 10,689.3 |
| Future policy benefits                                                   | 10,138.6    | 10,372.2    | 10,519.8    | 10,835.4    | 10,962.8    | 10,588.9    |
| Liability for policy and contract claims                                 | 482.2       | 463.3       | 464.4       | 468.7       | 474.1       | 484.5       |
| Unearned and advanced premiums                                           | 279.5       | 270.7       | 270.3       | 291.8       | 278.9       | 268.6       |
| Liabilities related to separate accounts                                 | 10.0        | 9.4         | 6.9         | 5.6         | 5.5         | 5.4         |
| Other liabilities                                                        | 727.4       | 560.7       | 704.0       | 587.6       | 667.1       | 742.5       |
| Investment borrowings                                                    | 1,499.4     | 1,507.6     | 1,519.4     | 1,519.2     | 1,518.9     | 1,518.9     |
| Borrowings related to variable interest entities                         | 1,019.4     | 1,110.8     | 1,295.0     | 1,286.1     | 1,461.3     | 1,461.7     |
| Notes payable - direct corporate obligations                             | 844.1       | 827.3       | 814.0       | 794.4       | 774.8       | 925.0       |
| Liabilities of subsidiary being sold                                     | 4,122.6     | 4,298.3     | —           | —           | —           | —           |
| Total liabilities                                                        | 29,748.5    | 30,070.0    | 26,253.0    | 26,496.0    | 26,841.2    | 26,684.8    |
| <b>Shareholders' equity</b>                                              |             |             |             |             |             |             |
| Common stock                                                             | 2.2         | 2.1         | 2.1         | 2.0         | 2.0         | 1.9         |
| Additional paid-in capital                                               | 4,054.7     | 3,963.9     | 3,803.7     | 3,732.4     | 3,648.1     | 3,554.9     |
| Retained earnings (accumulated deficit)                                  | (112.9)     | (47.8)      | 56.9        | 128.5       | 169.3       | 202.4       |
| Total shareholders' equity before accumulated other comprehensive income | 3,944.0     | 3,918.2     | 3,862.7     | 3,862.9     | 3,819.4     | 3,759.2     |
| Accumulated other comprehensive income                                   | 766.2       | 926.1       | 859.3       | 825.3       | 934.2       | 605.0       |
| Total shareholders' equity                                               | 4,710.2     | 4,844.3     | 4,722.0     | 4,688.2     | 4,753.6     | 4,364.2     |
| Total liabilities and shareholders' equity                               | \$ 34,458.7 | \$ 34,914.3 | \$ 30,975.0 | \$ 31,184.2 | \$ 31,594.8 | \$ 31,049.0 |

|                                            | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 1Q15     | 2Q15     |
|--------------------------------------------|----------|----------|----------|----------|----------|----------|
| Book value per share at period-end (1) (2) | \$ 17.99 | \$ 18.33 | \$ 18.60 | \$ 19.00 | \$ 19.23 | \$ 19.43 |
| Book value per diluted share (1) (3)       | \$ 17.52 | \$ 17.85 | \$ 18.39 | \$ 18.75 | \$ 19.05 | \$ 19.21 |

**CNO Financial Group, Inc.**
**Consolidated statement of operations (in millions)**

|                                                                                          | 1Q14       | 2Q14     | 3Q14     | 4Q14     | 2014       | 1Q15     | 2Q15     |
|------------------------------------------------------------------------------------------|------------|----------|----------|----------|------------|----------|----------|
| <b>Revenues</b>                                                                          |            |          |          |          |            |          |          |
| Insurance policy income                                                                  | \$ 685.9   | \$ 679.0 | \$ 632.1 | \$ 632.7 | \$ 2,629.7 | \$ 636.5 | \$ 640.1 |
| Net investment income:                                                                   |            |          |          |          |            |          |          |
| General account assets                                                                   | 348.1      | 347.4    | 300.1    | 305.4    | 1,301.0    | 300.1    | 302.1    |
| Policyholder and reinsurer accounts and other special-purpose portfolios                 | 20.9       | 47.2     | 14.8     | 43.5     | 126.4      | 16.6     | 11.8     |
| Realized investment gains (losses);                                                      |            |          |          |          |            |          |          |
| Net realized investment gains (losses), excluding impairment losses                      | 35.3       | 12.4     | 6.8      | 9.5      | 64.0       | (1.1)    | (2.2)    |
| Net impairment losses recognized *                                                       | (11.9)     | —        | (2.8)    | (12.6)   | (27.3)     | (1.3)    | (7.9)    |
| Gain on dissolution of a variable interest entity                                        | —          | —        | —        | —        | —          | 11.3     | —        |
| Total realized gains (losses)                                                            | 23.4       | 12.4     | 4.0      | (3.1)    | 36.7       | 8.9      | (10.1)   |
| Fee revenue and other income                                                             | 6.4        | 7.0      | 16.0     | 21.5     | 50.9       | 16.2     | 15.6     |
| Total revenues                                                                           | 1,084.7    | 1,093.0  | 967.0    | 1,000.0  | 4,144.7    | 978.3    | 959.5    |
| <b>Benefits and expenses</b>                                                             |            |          |          |          |            |          |          |
| Insurance policy benefits                                                                | 690.3      | 691.1    | 565.5    | 639.3    | 2,586.2    | 606.0    | 568.3    |
| Net loss on sale of subsidiary, gain on reinsurance transactions and transition expenses | 278.6      | (3.8)    | (32.1)   | (2.9)    | 239.8      | 4.5      | 4.5      |
| Interest expense                                                                         | 24.6       | 24.3     | 21.9     | 22.0     | 92.8       | 21.5     | 25.3     |
| Amortization                                                                             | 66.7       | 64.9     | 65.8     | 50.0     | 247.4      | 66.1     | 73.7     |
| Loss on extinguishment or modification of debt                                           | —          | 0.6      | —        | —        | 0.6        | —        | 32.8     |
| Other operating costs and expenses                                                       | 194.1      | 201.5    | 191.5    | 215.7    | 802.8      | 197.9    | 182.2    |
| Total benefits and expenses                                                              | 1,254.3    | 978.6    | 812.6    | 924.1    | 3,969.6    | 896.0    | 886.8    |
| Income (loss) before income taxes                                                        | (169.6)    | 114.4    | 154.4    | 75.9     | 175.1      | 82.3     | 72.7     |
| Income tax expense on period income                                                      | 39.0       | 40.3     | 53.8     | 26.1     | 159.2      | 29.5     | 25.9     |
| Valuation allowance for deferred tax assets and other tax items                          | 19.4       | (4.0)    | (16.8)   | (34.1)   | (35.5)     | —        | —        |
| Net income (loss)                                                                        | \$ (228.0) | \$ 78.1  | \$ 117.4 | \$ 83.9  | \$ 51.4    | \$ 52.8  | \$ 46.8  |

\* No portion of the other-than-temporary impairments recognized in the periods were included in other comprehensive income.

**CNO Financial Group, Inc.**
**Operating results (\$ in millions, except per share amounts)**

|                                                                                               | 1Q14       | 2Q14    | 3Q14     | 4Q14     | 2014     | 1Q15    | 2Q15    |
|-----------------------------------------------------------------------------------------------|------------|---------|----------|----------|----------|---------|---------|
| EBIT (4):                                                                                     |            |         |          |          |          |         |         |
| Bankers Life                                                                                  | \$ 84.2    | \$ 87.4 | \$ 111.8 | \$ 103.5 | \$ 386.9 | \$ 82.2 | \$ 86.4 |
| Washington National                                                                           | 31.1       | 32.3    | 27.6     | 20.2     | 111.2    | 28.5    | 20.1    |
| Colonial Penn                                                                                 | (6.2)      | 3.8     | 0.4      | 2.8      | 0.8      | (5.9)   | 4.2     |
| EBIT from business segments                                                                   | 109.1      | 123.5   | 139.8    | 126.5    | 498.9    | 104.8   | 110.7   |
| Corporate operations, excluding corporate interest expense                                    | (6.0)      | (3.7)   | (9.1)    | (8.8)    | (27.6)   | (1.3)   | (5.0)   |
| EBIT                                                                                          | 103.1      | 119.8   | 130.7    | 117.7    | 471.3    | 103.5   | 105.7   |
| Corporate interest expense                                                                    | (11.1)     | (11.1)  | (10.9)   | (10.8)   | (43.9)   | (10.5)  | (11.9)  |
| Operating earnings before taxes                                                               | 92.0       | 108.7   | 119.8    | 106.9    | 427.4    | 93.0    | 93.8    |
| Tax expense on operating income                                                               | 32.1       | 37.4    | 43.2     | 37.8     | 150.5    | 32.9    | 33.0    |
| Net operating income (5)                                                                      | 59.9       | 71.3    | 76.6     | 69.1     | 276.9    | 60.1    | 60.8    |
| Earnings of CLIC prior to being sold (net of taxes)                                           | 6.7        | 8.5     | —        | —        | 15.2     | —       | —       |
| Net loss on sale of CLIC and gain on reinsurance transactions (including impact of taxes)     | (298.0)    | 2.5     | 22.9     | 2.9      | (269.7)  | —       | —       |
| Net realized investment gains (losses) (net of related amortization and taxes)                | 13.6       | 7.5     | 2.6      | (2.3)    | 21.4     | (1.4)   | (6.8)   |
| Fair value changes in embedded derivative liabilities (net of related amortization and taxes) | (7.2)      | (4.8)   | —        | (11.4)   | (23.4)   | (8.3)   | 16.8    |
| Fair value changes related to agent deferred compensation plan (net of taxes)                 | —          | (7.6)   | —        | (9.8)    | (17.4)   | —       | —       |
| Loss on extinguishment or modification of debt (net of taxes)                                 | —          | (0.4)   | —        | —        | (0.4)    | —       | (21.3)  |
| Valuation allowance for deferred tax assets and other tax items                               | —          | 4.0     | 16.8     | 34.1     | 54.9     | —       | —       |
| Other                                                                                         | (3.0)      | (2.9)   | (1.5)    | 1.3      | (6.1)    | 2.4     | (2.7)   |
| Net income (loss)                                                                             | \$ (228.0) | \$ 78.1 | \$ 117.4 | \$ 83.9  | \$ 51.4  | \$ 52.8 | \$ 46.8 |
| Per diluted share:                                                                            |            |         |          |          |          |         |         |
| Net operating income                                                                          | \$ .27     | \$ .32  | \$ .35   | \$ .34   | \$ 1.27  | \$ .30  | \$ .31  |
| Earnings of CLIC prior to being sold (net of taxes)                                           | .03        | .04     | —        | —        | .07      | —       | —       |
| Net loss on sale of CLIC and gain on reinsurance transactions (including impact of taxes)     | (1.35)     | .01     | .11      | .01      | (1.24)   | —       | —       |
| Net realized investment gains (losses) (net of related amortization and taxes)                | .06        | .03     | .01      | (.01)    | .10      | (.01)   | (.03)   |
| Fair value changes in embedded derivative liabilities (net of related amortization and taxes) | (.03)      | (.02)   | —        | (.05)    | (.11)    | (.04)   | .08     |
| Fair value changes related to agent deferred compensation plan (net of taxes)                 | —          | (.03)   | —        | (.05)    | (.08)    | —       | —       |
| Loss on extinguishment or modification of debt (net of taxes)                                 | —          | —       | —        | —        | —        | —       | (.11)   |
| Valuation allowance for deferred tax assets and other tax items                               | —          | .02     | .08      | .17      | .25      | —       | —       |
| Other                                                                                         | (.01)      | (.02)   | (.01)    | —        | (.02)    | .01     | (.01)   |
| Net income (loss)                                                                             | \$ (1.03)  | \$ .35  | \$ .54   | \$ .41   | \$ .24   | \$ .26  | \$ .24  |

