

2021 Annual Report



9,000
Financial
Professionals

\$185B
Assets Under
Control

Focused.

1M
Clients

Strong.

THE PENN MUTUAL
LIFE INSURANCE COMPANY
| 175 YEARS |

3,100
Employees

\$2.1B
Life and Annuity
Benefits Paid

Evolving.



David M. O'Malley
President and Chief
Executive Officer

April 2022

To our valued Penn Mutual community,

Throughout 2021, we maintained a disciplined approach to managing our business: focusing on our top priorities, preserving our financial strength and evolving across the enterprise — all in service to you.

We continued our work on enhancing the Penn Mutual service experience, and meeting your diverse needs with ideal product solutions. This had a tremendous impact on our 2021 successes, including the issuing of a record-setting number of life insurance policies. We're grateful to be entrusted with serving more individuals, families and businesses than ever before.

Our commitment to mutuality is stronger than ever. This is because we take a long-term perspective, positioning ourselves to consistently deliver on our promises. We make business decisions and plans for continued growth keeping in mind who we get up each and every day to serve — you.

Our longstanding commitment to you is reflected in last year's strong financial performance. We approved a dividend payout of \$123 million to eligible policyholders, reinforcing the fact our dividend history remains one of the strongest and most consistent in the industry. Our steady rise in Fortune's annual Top 1000 list of American companies, up 18 spots to #649, acknowledges our planned, measurable growth. And, our consistently high ratings from top industry rating organizations were reaffirmed with a stable outlook through 2021.

As we look ahead to the future of Penn Mutual, we continue to invest in diversification by growing each of our three lines of business: life insurance and annuities, wealth management and institutional asset management. This approach allows us to serve a wider range of clients and help meet their needs. We will also continue to deliver great value through our innovative products and technology, reinforced by excellent personalized service.

This year marks 175 years of Penn Mutual helping people like you get stronger every single day, and I take great pride in telling you that the entire Penn Mutual team is devoted to your success. We're celebrating history as we're making it, and I couldn't be more excited about the future of our company.

On behalf of Penn Mutual, thank you for your continued trust in us. We look forward to serving you and your loved ones for many years to come.

All the best,

\$123M Dividend payout to
eligible policyholders

#649 On Fortune's
Top 1000 list

\$3.2B Total surplus

Our Financial Results

Balance Sheets: for the year ended (in thousands)

Assets	12/31/2021	12/31/2020
Debt securities, at fair value	\$21,389,584	\$19,413,916
Equity securities, at fair value	98,504	88,303
Real estate, net of accumulated depreciation	35,315	35,669
Other invested assets	4,380,297	3,832,259
Total investments	25,903,700	23,370,147
Other assets	8,158,593	7,375,801
Separate account assets	10,128,591	9,257,514
Total assets	\$44,190,884	\$40,003,462
Liabilities		
Reserves and funds for payment of future benefits	20,679,169	\$18,505,444
Accrued income tax payable	863,511	829,261
Other liabilities	6,491,355	5,603,434
Separate account liabilities	10,128,591	9,257,514
Total liabilities	38,162,626	34,195,653
Equity		
Accumulated other comprehensive income	929,328	1,233,740
Retained earnings	5,090,713	4,567,226
Non-controlling interest	8,217	6,843
Total equity	6,028,258	5,807,809
Total liabilities and equity	\$44,190,884	\$40,003,462

Income Statements: for the year ended (in thousands)

Revenues	12/31/2021	12/31/2020
Premium and other product revenue	\$2,114,866	\$1,817,006
Investment income	1,418,511	950,527
Broker-dealer fees and commissions	1,054,726	864,726
Other revenue (including realized capital gains and (losses))	(42,470)	67,930
Total revenue	4,545,633	3,700,189
Benefits and Expenses		
Policyholder benefits	1,156,974	1,032,576
Change in reserve for payment of future benefits	1,136,209	894,270
Policyholder dividends	117,658	107,427
Broker-dealer sales expense	634,918	503,090
Other expenses	854,715	838,541
Total expenses	3,900,474	3,375,904
Income before income taxes	645,159	324,285
Income tax expenses	121,869	38,349
Net income	523,290	285,936
Net income attributable to non-controlling interest	390	(1,048)
Net income attributable to Penn Mutual	\$522,900	\$286,984

Our Strength

Serving our policyholders has been our primary focus since our founding 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 2021, we paid \$2.1 billion in gross benefits to our policyholders or their beneficiaries, demonstrating our continued ability to deliver on our promises.

