

2022 Annual Report

 PennMutual[®]

THE PENN MUTUAL
LIFE INSURANCE COMPANY
| 175 YEARS |

9,100
Financial
Professionals

1.1M
Clients

3,300
Employees

\$4.6B
Total
Revenue

\$175B
Assets Under
Control

\$2.1B
Life and Annuity
Benefits Paid



David M. O'Malley
President and Chief
Executive Officer

April 2023

To our valued Penn Mutual community,

On behalf of everyone at Penn Mutual, I'm pleased to share highlights of 2022 — a year that marked our 175th year of delivering for our policyholders.

While the financial services industry experienced continued disruption and navigated volatile capital markets, I'm proud that we stayed true to our commitment to mutuality and the long-term perspective that commitment fosters. Mutuality stands the test of time and is core to who we are as a company.

Our dividend action history — a key measure of a mutual company's performance — remains one of the strongest and most consistent in the industry with a record \$153 million dividend payout in 2022 to eligible policyholders. During 2022, the company also paid benefits of \$2.1 billion on life and annuity products and now serves 1.1 million clients.

Throughout the year, the world's top rating agencies affirmed Penn Mutual's high ratings with a stable outlook. The ratings agencies cited the company's comprehensive product portfolio, solid market presence, diversified national distribution networks, strong financial management and differentiated

technology as key considerations that support the high ratings and reinforce Penn Mutual's industry leadership and competitiveness.

I'm also proud to share that in 2022 we earned the Great Place to Work® certification on our first submission for consideration with 93% of Penn Mutual employees saying it's a great place to work — 36 points higher than the average U.S.-based company. Our employee engagement continues to be strong because our people believe their work has a meaningful purpose — providing superior support to financial professionals and serving the long-term best interests of our policyholders.

Thank you for your continued trust. You can count on us to build on our rich 175-year history, stay true to our purpose and honor our commitments to you. We look forward to serving you and your loved ones for many years to come.

All the best,

Mutuality stands the test of time and is core to who we are as a company.

\$153M Dividend payout to
eligible policyholders

#647 On Fortune's
Top 1000 list

\$3.1B Total surplus

Our Financial Results

Balance Sheets: for the year ended (in thousands)

Assets	12/31/2022	12/31/2021
Debt securities, at fair value	\$19,676,926	\$21,389,584
Equity securities, at fair value	64,209	98,504
Real estate, net of accumulated depreciation	31,486	35,315
Other invested assets	3,823,383	4,380,297
Total investments	23,596,004	25,903,700
Other assets	9,785,650	8,158,593
Separate account assets	8,168,559	10,128,591
Total assets	\$41,550,213	\$44,190,884
Liabilities		
Reserves and funds for payment of future benefits	\$23,649,398	\$20,679,169
Accrued income tax payable	608,297	863,511
Other liabilities	5,830,336	6,491,355
Separate account liabilities	8,168,559	10,128,591
Total liabilities	38,256,590	38,162,626
Equity		
Accumulated other comprehensive income	(1,982,213)	929,328
Retained earnings	5,267,605	5,090,713
Non-controlling interest	8,231	8,217
Total equity	3,293,623	6,028,258
Total liabilities and equity	\$41,550,213	\$44,190,884

Income Statements: for the year ended (in thousands)

Revenues	12/31/2022	12/31/2021
Premium and other product revenue	\$2,563,462	\$2,114,866
Investment income	957,506	1,418,511
Broker-dealer fees and commissions	1,153,107	1,054,726
Other revenue (including realized capital gains and (losses))	(105,883)	(42,470)
Total revenue	4,568,192	4,545,633
Benefits and Expenses		
Policyholder benefits	1,185,963	1,156,974
Change in reserve for payment of future benefits	1,414,671	1,136,209
Policyholder dividends	153,341	117,658
Broker-dealer sales expense	642,289	634,918
Other expenses	960,077	854,715
Total expenses	4,356,341	3,900,474
Income before income taxes	211,851	645,159
Income tax expenses	33,288	121,869
Net income	178,563	523,290
Net income attributable to non-controlling interest	(955)	390
Net income attributable to Penn Mutual	\$179,518	\$522,900

