

**CITIZENS, INC. AND CONSOLIDATED SUBSIDIARIES**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**

**Years Ended December 31,**  
*(In thousands, except share amounts)*

	2019	2018	2017
<b>Revenues:</b>			
Premiums			
Life insurance	\$ 178,351	181,825	191,342
Accident and health insurance	1,383	1,218	1,392
Property insurance	4,613	4,817	4,986
Net investment income	59,531	54,205	53,146
Realized investment gains, net	5,249	108	518
Other income	1,418	1,833	1,243
Total revenues	<u>250,545</u>	<u>244,006</u>	<u>252,627</u>
<b>Benefits and Expenses:</b>			
Insurance benefits paid or provided:			
Claims and surrenders	106,827	91,103	82,905
Increase in future policy benefit reserves	41,712	47,947	76,029
Policyholders' dividends	6,040	6,362	6,268
Total insurance benefits paid or provided	<u>154,579</u>	<u>145,412</u>	<u>165,202</u>
Commissions	34,222	34,962	41,324
Other general expenses	48,440	47,632	46,388
Capitalization of deferred policy acquisition costs	(22,255)	(22,695)	(29,120)
Amortization of deferred policy acquisition costs	28,268	34,235	29,690
Amortization of cost of insurance acquired	1,546	2,458	2,129
Total benefits and expenses	<u>244,800</u>	<u>242,004</u>	<u>255,613</u>
Income (loss) before federal income tax	5,745	2,002	(2,986)
Federal income tax expense	7,115	13,064	35,141
Net loss	<u>(1,370)</u>	<u>(11,062)</u>	<u>(38,127)</u>
<b>Per Share Amounts:</b>			
Basic and diluted loss per share of Class A common stock	\$ (0.03)	(0.22)	(0.77)
Basic and diluted loss per share of Class B common stock	(0.01)	(0.11)	(0.38)
<b>Other Comprehensive Income (Loss):</b>			
Unrealized gains (losses) on debt securities:			
Unrealized holding gains (losses) arising during period	78,825	(30,639)	17,666
Reclassification adjustment for losses (gains) included in net income	(1,927)	(953)	546
Unrealized gains (losses) on debt securities, net	<u>76,898</u>	<u>(31,592)</u>	<u>18,212</u>
Income tax expense (benefit) on unrealized gains (losses) on debt securities	5,147	(6,464)	5,672
Other comprehensive income (loss)	<u>71,751</u>	<u>(25,128)</u>	<u>12,540</u>
<b>Total comprehensive income (loss)</b>	<u><b>\$ 70,381</b></u>	<u><b>(36,190)</b></u>	<u><b>(25,587)</b></u>

*See accompanying Notes to Consolidated Financial Statements.*