**CNO Financial Group, Inc.**
**Computation of weighted average shares outstanding**

|                                                                             | 1Q14 (a)  | 2Q14      | 3Q14      | 4Q14      | 2014      | 1Q15      | 2Q15      |
|-----------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| (000s)                                                                      |           |           |           |           |           |           |           |
| <b>Basic</b>                                                                |           |           |           |           |           |           |           |
| Shares outstanding, beginning of period                                     | 220,323.8 | 219,266.9 | 213,755.2 | 207,640.1 | 220,323.8 | 203,324.5 | 198,631.9 |
| Weighted average shares issued during the period:                           |           |           |           |           |           |           |           |
| Shares repurchased                                                          | (343.6)   | (2,802.5) | (3,312.5) | (3,357.7) | (8,491.9) | (3,011.2) | (2,938.7) |
| Stock options exercised and vested restricted and performance stock         | 393.4     | 73.8      | 84.7      | 16.5      | 1,273.1   | 251.2     | 164.4     |
| Shares withheld for the payment of taxes on the vesting of restricted stock | (67.1)    | (0.6)     | (2.1)     | (1.3)     | (188.3)   | (73.8)    | (0.4)     |
| Weighted average basic shares outstanding during the period                 | 220,306.5 | 216,537.6 | 210,525.3 | 204,297.6 | 212,916.7 | 200,490.7 | 195,857.2 |
| Basic shares outstanding, end of period                                     | 219,266.9 | 213,755.2 | 207,640.1 | 203,324.5 | 203,324.5 | 198,631.9 | 193,467.7 |
| <b>Diluted</b>                                                              |           |           |           |           |           |           |           |
| Weighted average basic shares outstanding                                   | 220,306.5 | 216,537.6 | 210,525.3 | 204,297.6 | 212,916.7 | 200,490.7 | 195,857.2 |
| Common stock equivalent shares related to:                                  |           |           |           |           |           |           |           |
| Stock options, restricted stock and performance units                       | —         | 2,390.4   | 2,447.3   | 2,645.3   | 2,505.1   | 1,783.9   | 2,215.8   |
| Warrants                                                                    | —         | 3,180.0   | 2,485.6   | —         | 2,232.9   | —         | —         |
| Weighted average diluted shares outstanding during the period               | 220,306.5 | 222,108.0 | 215,458.2 | 206,942.9 | 217,654.7 | 202,274.6 | 198,073.0 |
| Diluted shares outstanding, end of period                                   | 225,106.7 | 219,536.1 | 210,046.5 | 205,969.8 | 205,969.8 | 200,489.1 | 195,711.3 |

- (a) Equivalent common shares of 5,803.0 were not included in the diluted weighted average shares outstanding due to the net loss recognized in 1Q14.

**EBIT from Business Segments Summarized by  
In-Force and New Business (6)**

(in millions)

**CNO Financial Group, Inc.**

| <b>EBIT from In-Force Business</b>         | 1Q14      | 2Q14      | 3Q14      | 4Q14      | 2014       | 1Q15      | 2Q15      |
|--------------------------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 541.6  | \$ 534.9  | \$ 541.5  | \$ 545.4  | \$ 2,163.4 | \$ 549.8  | \$ 549.7  |
| Net investment income                      | 297.7     | 320.2     | 299.5     | 320.1     | 1,237.5    | 295.6     | 293.9     |
| Fee revenue and other income               | 4.7       | 5.2       | 6.2       | 9.6       | 25.7       | 5.8       | 5.8       |
| Total revenues                             | 844.0     | 860.3     | 847.2     | 875.1     | 3,426.6    | 851.2     | 849.4     |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 532.9     | 542.5     | 507.3     | 553.7     | 2,136.4    | 534.4     | 547.7     |
| Interest expense                           | 2.3       | 2.4       | 2.4       | 2.5       | 9.6        | 2.5       | 2.6       |
| Amortization                               | 61.6      | 58.6      | 58.8      | 49.2      | 228.2      | 65.0      | 57.8      |
| Other operating costs and expenses         | 80.6      | 84.6      | 87.9      | 94.8      | 347.9      | 84.6      | 84.8      |
| Total benefits and expenses                | 677.4     | 688.1     | 656.4     | 700.2     | 2,722.1    | 686.5     | 692.9     |
| EBIT from In-Force Business                | \$ 166.6  | \$ 172.2  | \$ 190.8  | \$ 174.9  | \$ 704.5   | \$ 164.7  | \$ 156.5  |
| <b>EBIT from New Business</b>              |           |           |           |           |            |           |           |
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 90.8   | \$ 91.6   | \$ 90.6   | \$ 87.3   | \$ 360.3   | \$ 86.7   | \$ 90.4   |
| Net investment income                      | 6.4       | 9.7       | 7.2       | 14.3      | 37.6       | 7.2       | 5.2       |
| Fee revenue and other income               | 1.0       | 1.1       | 1.3       | 2.3       | 5.7        | 1.2       | 1.2       |
| Total revenues                             | 98.2      | 102.4     | 99.1      | 103.9     | 403.6      | 95.1      | 96.8      |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 58.6      | 61.4      | 58.2      | 62.4      | 240.6      | 54.7      | 54.6      |
| Interest expense                           | —         | —         | —         | —         | —          | —         | —         |
| Amortization                               | 6.9       | 6.6       | 6.8       | 6.1       | 26.4       | 5.5       | 7.3       |
| Other operating costs and expenses         | 90.2      | 83.1      | 85.1      | 83.8      | 342.2      | 94.8      | 80.7      |
| Total benefits and expenses                | 155.7     | 151.1     | 150.1     | 152.3     | 609.2      | 155.0     | 142.6     |
| EBIT from New Business                     | \$ (57.5) | \$ (48.7) | \$ (51.0) | \$ (48.4) | \$ (205.6) | \$ (59.9) | \$ (45.8) |
| <b>EBIT from In-Force and New Business</b> |           |           |           |           |            |           |           |
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 632.4  | \$ 626.5  | \$ 632.1  | \$ 632.7  | \$ 2,523.7 | \$ 636.5  | \$ 640.1  |
| Net investment income                      | 304.1     | 329.9     | 306.7     | 334.4     | 1,275.1    | 302.8     | 299.1     |
| Fee revenue and other income               | 5.7       | 6.3       | 7.5       | 11.9      | 31.4       | 7.0       | 7.0       |
| Total revenues                             | 942.2     | 962.7     | 946.3     | 979.0     | 3,830.2    | 946.3     | 946.2     |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 591.5     | 603.9     | 565.5     | 616.1     | 2,377.0    | 589.1     | 602.3     |
| Interest expense                           | 2.3       | 2.4       | 2.4       | 2.5       | 9.6        | 2.5       | 2.6       |
| Amortization                               | 68.5      | 65.2      | 65.6      | 55.3      | 254.6      | 70.5      | 65.1      |
| Other operating costs and expenses         | 170.8     | 167.7     | 173.0     | 178.6     | 690.1      | 179.4     | 165.5     |
| Total benefits and expenses                | 833.1     | 839.2     | 806.5     | 852.5     | 3,331.3    | 841.5     | 835.5     |
| EBIT from In-Force and New Business        | \$ 109.1  | \$ 123.5  | \$ 139.8  | \$ 126.5  | \$ 498.9   | \$ 104.8  | \$ 110.7  |