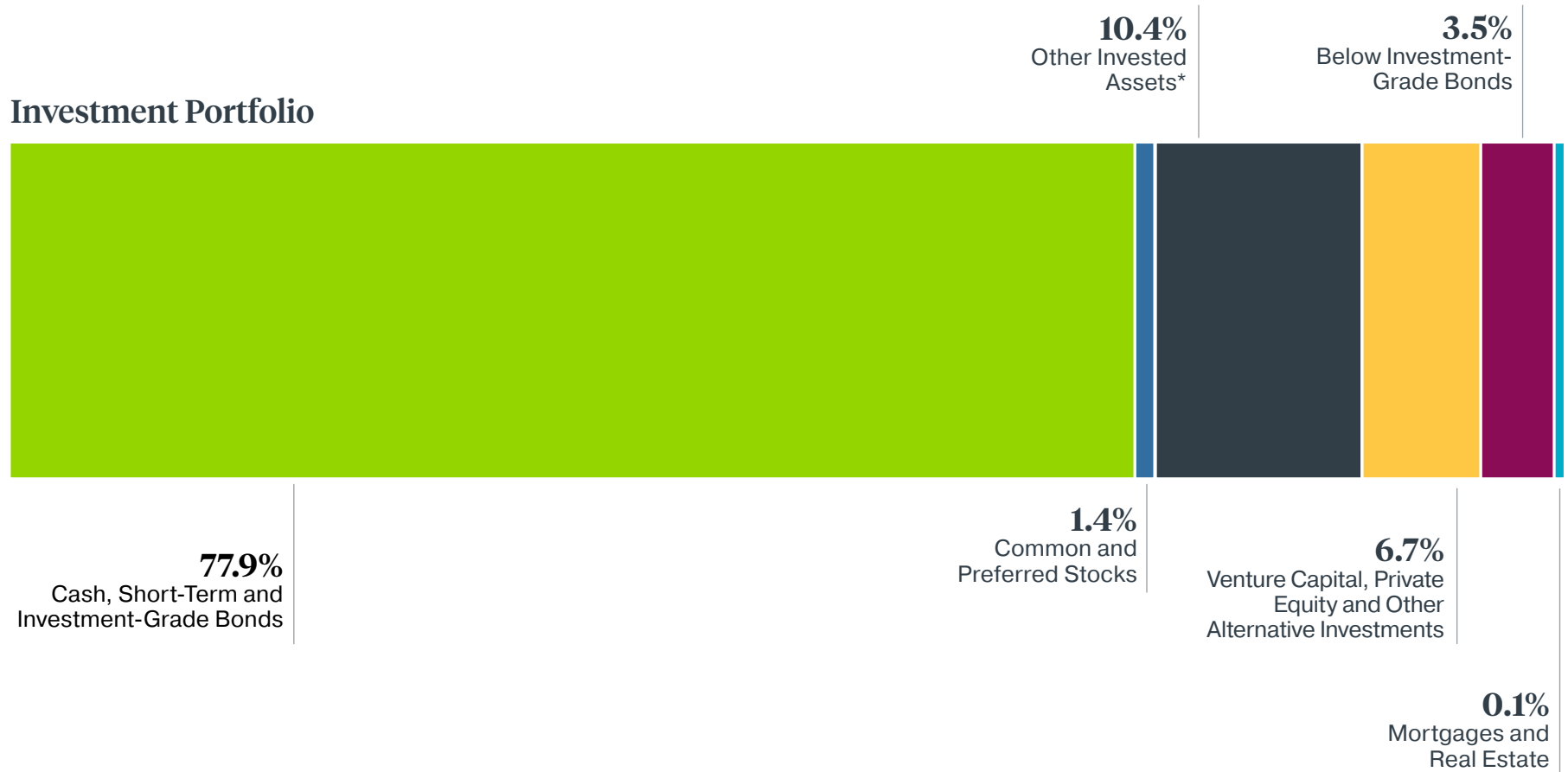
Our total surplus (capital) was a robust \$3.2 billion as of December 31, 2021. This is the amount set aside for unexpected losses from operations and our financial protection against business volatility. Our surplus position is a testament to our high-quality investment portfolio and our ability to manage the guarantees we provide to our policyholders and contract owners through appropriate investment techniques.



Focused. Strong. Evolving.

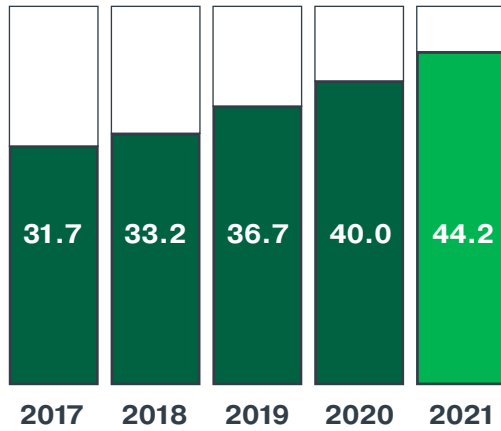
We manage our investments with a focus on fulfilling our long-term commitment to policyholders while also protecting the long-term viability of Penn Mutual. Our investment philosophy stresses rigorous asset/liability management, diversification, good liquidity and a conservative approach to portfolio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

Investment Portfolio



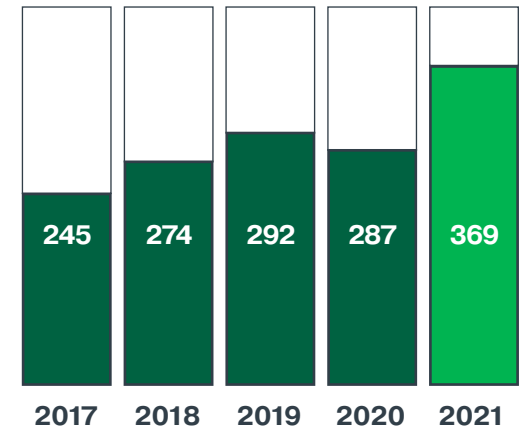
*Includes ownership of Janney Montgomery Scott LLC and Penn Mutual Asset Management, LLC.