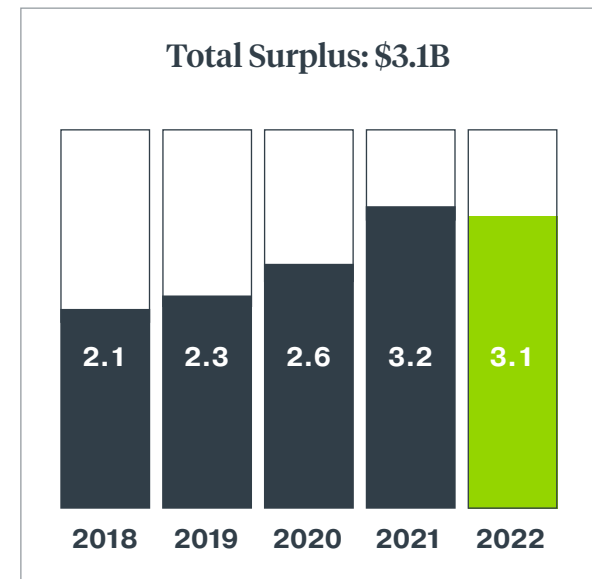
Our Strength

Serving our policyholders has been our primary focus since our founding more than 175 years ago. Our consistent long-term view allows us to keep our promises and continue to evolve as a financially strong and stable company.

In 2022, we paid \$2.1 billion in gross benefits to our policyholders or their beneficiaries, demonstrating our continued ability to deliver on our promises.

Our total surplus (capital) was a strong \$3.1 billion as of December 31, 2022.

This is the amount set aside for unexpected losses from operations and our financial protection against business volatility. Our surplus position is a testament to our high-quality investment portfolio and our ability to manage the guarantees we provide to our policyholders and contract owners through appropriate investment techniques.