**CNO Financial Group, Inc.**
**Bankers Life**

| <b>Analysis of income before taxes (in millions)</b>      | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014       | 1Q15     | 2Q15     |
|-----------------------------------------------------------|----------|----------|----------|----------|------------|----------|----------|
| Insurance policy income                                   | \$ 416.3 | \$ 408.1 | \$ 416.4 | \$ 410.9 | \$ 1,651.7 | \$ 412.7 | \$ 413.9 |
| Net investment income (loss):                             |          |          |          |          |            |          |          |
| General account invested assets                           | 219.8    | 220.5    | 225.9    | 229.2    | 895.4      | 229.2    | 230.9    |
| Fixed index products                                      | 4.6      | 27.1     | 5.3      | 24.9     | 61.9       | (2.7)    | (5.7)    |
| Fee revenue and other income                              | 5.3      | 5.8      | 7.0      | 11.2     | 29.3       | 6.3      | 6.5      |
| Total revenues                                            | 646.0    | 661.5    | 654.6    | 676.2    | 2,638.3    | 645.5    | 645.6    |
| Insurance policy benefits                                 | 365.7    | 356.0    | 345.9    | 360.1    | 1,427.7    | 363.4    | 371.7    |
| Amounts added to policyholder account balances:           |          |          |          |          |            |          |          |
| Cost of interest credited to policyholders                | 32.9     | 32.2     | 31.0     | 31.1     | 127.2      | 30.3     | 30.0     |
| Cost of options to fund index credits, net of forfeitures | 12.0     | 12.1     | 12.2     | 12.9     | 49.2       | 14.3     | 14.0     |
| Market value changes credited to policyholders            | 4.4      | 27.6     | 5.8      | 25.7     | 63.5       | (2.7)    | (5.0)    |
| Amortization related to operations                        | 48.2     | 45.4     | 47.1     | 34.0     | 174.7      | 51.6     | 47.7     |
| Interest expense on investment borrowings                 | 1.9      | 1.9      | 2.0      | 2.1      | 7.9        | 2.1      | 2.1      |
| Other operating costs and expenses                        | 96.7     | 98.9     | 98.8     | 106.8    | 401.2      | 104.3    | 98.7     |
| Total benefits and expenses                               | 561.8    | 574.1    | 542.8    | 572.7    | 2,251.4    | 563.3    | 559.2    |
| EBIT (4)                                                  | \$ 84.2  | \$ 87.4  | \$ 111.8 | \$ 103.5 | \$ 386.9   | \$ 82.2  | \$ 86.4  |

| <b>Health underwriting margins (in millions)</b>                                           | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|--------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Medicare supplement:                                                                       |          |          |          |          |          |          |          |
| Earned premium                                                                             | \$ 194.5 | \$ 193.2 | \$ 193.9 | \$ 192.8 | \$ 774.4 | \$ 193.2 | \$ 192.6 |
| Benefit ratio                                                                              | 67.7%    | 69.5%    | 66.2%    | 70.0%    | 68.4%    | 67.4%    | 68.7%    |
| Underwriting margin (earned premium less policy benefits)                                  | \$ 62.9  | \$ 59.0  | \$ 65.4  | \$ 57.8  | \$ 245.1 | \$ 63.1  | \$ 60.2  |
| Long-term care:                                                                            |          |          |          |          |          |          |          |
| Earned premium                                                                             | \$ 129.1 | \$ 127.4 | \$ 125.5 | \$ 124.0 | \$ 506.0 | \$ 122.6 | \$ 120.5 |
| Benefit ratio before interest income on reserves                                           | 131.9%   | 131.2%   | 123.6%   | 131.8%   | 129.7%   | 137.8%   | 140.7%   |
| Interest-adjusted benefit ratio                                                            | 81.0%    | 79.2%    | 70.5%    | 77.8%    | 77.2%    | 83.0%    | 84.6%    |
| Underwriting margin (earned premium plus interest income on reserves less policy benefits) | \$ 24.5  | \$ 26.5  | \$ 36.9  | \$ 27.6  | \$ 115.5 | \$ 20.8  | \$ 18.6  |

**CNO Financial Group, Inc.**
**Bankers Life**

| <b>Average liabilities for insurance products (in millions)</b>                   | 1Q14               | 2Q14               | 3Q14               | 4Q14               | 2014               | 1Q15               | 2Q15               |
|-----------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Fixed index annuities                                                             | \$ 3,462.8         | \$ 3,575.7         | \$ 3,687.0         | \$ 3,821.2         | \$ 3,636.7         | \$ 3,952.1         | \$ 4,023.6         |
| Fixed interest annuities                                                          | 3,983.1            | 3,889.6            | 3,796.5            | 3,711.0            | 3,845.0            | 3,623.5            | 3,523.9            |
| <b>SPIAs and supplemental contracts:</b>                                          |                    |                    |                    |                    |                    |                    |                    |
| Mortality based                                                                   | 203.1              | 206.5              | 202.8              | 198.8              | 202.8              | 194.4              | 190.8              |
| Deposit based                                                                     | 150.1              | 148.1              | 148.3              | 149.8              | 149.1              | 152.3              | 153.7              |
| <b>Health:</b>                                                                    |                    |                    |                    |                    |                    |                    |                    |
| Long-term care                                                                    | 4,568.0            | 4,682.5            | 4,788.5            | 4,902.5            | 4,735.4            | 5,067.8            | 4,955.0            |
| Medicare supplement                                                               | 338.2              | 330.6              | 324.2              | 331.2              | 331.0              | 336.9              | 327.6              |
| Other health                                                                      | 46.5               | 47.1               | 47.9               | 48.5               | 47.5               | 47.7               | 46.9               |
| <b>Life:</b>                                                                      |                    |                    |                    |                    |                    |                    |                    |
| Interest sensitive                                                                | 533.2              | 552.5              | 576.4              | 596.7              | 564.7              | 614.9              | 635.3              |
| Non-interest sensitive                                                            | 672.4              | 693.6              | 870.4              | 892.0              | 782.1              | 911.6              | 931.1              |
| <b>Total average liabilities for insurance products, net of reinsurance ceded</b> | <b>\$ 13,957.4</b> | <b>\$ 14,126.2</b> | <b>\$ 14,442.0</b> | <b>\$ 14,651.7</b> | <b>\$ 14,294.3</b> | <b>\$ 14,901.2</b> | <b>\$ 14,787.9</b> |

| <b>Annuities - account value rollforwards (in millions)</b> | 1Q14       | 2Q14       | 3Q14       | 4Q14       | 2014       | 1Q15       | 2Q15       |
|-------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Fixed index annuities</b>                                |            |            |            |            |            |            |            |
| Balance as of the beginning of the period                   | \$ 3,297.9 | \$ 3,401.4 | \$ 3,524.2 | \$ 3,639.1 | \$ 3,297.9 | \$ 3,772.5 | \$ 3,861.3 |
| Gross deposits                                              | 147.6      | 166.7      | 152.1      | 180.0      | 646.4      | 150.3      | 166.5      |
| Withdrawals                                                 | (84.7)     | (81.0)     | (78.7)     | (79.6)     | (324.0)    | (92.0)     | (85.5)     |
| Returns reinvested                                          | 40.6       | 37.1       | 41.5       | 33.0       | 152.2      | 30.5       | 26.9       |
| Balance as of the end of the period                         | \$ 3,401.4 | \$ 3,524.2 | \$ 3,639.1 | \$ 3,772.5 | \$ 3,772.5 | \$ 3,861.3 | \$ 3,969.2 |
| <b>Fixed interest annuities</b>                             |            |            |            |            |            |            |            |
| Balance as of the beginning of the period                   | \$ 4,013.0 | \$ 3,932.6 | \$ 3,838.9 | \$ 3,746.3 | \$ 4,013.0 | \$ 3,670.8 | \$ 3,574.1 |
| Gross deposits                                              | 40.3       | 30.1       | 25.6       | 26.7       | 122.7      | 20.1       | 18.9       |
| Withdrawals                                                 | (147.3)    | (149.5)    | (142.7)    | (126.6)    | (566.1)    | (140.2)    | (144.5)    |
| Returns reinvested                                          | 26.6       | 25.7       | 24.5       | 24.4       | 101.2      | 23.4       | 23.0       |
| Balance as of the end of the period                         | \$ 3,932.6 | \$ 3,838.9 | \$ 3,746.3 | \$ 3,670.8 | \$ 3,670.8 | \$ 3,574.1 | \$ 3,471.5 |
| <b>Total annuities</b>                                      |            |            |            |            |            |            |            |
| Balance as of the beginning of the period                   | \$ 7,310.9 | \$ 7,334.0 | \$ 7,363.1 | \$ 7,385.4 | \$ 7,310.9 | \$ 7,443.3 | \$ 7,435.4 |
| Gross deposits                                              | 187.9      | 196.8      | 177.7      | 206.7      | 769.1      | 170.4      | 185.4      |
| Withdrawals                                                 | (232.0)    | (230.5)    | (221.4)    | (206.2)    | (890.1)    | (232.2)    | (230.0)    |
| Returns reinvested                                          | 67.2       | 62.8       | 66.0       | 57.4       | 253.4      | 53.9       | 49.9       |
| Balance as of the end of the period                         | \$ 7,334.0 | \$ 7,363.1 | \$ 7,385.4 | \$ 7,443.3 | \$ 7,443.3 | \$ 7,435.4 | \$ 7,440.7 |

**CNO Financial Group, Inc.**
**Bankers Life**

| <b>Present value of future profits (in millions)</b>                                    | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|-----------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Balance, beginning of period                                                            | \$ 263.2 | \$ 137.7 | \$ 132.1 | \$ 132.7 | \$ 263.2 | \$ 128.4 | \$ 122.0 |
| Amortization related to operations                                                      | (11.4)   | (10.5)   | (9.1)    | (9.1)    | (40.1)   | (10.5)   | (10.1)   |
| Amortization related to net realized investment (gains) losses                          | —        | —        | —        | —        | —        | —        | —        |
| Effect of reinsurance transaction                                                       | —        | —        | 5.0      | —        | 5.0      | —        | —        |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | (114.1)  | 4.9      | 4.7      | 4.8      | (99.7)   | 4.1      | 6.7      |
| Balance, end of period                                                                  | \$ 137.7 | \$ 132.1 | \$ 132.7 | \$ 128.4 | \$ 128.4 | \$ 122.0 | \$ 118.6 |

| <b>Deferred acquisition costs (in millions)</b>                                         | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|-----------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Balance, beginning of period                                                            | \$ 627.8 | \$ 440.8 | \$ 397.6 | \$ 437.6 | \$ 627.8 | \$ 456.6 | \$ 445.1 |
| Deferred acquisition expenses                                                           | 39.6     | 41.8     | 42.3     | 48.7     | 172.4    | 39.4     | 41.2     |
| Amortization related to operations                                                      | (36.8)   | (34.9)   | (38.0)   | (24.9)   | (134.6)  | (41.1)   | (37.6)   |
| Amortization related to net realized investment (gains) losses                          | —        | (0.1)    | —        | (0.4)    | (0.5)    | 0.2      | (0.2)    |
| Amortization related to fair value changes in embedded derivative liabilities           | 3.8      | 2.3      | 0.1      | 5.2      | 11.4     | 3.6      | (7.4)    |
| Effect of reinsurance transaction                                                       | —        | —        | 24.0     | —        | 24.0     | —        | —        |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | (193.6)  | (52.3)   | 11.6     | (9.6)    | (243.9)  | (13.6)   | 95.2     |
| Balance, end of period                                                                  | \$ 440.8 | \$ 397.6 | \$ 437.6 | \$ 456.6 | \$ 456.6 | \$ 445.1 | \$ 536.3 |