Total GAAP Assets: \$44.2B



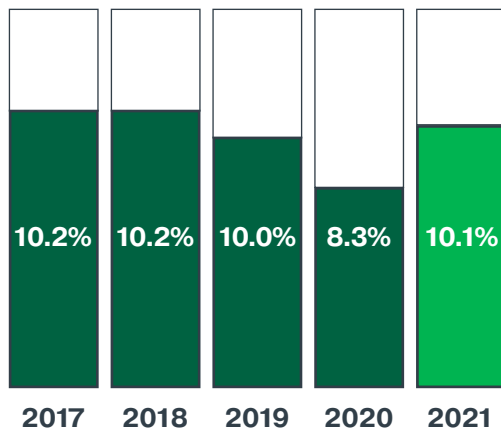
Our total GAAP (generally accepted accounting principles) assets, including the funds we safeguard for our policyholders, was \$44.2 billion as of December 31, 2021. This is an increase of \$4.2 billion from 2020 and an indication of our steady growth.

New Life Insurance Sales: \$369M



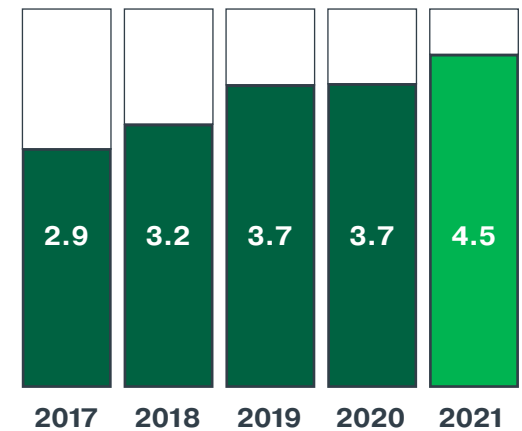
Our life insurance sales were \$369 million as of December 31, 2021, as measured by LIMRA. This reinforces our continuing commitment to specializing in life insurance.

Total Operating ROE: 10.1%



Our total revenue was \$4.5 billion as of December 31, 2021. 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: \$4.5B



Our total operating return on equity (ROE) was 10.1% as of December 31, 2021. This underscores the effectiveness of our financial management strategy and the overall strength of our business.



The Penn Mutual Board of Trustees

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

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**Thank You
Eileen
McDonnell**

The entire Penn Mutual community shares its heartfelt thanks to Eileen McDonnell for her inspired leadership as the company's Chief Executive Officer during an era marked by successful growth, industry-leading innovation and unparalleled loyalty to our mission.



Our Ratings

A+
Superior

A.M. Best
(reaffirmed March 2021)

Penn Mutual's A+ Superior rating, which was reaffirmed in March 2021, ranks the second highest out of 15 rankings.

A+
Strong

Standard & Poor's
(reaffirmed December 2021)

Penn Mutual's A+ Strong rating, which was reaffirmed in December 2021, ranks the fifth highest out of 22 ratings.

Aa3
High Quality

Moody's
(reaffirmed April 2021)

Penn Mutual's Aa3 High Quality rating, which was reaffirmed in April 2021, ranks the fourth highest out of 21 ratings.

AA
Very High Quality

KBRA
(reaffirmed November 2021)

Penn Mutual's AA Very High Quality rating, which was reaffirmed in November 2021, ranks the third highest out of 22 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. Vantis Life prides itself on providing simple, easy-to-afford products with convenient service.

Wealth Management



A PennMutual Company

Janney Montgomery Scott LLC (Janney) is one of the largest, full-service securities broker-dealers in the country, serving customers through a comprehensive network of branch offices. Janney offers clients a complete range of investment vehicles, from individual securities to mutual funds, insurance, money management and other financial service products. Janney also provides investment banking services to corporations and institutional clients. Janney is a member of all major U.S. exchanges, the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).



A PennMutual Company

Honor, Townsend & Kent, LLC (HTK) is a wholly owned subsidiary of Penn Mutual. HTK is a broker-dealer and registered investment adviser supporting independent financial professionals across the U.S. For more than 50 years, HTK has been committed to offering financial professionals the independence to build their practice their way through the delivery of a flexible platform, leading solutions and personalized service. HTK is a member of the Financial Industry Regulatory Authority (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 \$11 billion in assets. PMAM is also responsible for the management of the investment portfolios of Penn Mutual and its subsidiaries' \$23 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 Hornor, 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.

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