\$37.8B Statutory assets
under management

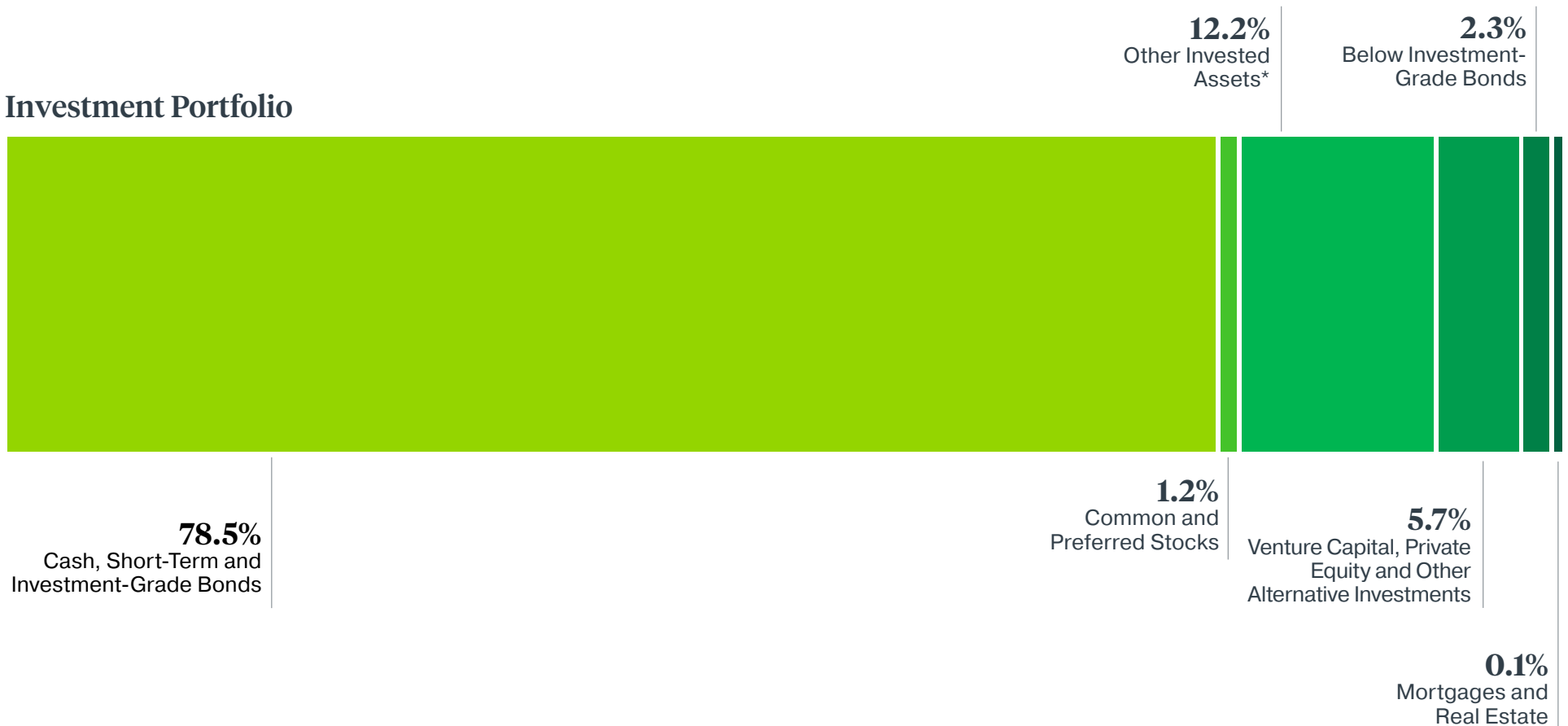
495K Lives insured

\$257B Life insurance
in force

Every decision we make is in the best interest of our policyholders.

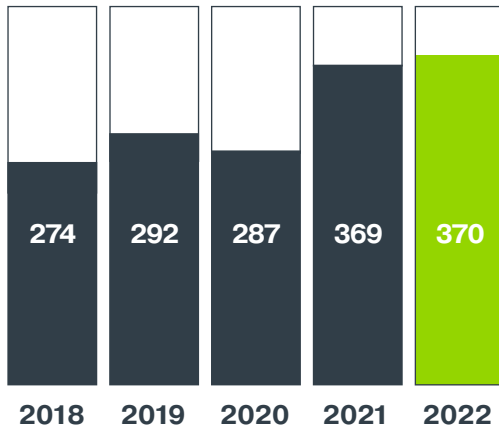
We manage our investments with a focus on fulfilling our long-term commitment to policyholders while also protecting the long-term viability of Penn Mutual. Our investment philosophy stresses rigorous asset/liability management, diversification, good liquidity and a conservative approach to portfolio risk. Our policyholders can take comfort in knowing that we carefully manage risk so we're able to meet our obligations, now and in the future.

Investment Portfolio



*Includes ownership of Janney Montgomery Scott LLC and Penn Mutual Asset Management, LLC.