**Bankers Life Segment EBIT Summarized by In-Force and New Business (6)**  
(in millions)

| <b>CNO Financial Group, Inc.</b>           |           |           |           |           |            |           |           |
|--------------------------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|
| <b>EBIT from In-Force Business</b>         | 1Q14      | 2Q14      | 3Q14      | 4Q14      | 2014       | 1Q15      | 2Q15      |
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 354.2  | \$ 346.2  | \$ 355.8  | \$ 354.8  | \$ 1,411.0 | \$ 357.9  | \$ 356.4  |
| Net investment income (loss)               | 218.0     | 237.9     | 224.0     | 239.8     | 919.7      | 219.3     | 220.0     |
| Fee revenue and other income               | 4.3       | 4.7       | 5.7       | 8.9       | 23.6       | 5.1       | 5.3       |
| Total revenues                             | 576.5     | 588.8     | 585.5     | 603.5     | 2,354.3    | 582.3     | 581.7     |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 370.1     | 380.7     | 351.1     | 382.4     | 1,484.3    | 365.9     | 372.0     |
| Interest expense                           | 1.9       | 1.9       | 2.0       | 2.1       | 7.9        | 2.1       | 2.1       |
| Amortization                               | 42.5      | 40.0      | 41.6      | 29.2      | 153.3      | 47.5      | 41.9      |
| Other operating costs and expenses         | 39.6      | 41.9      | 45.0      | 50.3      | 176.8      | 44.5      | 44.2      |
| Total benefits and expenses                | 454.1     | 464.5     | 439.7     | 464.0     | 1,822.3    | 460.0     | 460.2     |
| EBIT from In-Force Business                | \$ 122.4  | \$ 124.3  | \$ 145.8  | \$ 139.5  | \$ 532.0   | \$ 122.3  | \$ 121.5  |
| <b>EBIT from New Business</b>              |           |           |           |           |            |           |           |
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 62.1   | \$ 61.9   | \$ 60.6   | \$ 56.1   | \$ 240.7   | \$ 54.8   | \$ 57.5   |
| Net investment income (loss)               | 6.4       | 9.7       | 7.2       | 14.3      | 37.6       | 7.2       | 5.2       |
| Fee revenue and other income               | 1.0       | 1.1       | 1.3       | 2.3       | 5.7        | 1.2       | 1.2       |
| Total revenues                             | 69.5      | 72.7      | 69.1      | 72.7      | 284.0      | 63.2      | 63.9      |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 44.9      | 47.2      | 43.8      | 47.4      | 183.3      | 39.4      | 38.7      |
| Interest expense                           | —         | —         | —         | —         | —          | —         | —         |
| Amortization                               | 5.7       | 5.4       | 5.5       | 4.8       | 21.4       | 4.1       | 5.8       |
| Other operating costs and expenses         | 57.1      | 57.0      | 53.8      | 56.5      | 224.4      | 59.8      | 54.5      |
| Total benefits and expenses                | 107.7     | 109.6     | 103.1     | 108.7     | 429.1      | 103.3     | 99.0      |
| EBIT from New Business                     | \$ (38.2) | \$ (36.9) | \$ (34.0) | \$ (36.0) | \$ (145.1) | \$ (40.1) | \$ (35.1) |
| <b>EBIT from In-Force and New Business</b> |           |           |           |           |            |           |           |
| <b>Revenues</b>                            |           |           |           |           |            |           |           |
| Insurance policy income                    | \$ 416.3  | \$ 408.1  | \$ 416.4  | \$ 410.9  | \$ 1,651.7 | \$ 412.7  | \$ 413.9  |
| Net investment income (loss)               | 224.4     | 247.6     | 231.2     | 254.1     | 957.3      | 226.5     | 225.2     |
| Fee revenue and other income               | 5.3       | 5.8       | 7.0       | 11.2      | 29.3       | 6.3       | 6.5       |
| Total revenues                             | 646.0     | 661.5     | 654.6     | 676.2     | 2,638.3    | 645.5     | 645.6     |
| <b>Benefits and expenses</b>               |           |           |           |           |            |           |           |
| Insurance policy benefits                  | 415.0     | 427.9     | 394.9     | 429.8     | 1,667.6    | 405.3     | 410.7     |
| Interest expense                           | 1.9       | 1.9       | 2.0       | 2.1       | 7.9        | 2.1       | 2.1       |
| Amortization                               | 48.2      | 45.4      | 47.1      | 34.0      | 174.7      | 51.6      | 47.7      |
| Other operating costs and expenses         | 96.7      | 98.9      | 98.8      | 106.8     | 401.2      | 104.3     | 98.7      |
| Total benefits and expenses                | 561.8     | 574.1     | 542.8     | 572.7     | 2,251.4    | 563.3     | 559.2     |
| EBIT from In-Force and New Business        | \$ 84.2   | \$ 87.4   | \$ 111.8  | \$ 103.5  | \$ 386.9   | \$ 82.2   | \$ 86.4   |

**CNO Financial Group, Inc.**  
**Washington National**

| <b>Analysis of income before taxes (in millions)</b>                               | 1Q14           | 2Q14           | 3Q14           | 4Q14           | 2014            | 1Q15           | 2Q15           |
|------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| Insurance policy income                                                            | \$ 155.6       | \$ 156.7       | \$ 154.0       | \$ 159.7       | \$ 626.0        | \$ 159.5       | \$ 159.6       |
| Net investment income (loss):                                                      |                |                |                |                |                 |                |                |
| General account invested assets                                                    | 68.2           | 67.6           | 64.8           | 65.9           | 266.5           | 64.6           | 63.3           |
| Fixed index products                                                               | 0.9            | 2.8            | 0.3            | 2.3            | 6.3             | 0.6            | (0.2)          |
| Trading account income related to reinsurer accounts                               | 1.6            | (0.2)          | —              | —              | 1.4             | —              | —              |
| Change in value of embedded derivatives related to modified coinsurance agreements | (1.6)          | 0.2            | —              | —              | (1.4)           | —              | —              |
| Trading account income related to policyholder accounts                            | (0.1)          | 1.4            | 0.1            | 1.9            | 3.3             | 0.4            | —              |
| Fee revenue and other income                                                       | 0.2            | 0.2            | 0.3            | 0.4            | 1.1             | 0.4            | 0.3            |
| <b>Total revenues</b>                                                              | <b>224.8</b>   | <b>228.7</b>   | <b>219.5</b>   | <b>230.2</b>   | <b>903.2</b>    | <b>225.5</b>   | <b>223.0</b>   |
| Insurance policy benefits                                                          | 126.0          | 123.3          | 124.1          | 132.3          | 505.7           | 129.0          | 138.9          |
| Amounts added to policyholder account balances:                                    |                |                |                |                |                 |                |                |
| Cost of interest credited to policyholders                                         | 3.4            | 4.0            | 3.6            | 3.9            | 14.9            | 3.7            | 3.7            |
| Cost of options to fund index credits, net of forfeitures                          | 1.5            | 1.4            | 1.3            | 1.4            | 5.6             | 1.5            | 1.5            |
| Market value changes credited to policyholders                                     | 0.9            | 4.1            | 0.5            | 4.5            | 10.0            | 1.0            | (0.3)          |
| Amortization related to operations                                                 | 16.3           | 16.0           | 14.8           | 17.5           | 64.6            | 15.3           | 13.7           |
| Interest expense on investment borrowings                                          | 0.4            | 0.5            | 0.4            | 0.4            | 1.7             | 0.4            | 0.5            |
| Other operating costs and expenses                                                 | 45.2           | 47.1           | 47.2           | 50.0           | 189.5           | 46.1           | 44.9           |
| <b>Total benefits and expenses</b>                                                 | <b>193.7</b>   | <b>196.4</b>   | <b>191.9</b>   | <b>210.0</b>   | <b>792.0</b>    | <b>197.0</b>   | <b>202.9</b>   |
| <b>EBIT (4)</b>                                                                    | <b>\$ 31.1</b> | <b>\$ 32.3</b> | <b>\$ 27.6</b> | <b>\$ 20.2</b> | <b>\$ 111.2</b> | <b>\$ 28.5</b> | <b>\$ 20.1</b> |

| <b>Health underwriting margins (in millions)</b>                                           | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|--------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Medicare supplement:                                                                       |          |          |          |          |          |          |          |
| Earned premium                                                                             | \$ 23.1  | \$ 22.1  | \$ 21.3  | \$ 20.6  | \$ 87.1  | \$ 19.4  | \$ 18.3  |
| Benefit ratio                                                                              | 63.9%    | 61.7%    | 65.8%    | 62.0%    | 63.3%    | 63.2%    | 64.6%    |
| Underwriting margin (earned premium less policy benefits)                                  | \$ 8.3   | \$ 8.5   | \$ 7.3   | \$ 7.8   | \$ 31.9  | \$ 7.1   | \$ 6.5   |
| Supplemental health and other:                                                             |          |          |          |          |          |          |          |
| Earned premium                                                                             | \$ 125.8 | \$ 126.8 | \$ 125.8 | \$ 132.1 | \$ 510.5 | \$ 132.8 | \$ 134.4 |
| Benefit ratio before interest income on reserves                                           | 78.9%    | 80.3%    | 81.9%    | 79.1%    | 80.1%    | 82.4%    | 90.3%    |
| Interest-adjusted benefit ratio                                                            | 53.0%    | 54.8%    | 56.0%    | 54.4%    | 54.6%    | 57.6%    | 65.7%    |
| Underwriting margin (earned premium plus interest income on reserves less policy benefits) | \$ 59.1  | \$ 57.4  | \$ 55.2  | \$ 60.3  | \$ 232.0 | \$ 56.2  | \$ 46.1  |

**CNO Financial Group, Inc.**
**Washington National**
**Average liabilities for insurance products (in millions)**

|                                                                            | 1Q14       | 2Q14       | 3Q14       | 4Q14       | 2014       | 1Q15       | 2Q15       |
|----------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Fixed index annuities                                                      | \$ 433.7   | \$ 426.3   | \$ 417.4   | \$ 408.7   | \$ 421.5   | \$ 401.0   | \$ 391.9   |
| Fixed interest annuities                                                   | 134.4      | 131.4      | 128.6      | 126.5      | 130.2      | 124.9      | 121.4      |
| SPIAs and supplemental contracts:                                          |            |            |            |            |            |            |            |
| Mortality based                                                            | 245.5      | 242.9      | 240.2      | 253.1      | 245.4      | 267.5      | 261.7      |
| Deposit based                                                              | 249.5      | 252.3      | 254.1      | 254.4      | 252.6      | 257.3      | 259.9      |
| Separate Accounts                                                          | 10.2       | 9.7        | 8.1        | 6.2        | 8.5        | 5.5        | 5.4        |
| Health:                                                                    |            |            |            |            |            |            |            |
| Supplemental health                                                        | 2,265.3    | 2,415.7    | 2,428.8    | 2,441.7    | 2,387.9    | 2,455.3    | 2,478.6    |
| Medicare supplement                                                        | 36.8       | 36.0       | 34.1       | 33.9       | 35.2       | 33.5       | 30.9       |
| Other health                                                               | 11.1       | 16.8       | 16.0       | 15.7       | 14.9       | 15.1       | 14.9       |
| Life:                                                                      |            |            |            |            |            |            |            |
| Interest sensitive                                                         | 165.8      | 160.3      | 156.5      | 155.0      | 159.4      | 153.5      | 152.2      |
| Non-interest sensitive                                                     | 194.2      | 192.6      | 191.2      | 189.8      | 192.0      | 188.4      | 186.5      |
| Total average liabilities for insurance products, net of reinsurance ceded | \$ 3,746.5 | \$ 3,884.0 | \$ 3,875.0 | \$ 3,885.0 | \$ 3,847.6 | \$ 3,902.0 | \$ 3,903.4 |

| <b>Present value of future profits (in millions)</b>                                    | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|-----------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Balance, beginning of period                                                            | \$ 344.3 | \$ 336.2 | \$ 328.1 | \$ 322.0 | \$ 344.3 | \$ 314.2 | \$ 304.9 |
| Amortization related to operations                                                      | (7.9)    | (7.6)    | (6.2)    | (6.9)    | (28.6)   | (7.0)    | (6.6)    |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | (0.2)    | (0.5)    | 0.1      | (0.9)    | (1.5)    | (2.3)    | 3.6      |
| Balance, end of period                                                                  | \$ 336.2 | \$ 328.1 | \$ 322.0 | \$ 314.2 | \$ 314.2 | \$ 304.9 | \$ 301.9 |

| <b>Deferred acquisition costs (in millions)</b>                                         | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|-----------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Balance, beginning of period                                                            | \$ 232.2 | \$ 230.8 | \$ 230.9 | \$ 237.0 | \$ 232.2 | \$ 240.2 | \$ 245.4 |
| Deferred acquisition expenses                                                           | 13.2     | 13.8     | 13.8     | 13.5     | 54.3     | 13.7     | 15.2     |
| Amortization related to operations                                                      | (8.4)    | (8.4)    | (8.6)    | (10.6)   | (36.0)   | (8.3)    | (7.1)    |
| Amortization related to net realized investment (gains) losses                          | (0.4)    | —        | (0.1)    | —        | (0.5)    | —        | (0.1)    |
| Amortization related to fair value changes in embedded derivative liabilities           | 0.4      | 0.4      | (0.2)    | 0.5      | 1.1      | 0.6      | (0.9)    |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | (6.2)    | (5.7)    | 1.2      | (0.2)    | (10.9)   | (0.8)    | 8.3      |
| Balance, end of period                                                                  | \$ 230.8 | \$ 230.9 | \$ 237.0 | \$ 240.2 | \$ 240.2 | \$ 245.4 | \$ 260.8 |

**Washington National Segment EBIT**  
**Summarized by In-Force and New Business (6)**  
(in millions)

| <b>CNO Financial Group, Inc.</b>           |          |          |          |          |           |          |          |
|--------------------------------------------|----------|----------|----------|----------|-----------|----------|----------|
| <b>EBIT from In-Force Business</b>         | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014      | 1Q15     | 2Q15     |
| <b>Revenues</b>                            |          |          |          |          |           |          |          |
| Insurance policy income                    | \$ 138.1 | \$ 138.5 | \$ 135.5 | \$ 140.0 | \$ 552.1  | \$ 140.0 | \$ 139.7 |
| Net investment income (loss)               | 69.0     | 71.8     | 65.2     | 70.1     | 276.1     | 65.6     | 63.1     |
| Fee revenue and other income               | 0.2      | 0.2      | 0.3      | 0.4      | 1.1       | 0.4      | 0.3      |
| Total revenues                             | 207.3    | 210.5    | 201.0    | 210.5    | 829.3     | 206.0    | 203.1    |
| <b>Benefits and expenses</b>               |          |          |          |          |           |          |          |
| Insurance policy benefits                  | 124.5    | 125.2    | 121.7    | 133.8    | 505.2     | 127.0    | 135.4    |
| Interest expense                           | 0.4      | 0.5      | 0.4      | 0.4      | 1.7       | 0.4      | 0.5      |
| Amortization                               | 15.2     | 14.9     | 13.6     | 16.3     | 60.0      | 14.1     | 12.4     |
| Other operating costs and expenses         | 33.3     | 35.1     | 35.2     | 35.9     | 139.5     | 32.7     | 33.1     |
| Total benefits and expenses                | 173.4    | 175.7    | 170.9    | 186.4    | 706.4     | 174.2    | 181.4    |
| EBIT from In-Force Business                | \$ 33.9  | \$ 34.8  | \$ 30.1  | \$ 24.1  | \$ 122.9  | \$ 31.8  | \$ 21.7  |
| <b>EBIT from New Business</b>              |          |          |          |          |           |          |          |
| <b>Revenues</b>                            |          |          |          |          |           |          |          |
| Insurance policy income                    | \$ 17.5  | \$ 18.2  | \$ 18.5  | \$ 19.7  | \$ 73.9   | \$ 19.5  | \$ 19.9  |
| Net investment income (loss)               | —        | —        | —        | —        | —         | —        | —        |
| Fee revenue and other income               | —        | —        | —        | —        | —         | —        | —        |
| Total revenues                             | 17.5     | 18.2     | 18.5     | 19.7     | 73.9      | 19.5     | 19.9     |
| <b>Benefits and expenses</b>               |          |          |          |          |           |          |          |
| Insurance policy benefits                  | 7.3      | 7.6      | 7.8      | 8.3      | 31.0      | 8.2      | 8.4      |
| Interest expense                           | —        | —        | —        | —        | —         | —        | —        |
| Amortization                               | 1.1      | 1.1      | 1.2      | 1.2      | 4.6       | 1.2      | 1.3      |
| Other operating costs and expenses         | 11.9     | 12.0     | 12.0     | 14.1     | 50.0      | 13.4     | 11.8     |
| Total benefits and expenses                | 20.3     | 20.7     | 21.0     | 23.6     | 85.6      | 22.8     | 21.5     |
| EBIT from New Business                     | \$ (2.8) | \$ (2.5) | \$ (2.5) | \$ (3.9) | \$ (11.7) | \$ (3.3) | \$ (1.6) |
| <b>EBIT from In-Force and New Business</b> |          |          |          |          |           |          |          |
| <b>Revenues</b>                            |          |          |          |          |           |          |          |
| Insurance policy income                    | \$ 155.6 | \$ 156.7 | \$ 154.0 | \$ 159.7 | \$ 626.0  | \$ 159.5 | \$ 159.6 |
| Net investment income (loss)               | 69.0     | 71.8     | 65.2     | 70.1     | 276.1     | 65.6     | 63.1     |
| Fee revenue and other income               | 0.2      | 0.2      | 0.3      | 0.4      | 1.1       | 0.4      | 0.3      |
| Total revenues                             | 224.8    | 228.7    | 219.5    | 230.2    | 903.2     | 225.5    | 223.0    |
| <b>Benefits and expenses</b>               |          |          |          |          |           |          |          |
| Insurance policy benefits                  | 131.8    | 132.8    | 129.5    | 142.1    | 536.2     | 135.2    | 143.8    |
| Interest expense                           | 0.4      | 0.5      | 0.4      | 0.4      | 1.7       | 0.4      | 0.5      |
| Amortization                               | 16.3     | 16.0     | 14.8     | 17.5     | 64.6      | 15.3     | 13.7     |
| Other operating costs and expenses         | 45.2     | 47.1     | 47.2     | 50.0     | 189.5     | 46.1     | 44.9     |
| Total benefits and expenses                | 193.7    | 196.4    | 191.9    | 210.0    | 792.0     | 197.0    | 202.9    |
| EBIT from In-Force and New Business        | \$ 31.1  | \$ 32.3  | \$ 27.6  | \$ 20.2  | \$ 111.2  | \$ 28.5  | \$ 20.1  |

**CNO Financial Group, Inc.**
**Colonial Penn**
**Analysis of income (loss) before taxes (in millions)**

|                                                                               | 1Q14     | 2Q14    | 3Q14    | 4Q14    | 2014     | 1Q15     | 2Q15    |
|-------------------------------------------------------------------------------|----------|---------|---------|---------|----------|----------|---------|
| Insurance policy income                                                       | \$ 60.5  | \$ 61.7 | \$ 61.7 | \$ 62.1 | \$ 246.0 | \$ 64.3  | \$ 66.6 |
| Net investment income on general account invested assets                      | 10.7     | 10.5    | 10.3    | 10.2    | 41.7     | 10.7     | 10.8    |
| Fee revenue and other income                                                  | 0.2      | 0.3     | 0.2     | 0.3     | 1.0      | 0.3      | 0.2     |
| Total revenues                                                                | 71.4     | 72.5    | 72.2    | 72.6    | 288.7    | 75.3     | 77.6    |
| Insurance policy benefits                                                     | 44.5     | 43.1    | 40.9    | 44.0    | 172.5    | 48.3     | 47.8    |
| Amounts added to annuity and interest-sensitive life product account balances | 0.2      | 0.1     | 0.2     | 0.2     | 0.7      | 0.3      | —       |
| Amortization related to operations                                            | 4.0      | 3.8     | 3.7     | 3.8     | 15.3     | 3.6      | 3.7     |
| Other operating costs and expenses                                            | 28.9     | 21.7    | 27.0    | 21.8    | 99.4     | 29.0     | 21.9    |
| Total benefits and expenses                                                   | 77.6     | 68.7    | 71.8    | 69.8    | 287.9    | 81.2     | 73.4    |
| EBIT (4)                                                                      | \$ (6.2) | \$ 3.8  | \$ 0.4  | \$ 2.8  | \$ 0.8   | \$ (5.9) | \$ 4.2  |