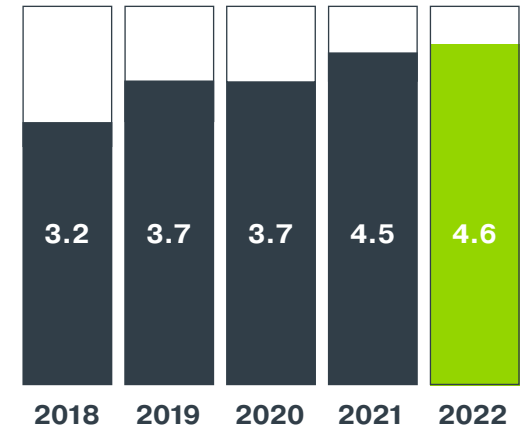
New Life Insurance Sales: \$370M



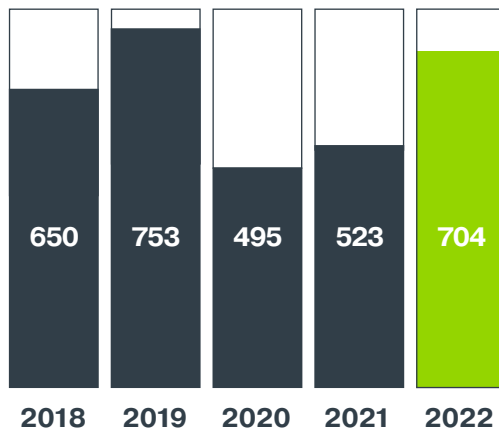
Our life insurance sales were \$370 million as of December 31, 2022, as measured by LIMRA. This highlights our continuing commitment to specializing in life insurance and reflects our industry leadership position.

Our total revenue was \$4.6 billion as of December 31, 2022. This includes premium and product revenue from life and annuity products, investment income on our assets, and broker-dealer fees and commissions. Our disciplined approach has allowed us to maintain consistency.

Total Revenue: \$4.6B



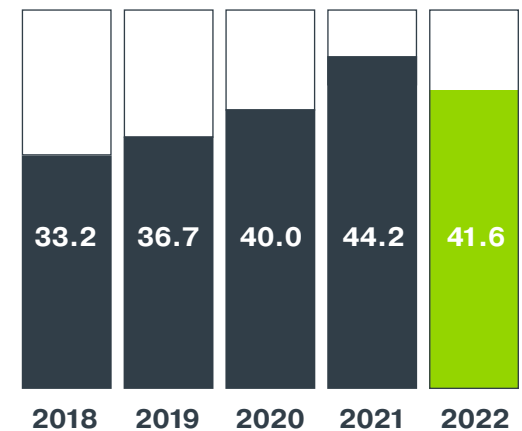
New Annuity Sales: \$704M



Our annuity sales were a robust \$704 million as of December 31, 2022. This underscores the ability to provide solutions for diverse client goals through our comprehensive product portfolio.

Our total GAAP (generally accepted accounting principles) assets, including the funds we safeguard for our policyholders, was \$41.6 billion as of December 31, 2022. Our disciplined approach to investment strategy and financial management helped our assets and surplus level remain strong despite challenging capital market conditions.

Total GAAP Assets: \$41.6B





The Penn Mutual Board of Trustees

(In order from left to right, back row first)

Helen P. Pudlin

Retired Executive Vice President and General Counsel, The PNC Financial Services Group, Inc.

William C. Goings

Former Executive Vice President, TD Bank Group and President, TD Insurance

Eileen C. McDonnell

Chairman of the Board of Trustees and Retired Chief Executive Officer, The Penn Mutual Life Insurance Company

James S. Hunt

Retired Executive Vice President and Chief Financial Officer, Walt Disney Parks and Resorts Worldwide

Robert H. Rock

Chairman, MLR Holdings, LLC

Gerard P. Cuddy

Former President and Chief Executive Officer, Beneficial Bank

Anthony M Santomero

Former President, Federal Reserve Bank of Philadelphia

Susan D. Waring

Retired Executive Vice President and Chief Administrative Officer, State Farm Life Insurance Company

David M. O'Malley

President and Chief Executive Officer, The Penn Mutual Life Insurance Company

Carol J. Johnson

Former President and Chief Operating Officer, AlliedBarton Security Services

Charisse R. Lillie

Retired Vice President, Community Investment, Comcast Corporation and President of the Comcast Foundation

**Thank
You**



With profound gratitude, respect and admiration, we thank Anthony M Santomero for his service as a member of the Penn Mutual Board of Trustees (2008-2022).

Our Ratings

A+

Superior

AM Best

Penn Mutual's A+ Superior rating, which was affirmed in March 2022, ranks the second highest out of 15 rankings.

Aa3

High Quality

Moody's

Penn Mutual's Aa3 High Quality rating, which was affirmed in April 2022, ranks the fourth highest out of 21 ratings.