**Average liabilities for insurance products (in millions)**

|                                                                            | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|----------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| SPIAs - mortality based                                                    | \$ 69.4  | \$ 68.8  | \$ 68.3  | \$ 72.1  | \$ 69.6  | \$ 76.2  | \$ 74.1  |
| Health:                                                                    |          |          |          |          |          |          |          |
| Medicare supplement                                                        | 8.6      | 8.3      | 8.1      | 8.2      | 8.3      | 8.5      | 8.0      |
| Other health                                                               | 4.5      | 4.5      | 4.5      | 4.5      | 4.5      | 4.5      | 4.5      |
| Life:                                                                      |          |          |          |          |          |          |          |
| Interest sensitive                                                         | 17.1     | 17.1     | 17.1     | 16.8     | 17.0     | 16.6     | 16.5     |
| Non-interest sensitive                                                     | 644.5    | 648.2    | 651.1    | 655.3    | 649.8    | 661.5    | 667.5    |
| Total average liabilities for insurance products, net of reinsurance ceded | \$ 744.1 | \$ 746.9 | \$ 749.1 | \$ 756.9 | \$ 749.2 | \$ 767.3 | \$ 770.6 |

**Present value of future profits (in millions)**

|                                                                                         | 1Q14    | 2Q14    | 3Q14    | 4Q14    | 2014    | 1Q15    | 2Q15    |
|-----------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Balance, beginning of period                                                            | \$ 55.7 | \$ 53.8 | \$ 52.1 | \$ 50.4 | \$ 55.7 | \$ 46.8 | \$ 45.5 |
| Amortization related to operations                                                      | (1.9)   | (1.7)   | (1.7)   | (1.6)   | (6.9)   | (1.4)   | (1.4)   |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | —       | —       | —       | (2.0)   | (2.0)   | 0.1     | 0.5     |
| Balance, end of period                                                                  | \$ 53.8 | \$ 52.1 | \$ 50.4 | \$ 46.8 | \$ 46.8 | \$ 45.5 | \$ 44.6 |

**Deferred acquisition costs (in millions)**

|                                    | 1Q14    | 2Q14    | 3Q14    | 4Q14    | 2014    | 1Q15    | 2Q15    |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Balance, beginning of period       | \$ 67.4 | \$ 68.8 | \$ 70.4 | \$ 72.0 | \$ 67.4 | \$ 73.8 | \$ 76.7 |
| Deferred acquisition expenses      | 3.5     | 3.7     | 3.6     | 4.0     | 14.8    | 5.1     | 5.9     |
| Amortization related to operations | (2.1)   | (2.1)   | (2.0)   | (2.2)   | (8.4)   | (2.2)   | (2.3)   |
| Balance, end of period             | \$ 68.8 | \$ 70.4 | \$ 72.0 | \$ 73.8 | \$ 73.8 | \$ 76.7 | \$ 80.3 |

**Colonial Penn Segment EBIT Summarized by In-Force and New Business (6)**

(in millions)

| <b>CNO Financial Group, Inc.</b>           |                  |                 |                  |                 |                  |                  |                 |
|--------------------------------------------|------------------|-----------------|------------------|-----------------|------------------|------------------|-----------------|
| <b>EBIT from In-Force Business</b>         | 1Q14             | 2Q14            | 3Q14             | 4Q14            | 2014             | 1Q15             | 2Q15            |
| <b>Revenues</b>                            |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy income                    | \$ 49.3          | \$ 50.2         | \$ 50.2          | \$ 50.6         | \$ 200.3         | \$ 51.9          | \$ 53.6         |
| Net investment income (loss)               | 10.7             | 10.5            | 10.3             | 10.2            | 41.7             | 10.7             | 10.8            |
| Fee revenue and other income               | 0.2              | 0.3             | 0.2              | 0.3             | 1.0              | 0.3              | 0.2             |
| Total revenues                             | 60.2             | 61.0            | 60.7             | 61.1            | 243.0            | 62.9             | 64.6            |
| <b>Benefits and expenses</b>               |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy benefits                  | 38.3             | 36.6            | 34.5             | 37.5            | 146.9            | 41.5             | 40.3            |
| Amortization                               | 3.9              | 3.7             | 3.6              | 3.7             | 14.9             | 3.4              | 3.5             |
| Other operating costs and expenses         | 7.7              | 7.6             | 7.7              | 8.6             | 31.6             | 7.4              | 7.5             |
| Total benefits and expenses                | 49.9             | 47.9            | 45.8             | 49.8            | 193.4            | 52.3             | 51.3            |
| <b>EBIT from In-Force Business</b>         | <b>\$ 10.3</b>   | <b>\$ 13.1</b>  | <b>\$ 14.9</b>   | <b>\$ 11.3</b>  | <b>\$ 49.6</b>   | <b>\$ 10.6</b>   | <b>\$ 13.3</b>  |
| <b>EBIT from New Business</b>              |                  |                 |                  |                 |                  |                  |                 |
| <b>Revenues</b>                            |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy income                    | \$ 11.2          | \$ 11.5         | \$ 11.5          | \$ 11.5         | \$ 45.7          | \$ 12.4          | \$ 13.0         |
| Net investment income (loss)               | —                | —               | —                | —               | —                | —                | —               |
| Fee revenue and other income               | —                | —               | —                | —               | —                | —                | —               |
| Total revenues                             | 11.2             | 11.5            | 11.5             | 11.5            | 45.7             | 12.4             | 13.0            |
| <b>Benefits and expenses</b>               |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy benefits                  | 6.4              | 6.6             | 6.6              | 6.7             | 26.3             | 7.1              | 7.5             |
| Amortization                               | 0.1              | 0.1             | 0.1              | 0.1             | 0.4              | 0.2              | 0.2             |
| Other operating costs and expenses         | 21.2             | 14.1            | 19.3             | 13.2            | 67.8             | 21.6             | 14.4            |
| Total benefits and expenses                | 27.7             | 20.8            | 26.0             | 20.0            | 94.5             | 28.9             | 22.1            |
| <b>EBIT from New Business</b>              | <b>\$ (16.5)</b> | <b>\$ (9.3)</b> | <b>\$ (14.5)</b> | <b>\$ (8.5)</b> | <b>\$ (48.8)</b> | <b>\$ (16.5)</b> | <b>\$ (9.1)</b> |
| <b>EBIT from In-Force and New Business</b> |                  |                 |                  |                 |                  |                  |                 |
| <b>Revenues</b>                            |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy income                    | \$ 60.5          | \$ 61.7         | \$ 61.7          | \$ 62.1         | \$ 246.0         | \$ 64.3          | \$ 66.6         |
| Net investment income (loss)               | 10.7             | 10.5            | 10.3             | 10.2            | 41.7             | 10.7             | 10.8            |
| Fee revenue and other income               | 0.2              | 0.3             | 0.2              | 0.3             | 1.0              | 0.3              | 0.2             |
| Total revenues                             | 71.4             | 72.5            | 72.2             | 72.6            | 288.7            | 75.3             | 77.6            |
| <b>Benefits and expenses</b>               |                  |                 |                  |                 |                  |                  |                 |
| Insurance policy benefits                  | 44.7             | 43.2            | 41.1             | 44.2            | 173.2            | 48.6             | 47.8            |
| Amortization                               | 4.0              | 3.8             | 3.7              | 3.8             | 15.3             | 3.6              | 3.7             |
| Other operating costs and expenses         | 28.9             | 21.7            | 27.0             | 21.8            | 99.4             | 29.0             | 21.9            |
| Total benefits and expenses                | 77.6             | 68.7            | 71.8             | 69.8            | 287.9            | 81.2             | 73.4            |
| <b>EBIT from In-Force and New Business</b> | <b>\$ (6.2)</b>  | <b>\$ 3.8</b>   | <b>\$ 0.4</b>    | <b>\$ 2.8</b>   | <b>\$ 0.8</b>    | <b>\$ (5.9)</b>  | <b>\$ 4.2</b>   |

**CNO Financial Group, Inc.**
**Corporate Operations**

| <b>Analysis of loss before taxes (in millions)</b>         | <b>1Q14</b> | <b>2Q14</b> | <b>3Q14</b> | <b>4Q14</b> | <b>2014</b> | <b>1Q15</b> | <b>2Q15</b> |
|------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net investment income (loss):                              |             |             |             |             |             |             |             |
| General investment portfolio                               | \$ 1.8      | \$ 1.7      | \$ 2.2      | \$ 2.8      | \$ 8.5      | \$ 1.8      | \$ 1.4      |
| Other special-purpose portfolios                           | 5.2         | 4.0         | (3.2)       | 0.4         | 6.4         | 4.9         | 1.4         |
| Fee revenue and other income                               | 1.4         | 1.3         | 1.9         | 2.1         | 6.7         | 1.9         | 2.2         |
| Interest expense on investment borrowings                  | —           | —           | —           | (0.1)       | (0.1)       | —           | (0.1)       |
| Other operating costs and expenses                         | (14.4)      | (10.7)      | (10.0)      | (14.0)      | (49.1)      | (9.9)       | (9.9)       |
| Corporate operations, excluding corporate interest expense | (6.0)       | (3.7)       | (9.1)       | (8.8)       | (27.6)      | (1.3)       | (5.0)       |
| Interest expense on corporate debt                         | (11.1)      | (11.1)      | (10.9)      | (10.8)      | (43.9)      | (10.5)      | (11.9)      |
| Operating loss before taxes                                | \$ (17.1)   | \$ (14.8)   | \$ (20.0)   | \$ (19.6)   | \$ (71.5)   | \$ (11.8)   | \$ (16.9)   |