A+

Strong

Standard & Poor's

Penn Mutual's A+ Strong rating, which was affirmed in December 2022, ranks the fifth highest out of 22 ratings.

AA-

Very Strong

Fitch

Penn Mutual's AA- Very Strong rating, which was affirmed in November 2022, ranks fourth out of 21 ratings, and includes a stable outlook.

AA

Very Strong

KBRA

Penn Mutual's AA Very Strong rating, which was affirmed in November 2022, ranks the third highest out of 23 ratings, and includes a stable outlook.

Our Family of Companies

■ Life Insurance and Annuities ■



The Penn Insurance and Annuity Company (PIA) is a wholly-owned life insurance subsidiary of The Penn Mutual Life Insurance Company (Penn Mutual). Domiciled in Delaware, PIA maintains its operations in Horsham, Pa., and is licensed to do business in 49 states and the District of Columbia. It markets its products with a focus on universal life insurance through Penn Mutual's distribution systems and has its in-force business serviced by the parent company.



The Penn Insurance and Annuity Company of New York (PIA-NY) is a wholly-owned life insurance subsidiary of Penn Mutual. PIA-NY is domiciled and only licensed in New York. It markets its products through Penn Mutual's distribution systems and has its in-force business serviced by Penn Mutual.



Vantis Life Insurance Company is a wholly-owned subsidiary of Penn Mutual. Vantis Life was established in 1942 and became part of the Penn Mutual family in 2016. From its inception, Vantis Life's primary focus has been to provide families life insurance and annuity products that provide protection and guarantees.

■ Wealth Management ■



A PennMutual Company

Janney Montgomery Scott LLC (Janney) is a leading full-service wealth management and capital markets firm that provides advice to individual, corporate, and institutional clients. Janney's expertise includes guidance about wealth and investment management, retirement and income planning, corporate and public finance, mergers and acquisitions, and public and private capital raising. Janney is an independently-operated subsidiary of The Penn Mutual Life Insurance Company and is a member of the Financial Industry Regulatory Authority, the New York Stock Exchange, and Securities Investor Protection Corporation.



A PennMutual Company

Hornor, Townsend & Kent, LLC (HTK) is a wealth management firm supporting independent financial professionals across the U.S. As a broker-dealer and a registered investment adviser, HTK delivers a flexible platform for financial professionals to build and scale their practices; supports a culture of connection and access by cultivating trusted relationships; and provides peace of mind with the strength and stability as a wholly-owned subsidiary of The Penn Mutual Life Insurance Company. HTK is a member of the Financial Industry Regulatory (FINRA) and the Securities Investor Protection Corporation (SIPC).

■ Institutional Asset Management ■



Penn Mutual Asset Management, LLC (PMAM) is a registered investment adviser and wholly-owned subsidiary of Penn Mutual, and is dedicated to creating value through a prudent, thoughtful and rigorous investment decision-making process. PMAM serves as investment adviser and manager of managers for the Penn Series Funds, Inc., a proprietary fund complex, with approximately \$9 billion in assets. PMAM is also responsible for the management of the investment portfolios of Penn Mutual and its subsidiaries' \$21 billion general account.

**THE PENN MUTUAL
LIFE INSURANCE COMPANY
| 175 YEARS |**

About The Penn Mutual Life Insurance Company

For more than 175 years, Penn Mutual has been helping people get stronger. Our expertly crafted life insurance is vital to long-term financial health and strengthens people's ability to enjoy every day. Working with our trusted network of financial professionals, we take the long view, building customized solutions for individuals, their families, and their businesses. Penn Mutual supports its financial professionals with retirement and investment services through its wholly-owned subsidiary Honor, Townsend & Kent, LLC, member FINRA/SIPC.

Visit Penn Mutual at www.pennmutual.com.



We produce our Annual Report every April with a focus on the results of the previous calendar year.

© 2023 The Penn Mutual Life Insurance Company, Philadelphia, PA 19172, www.pennmutual.com

PM8943

04/23 | 5538218CC_MAR25