**CNO Financial Group, Inc.**
**Bankers Life**
**Premiums collected on insurance products (in millions)**

|                                                            | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014       | 1Q15     | 2Q15     |
|------------------------------------------------------------|----------|----------|----------|----------|------------|----------|----------|
| <b>Annuities</b>                                           |          |          |          |          |            |          |          |
| Fixed index (first-year)                                   | \$ 147.3 | \$ 166.6 | \$ 152.2 | \$ 180.1 | \$ 646.2   | \$ 150.2 | \$ 166.4 |
| Other fixed interest (first-year)                          | 41.4     | 32.2     | 27.3     | 28.2     | 129.1      | 20.0     | 18.6     |
| Other fixed interest (renewal)                             | 1.8      | 2.0      | 2.0      | 1.2      | 7.0        | 1.5      | 2.1      |
| Subtotal - other fixed interest annuities                  | 43.2     | 34.2     | 29.3     | 29.4     | 136.1      | 21.5     | 20.7     |
| Total annuities                                            | 190.5    | 200.8    | 181.5    | 209.5    | 782.3      | 171.7    | 187.1    |
| <b>Health</b>                                              |          |          |          |          |            |          |          |
| Medicare supplement (first-year)                           | 21.2     | 22.3     | 21.9     | 23.2     | 88.6       | 19.4     | 20.0     |
| Medicare supplement (renewal)                              | 158.2    | 155.5    | 162.6    | 178.4    | 654.7      | 160.9    | 156.3    |
| Subtotal - Medicare supplement                             | 179.4    | 177.8    | 184.5    | 201.6    | 743.3      | 180.3    | 176.3    |
| Long-term care (first-year)                                | 4.4      | 4.2      | 4.0      | 4.2      | 16.8       | 4.0      | 4.0      |
| Long-term care (renewal)                                   | 119.3    | 122.0    | 120.0    | 122.5    | 483.8      | 114.1    | 115.6    |
| Subtotal - long-term care                                  | 123.7    | 126.2    | 124.0    | 126.7    | 500.6      | 118.1    | 119.6    |
| PDP (renewal)                                              | 6.8      | —        | —        | —        | 6.8        | —        | —        |
| Supplemental health (first-year)                           | 2.1      | 2.0      | 1.7      | 1.8      | 7.6        | 1.5      | 1.6      |
| Supplemental health (renewal)                              | 1.5      | 2.0      | 2.4      | 2.8      | 8.7        | 2.9      | 3.2      |
| Subtotal - supplemental health                             | 3.6      | 4.0      | 4.1      | 4.6      | 16.3       | 4.4      | 4.8      |
| Other health (first-year)                                  | 0.2      | 0.2      | 0.2      | 0.1      | 0.7        | —        | 0.1      |
| Other health (renewal)                                     | 1.8      | 1.9      | 1.8      | 1.9      | 7.4        | 1.8      | 1.7      |
| Subtotal - other health                                    | 2.0      | 2.1      | 2.0      | 2.0      | 8.1        | 1.8      | 1.8      |
| Total health                                               | 315.5    | 310.1    | 314.6    | 334.9    | 1,275.1    | 304.6    | 302.5    |
| <b>Life insurance</b>                                      |          |          |          |          |            |          |          |
| First-year                                                 | 38.2     | 39.2     | 40.9     | 38.7     | 157.0      | 35.0     | 38.2     |
| Renewal                                                    | 55.8     | 62.3     | 73.0     | 76.8     | 267.9      | 72.9     | 76.1     |
| Total life insurance                                       | 94.0     | 101.5    | 113.9    | 115.5    | 424.9      | 107.9    | 114.3    |
| <b>Collections on insurance products</b>                   |          |          |          |          |            |          |          |
| Total first-year premium collections on insurance products | 254.8    | 266.7    | 248.2    | 276.3    | 1,046.0    | 230.1    | 248.9    |
| Total renewal premium collections on insurance products    | 345.2    | 345.7    | 361.8    | 383.6    | 1,436.3    | 354.1    | 355.0    |
| Total collections on insurance products                    | \$ 600.0 | \$ 612.4 | \$ 610.0 | \$ 659.9 | \$ 2,482.3 | \$ 584.2 | \$ 603.9 |

**CNO Financial Group, Inc.**
**Washington National**
**Premiums collected on insurance products (in millions)**

|                                                            | 1Q14     | 2Q14     | 3Q14     | 4Q14     | 2014     | 1Q15     | 2Q15     |
|------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Health</b>                                              |          |          |          |          |          |          |          |
| Medicare supplement (renewal)                              | \$ 21.1  | \$ 21.7  | \$ 20.3  | \$ 22.1  | \$ 85.2  | \$ 18.2  | \$ 17.1  |
| Supplemental health (first-year)                           | 16.7     | 18.5     | 18.5     | 19.1     | 72.8     | 18.2     | 19.1     |
| Supplemental health (renewal)                              | 109.2    | 110.6    | 108.6    | 114.2    | 442.6    | 114.5    | 117.0    |
| Subtotal - supplemental health                             | 125.9    | 129.1    | 127.1    | 133.3    | 515.4    | 132.7    | 136.1    |
| Other health (first-year)                                  | —        | 0.1      | —        | 0.1      | 0.2      | —        | 0.1      |
| Other health (renewal)                                     | 0.6      | 0.5      | 0.6      | 0.5      | 2.2      | 0.5      | 0.5      |
| Subtotal - other health                                    | 0.6      | 0.6      | 0.6      | 0.6      | 2.4      | 0.5      | 0.6      |
| Total health                                               | 147.6    | 151.4    | 148.0    | 156.0    | 603.0    | 151.4    | 153.8    |
| <b>Life insurance</b>                                      |          |          |          |          |          |          |          |
| First-year                                                 | 1.1      | 1.5      | 0.9      | 0.9      | 4.4      | 1.0      | 1.5      |
| Renewal                                                    | 5.4      | 4.9      | 5.4      | 5.8      | 21.5     | 5.9      | 5.5      |
| Total life insurance                                       | 6.5      | 6.4      | 6.3      | 6.7      | 25.9     | 6.9      | 7.0      |
| <b>Annuities</b>                                           |          |          |          |          |          |          |          |
| Fixed index (first-year)                                   | 0.1      | —        | 0.1      | —        | 0.2      | —        | 0.1      |
| Fixed index (renewal)                                      | 0.4      | 0.4      | 0.7      | 0.3      | 1.8      | 0.3      | 0.8      |
| Subtotal - fixed index annuities                           | 0.5      | 0.4      | 0.8      | 0.3      | 2.0      | 0.3      | 0.9      |
| Other fixed interest (renewal)                             | 0.1      | 0.2      | 0.1      | 0.2      | 0.6      | 0.1      | 0.2      |
| Total annuities                                            | 0.6      | 0.6      | 0.9      | 0.5      | 2.6      | 0.4      | 1.1      |
| <b>Collections on insurance products</b>                   |          |          |          |          |          |          |          |
| Total first-year premium collections on insurance products | 17.9     | 20.1     | 19.5     | 20.1     | 77.6     | 19.2     | 20.8     |
| Total renewal premium collections on insurance products    | 136.8    | 138.3    | 135.7    | 143.1    | 553.9    | 139.5    | 141.1    |
| Total collections on insurance products                    | \$ 154.7 | \$ 158.4 | \$ 155.2 | \$ 163.2 | \$ 631.5 | \$ 158.7 | \$ 161.9 |

## CNO Financial Group, Inc.

## Colonial Penn

## Premiums collected on insurance products (in millions)

|                                                            | 1Q14    | 2Q14    | 3Q14    | 4Q14    | 2014     | 1Q15    | 2Q15    |
|------------------------------------------------------------|---------|---------|---------|---------|----------|---------|---------|
| <b>Life insurance</b>                                      |         |         |         |         |          |         |         |
| First-year                                                 | \$ 11.3 | \$ 11.3 | \$ 11.6 | \$ 11.5 | \$ 45.7  | \$ 12.6 | \$ 12.8 |
| Renewal                                                    | 48.8    | 48.7    | 49.5    | 49.0    | 196.0    | 51.8    | 51.5    |
| Total life insurance                                       | 60.1    | 60.0    | 61.1    | 60.5    | 241.7    | 64.4    | 64.3    |
| <b>Health (all renewal)</b>                                |         |         |         |         |          |         |         |
| Medicare supplement                                        | 0.8     | 0.8     | 0.8     | 0.8     | 3.2      | 0.7     | 0.7     |
| Other health                                               | 0.1     | 0.1     | —       | —       | 0.2      | —       | 0.1     |
| Total health                                               | 0.9     | 0.9     | 0.8     | 0.8     | 3.4      | 0.7     | 0.8     |
| <b>Collections on insurance products</b>                   |         |         |         |         |          |         |         |
| Total first-year premium collections on insurance products | 11.3    | 11.3    | 11.6    | 11.5    | 45.7     | 12.6    | 12.8    |
| Total renewal premium collections on insurance products    | 49.7    | 49.6    | 50.3    | 49.8    | 199.4    | 52.5    | 52.3    |
| Total collections on insurance products                    | \$ 61.0 | \$ 60.9 | \$ 61.9 | \$ 61.3 | \$ 245.1 | \$ 65.1 | \$ 65.1 |

**CNO Financial Group, Inc.**  
**New Annualized Premiums ("NAP") (in millions)**

| <b>Bankers Life</b>          | 1Q14            | 2Q14            | 3Q14            | 4Q14            | 2014            | 1Q15            | 2Q15            |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Medicare supplement          | \$ 19.0         | \$ 17.6         | \$ 17.0         | \$ 28.6         | \$ 82.2         | \$ 17.7         | \$ 16.3         |
| Long-term care               | 4.6             | 4.7             | 5.6             | 5.8             | 20.7            | 5.3             | 5.6             |
| Supplemental health          | 2.2             | 1.8             | 1.7             | 1.8             | 7.5             | 2.0             | 1.9             |
| Life                         | 26.0            | 27.1            | 26.7            | 24.9            | 104.7           | 26.4            | 26.4            |
| Annuity                      | 11.3            | 11.9            | 10.8            | 12.5            | 46.5            | 10.2            | 11.1            |
| Subtotal Bankers Life        | 63.1            | 63.1            | 61.8            | 73.6            | 261.6           | 61.6            | 61.3            |
| <b>Washington National</b>   |                 |                 |                 |                 |                 |                 |                 |
| Supplemental health          | 21.3            | 23.9            | 24.0            | 24.1            | 93.3            | 21.4            | 23.9            |
| Life                         | 0.7             | 1.3             | 1.6             | 2.2             | 5.8             | 1.2             | 1.8             |
| Annuity                      | —               | 0.1             | —               | —               | 0.1             | —               | —               |
| Subtotal Washington National | 22.0            | 25.3            | 25.6            | 26.3            | 99.2            | 22.6            | 25.7            |
| <b>Colonial Penn</b>         |                 |                 |                 |                 |                 |                 |                 |
| Life                         | 16.8            | 16.5            | 16.4            | 14.9            | 64.6            | 21.1            | 18.5            |
| <b>Total NAP</b>             | <b>\$ 101.9</b> | <b>\$ 104.9</b> | <b>\$ 103.8</b> | <b>\$ 114.8</b> | <b>\$ 425.4</b> | <b>\$ 105.3</b> | <b>\$ 105.5</b> |

| CNO Financial Group, Inc.                                                 |            |            |            |            |            |            |            |
|---------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Statutory information - consolidated basis (7) (in millions)              |            |            |            |            |            |            |            |
|                                                                           | 1Q14       | 2Q14       | 3Q14       | 4Q14       | 2014       | 1Q15       | 2Q15       |
| Net gain from operations before interest expense and federal income taxes | \$ 104.3   | \$ 147.1   | \$ 88.8    | \$ 110.3   | \$ 450.5   | \$ 91.8    | \$ 104.5   |
| Interest expense on surplus debentures held by parent company             | 12.0       | 12.1       | 26.9       | 12.3       | 63.3       | 12.0       | 12.2       |
| Net gain from operations before federal income taxes                      | 92.3       | 135.0      | 61.9       | 98.0       | 387.2      | 79.8       | 92.3       |
| Federal income tax expense                                                | 0.1        | 2.3        | 1.8        | 0.5        | 4.7        | 1.0        | 1.3        |
| Net gain from operations before net realized capital gains (losses)       | 92.2       | 132.7      | 60.1       | 97.5       | 382.5      | 78.8       | 91.0       |
| Net realized capital gains (losses)                                       | (8.9)      | 3.8        | (3.3)      | (9.8)      | (18.2)     | (5.9)      | (1.0)      |
| Net income                                                                | \$ 83.3    | \$ 136.5   | \$ 56.8    | \$ 87.7    | \$ 364.3   | \$ 72.9    | \$ 90.0    |
| Capital and surplus                                                       | \$ 1,769.8 | \$ 1,827.9 | \$ 1,601.4 | \$ 1,654.4 | \$ 1,654.4 | \$ 1,651.5 | \$ 1,702.9 |
| Asset valuation reserve (AVR)                                             | 227.8      | 229.2      | 204.9      | 203.1      | 203.1      | 219.1      | 219.8      |
| Capital, surplus and AVR                                                  | 1,997.6    | 2,057.1    | 1,806.3    | 1,857.5    | 1,857.5    | 1,870.6    | 1,922.7    |
| Interest maintenance reserve (IMR)                                        | 593.1      | 590.6      | 509.5      | 504.1      | 504.1      | 495.2      | 489.8      |
| Total statutory capital, surplus, AVR & IMR                               | \$ 2,590.7 | \$ 2,647.7 | \$ 2,315.8 | \$ 2,361.6 | \$ 2,361.6 | \$ 2,365.8 | \$ 2,412.5 |

The statutory information above includes CLIC in periods prior to 3Q14.

**CNO Financial Group, Inc.**
**Amounts related to CLIC prior to being sold**
**Analysis of income (loss) before taxes (in millions)**

|                                                              | 1Q14    | 2Q14    |
|--------------------------------------------------------------|---------|---------|
| Insurance policy income                                      | \$ 53.5 | \$ 52.5 |
| Net investment income (loss):                                |         |         |
| General account invested assets                              | 51.0    | 49.7    |
| Fixed index products                                         | (0.1)   | 1.4     |
| Total revenues                                               | 104.4   | 103.6   |
| Insurance policy benefits                                    | 61.7    | 54.1    |
| Amounts added to policyholder account balances:              |         |         |
| Cost of interest credited to policyholders                   | 21.6    | 21.6    |
| Cost of options to fund index credits, net of forfeitures    | 0.4     | 0.4     |
| Market value changes credited to policyholders               | (0.1)   | 1.0     |
| Amortization related to operations                           | 2.0     | 2.3     |
| Interest expense on investment borrowings                    | 4.7     | 4.4     |
| Other operating costs and expenses                           | 5.8     | 7.5     |
| Total benefits and expenses                                  | 96.1    | 91.3    |
| Income before net realized investment gains and income taxes | 8.3     | 12.3    |
| Net realized investment gains                                | 2.1     | 0.7     |
| Amortization related to net realized investment gains        | —       | —       |
| Net realized investment gains, net of related amortization   | 2.1     | 0.7     |
| Income before income taxes                                   | 10.4    | 13.0    |
| Income tax expense on period income                          | 3.7     | 4.5     |
| Net income                                                   | \$ 6.7  | \$ 8.5  |

**CNO Financial Group, Inc.**
**Amounts related to CLIC prior to being sold**
**Average liabilities for insurance products (in millions)**

|                                                                            | 1Q14       | 2Q14       |
|----------------------------------------------------------------------------|------------|------------|
| Fixed index annuities                                                      | \$ 0.8     | \$ 0.8     |
| Fixed interest annuities                                                   | 143.9      | 142.9      |
| SPIAs and supplemental contracts:                                          |            |            |
| Mortality based                                                            | 37.7       | 36.9       |
| Deposit based                                                              | 96.7       | 94.4       |
| Health:                                                                    |            |            |
| Supplemental health                                                        | 136.3      | —          |
| Medicare supplement                                                        | 1.9        | —          |
| Other health                                                               | 6.8        | —          |
| Life:                                                                      |            |            |
| Interest sensitive                                                         | 2,253.8    | 2,233.3    |
| Non-interest sensitive                                                     | 421.2      | 415.4      |
| Total average liabilities for insurance products, net of reinsurance ceded | \$ 3,099.1 | \$ 2,923.7 |

**Present value of future profits (in millions)**

|                                                                                         | 1Q14    | 2Q14    |
|-----------------------------------------------------------------------------------------|---------|---------|
| Balance, beginning of period                                                            | \$ 16.1 | \$ 15.8 |
| Amortization related to operations                                                      | (0.3)   | (0.3)   |
| Amortization related to net realized investment (gains) losses                          | —       | —       |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | —       | —       |
| Balance, end of period                                                                  | \$ 15.8 | \$ 15.5 |

**Deferred acquisition costs (in millions)**

|                                                                                         | 1Q14    | 2Q14    |
|-----------------------------------------------------------------------------------------|---------|---------|
| Balance, beginning of period                                                            | \$ 40.7 | \$ 39.0 |
| Deferred acquisition expenses                                                           | 0.4     | 0.9     |
| Amortization related to operations                                                      | (1.7)   | (2.0)   |
| Amortization related to net realized investment (gains) losses                          | —       | —       |
| Adjustment related to unrealized (gain) or loss on fixed maturities, available for sale | (0.4)   | (0.3)   |
| Balance, end of period                                                                  | \$ 39.0 | \$ 37.6 |

**Premiums collected on insurance products (in millions)**

|                                                            | 1Q14    | 2Q14    |
|------------------------------------------------------------|---------|---------|
| <b>Annuities</b>                                           |         |         |
| Other fixed interest (all renewal)                         | \$ —    | \$ 0.2  |
| <b>Life insurance</b>                                      |         |         |
| First-year                                                 | —       | —       |
| Renewal                                                    | 36.2    | 34.8    |
| Total life insurance                                       | 36.2    | 34.8    |
| <b>Collections on insurance products</b>                   |         |         |
| Total first-year premium collections on insurance products | —       | —       |
| Total renewal premium collections on insurance products    | 36.2    | 35.0    |
| Total collections on insurance products                    | \$ 36.2 | \$ 35.0 |

## Notes

- (1) Excludes accumulated other comprehensive income.
- (2) Shareholders' equity divided by common shares outstanding.
- (3) Book value per diluted share reflects the potential dilution that could occur if outstanding stock options and warrants were exercised, restricted stock and performance units were vested and convertible securities were converted. The dilution from options, warrants, 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 and warrants (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. The dilution from convertible securities is calculated assuming the securities were converted on the last day of the period.
- (4) Management believes that an analysis of earnings before the net loss on the sale of CLIC and gain (loss) on reinsurance transactions, the earnings of CLIC prior to being sold, net realized investment gains (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 related to the agent deferred compensation plan, loss on extinguishment or modification of debt, other non-operating items, corporate interest expense and taxes ("EBIT," a non-GAAP financial measure) provides a clearer comparison of the operating results of the company quarter-over-quarter because these items are unrelated to the company's underlying fundamentals.
- (5) Management believes that an analysis of Net income applicable to common stock before: (i) the net loss on the sale of CLIC and gain (loss) on reinsurance transactions, including impact of taxes; (ii) the earnings of CLIC prior to being sold, net of taxes; (iii) net realized investment gains or losses, net of related amortization and taxes; (iv) fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, net of related amortization and taxes; (v) fair value changes related to the agent deferred compensation plan, net of taxes; (vi) loss on extinguishment or modification of debt, net of taxes; (vii) changes in the valuation allowance for deferred tax assets and other tax items; and (viii) other non-operating items consisting primarily of equity in earnings of certain non-strategic investments and earnings attributable to variable interest entities, net of taxes ("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.
- (6) Management believes that an analysis of EBIT, separated between in-force and new business provides increased clarity around the value drivers of our business, particularly since the new business results are significantly impacted by the rate of sales, mix of business and the distribution channel through which new sales are made. EBIT from new business includes pre-tax revenues and expenses associated with new sales of our insurance products during the first year after the sale is completed. EBIT from in-force business includes all pre-tax revenues and expenses associated with sales of insurance products that were completed more than one year before the end of the reporting period. The allocation of certain revenues and expenses between new and in-force business is based on estimates, which we believe are reasonable.
- (7) Based on statutory accounting practices prescribed or permitted by regulatory authorities for CNO Financial's insurance subsidiaries after appropriate elimination of intercompany accounts among such subsidiaries. Such accounting practices differ from GAAP.