

**FOR IMMEDIATE RELEASE****LINCOLN FINANCIAL GROUP REPORTS FOURTH QUARTER AND  
FULL YEAR 2022 RESULTS**

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- ❖ *Net income EPS of \$0.01 and adjusted operating EPS of \$0.97*
  - ❖ *Adjusted operating results included a net unfavorable notable item of \$116 million, or \$(0.68) per share*
  - ❖ *Adjusted operating EPS included \$(0.24) from elevated pandemic-related claims experience and \$(0.25) of below targeted alternative investment income*
  - ❖ *BVPS, including AOCI, of \$18.41; BVPS, excluding AOCI, of \$63.73*
  - ❖ *Expected year-end risk-based capital (RBC) ratio of approximately 383%*

**Radnor, PA, February 8, 2023** – Lincoln Financial Group (NYSE: LNC) today reported net income for the fourth quarter of 2022 of \$6 million, or \$0.01 per diluted share available to common stockholders, compared to net income in the fourth quarter of 2021 of \$220 million, or \$1.20 per diluted share available to common stockholders. Fourth quarter adjusted income from operations was \$170 million, or \$0.97 per diluted share available to common stockholders, compared to adjusted income from operations of \$286 million, or \$1.56 per diluted share available to common stockholders, in the fourth quarter of 2021.

Net loss for the full year of 2022 was \$(2.2) billion, or \$(13.10) per diluted share available to common stockholders, compared to net income of \$1.4 billion, or \$7.43 per diluted share available to common stockholders in 2021. Full year 2022 adjusted loss from operations was \$(880) million, or \$(5.22) per diluted share available to common stockholders, compared to adjusted income from operations of \$1.6 billion, or \$8.20 per diluted share available to common stockholders for the full year of 2021.

“We took swift action during the fourth quarter to fortify our balance sheet and improve our capital generation as we remain focused on positioning our franchise for profitable, capital-efficient growth by leveraging our differentiated business model, powerful distribution capabilities, and our high-quality investment portfolio,” said Ellen Cooper, president and CEO of Lincoln Financial Group.

	As of or For the Three Months Ended December 31,		As of or For the Year Ended December 31,	
(in millions, except per share data)	2022	2021	2022	2021
Net Income (Loss)	\$ 6	\$ 220	\$ (2,227)	\$ 1,405
Net Income (Loss) Available to Common Stockholders	1	220	(2,240)	1,405
Net Income (Loss) per Diluted Share Available to Common Stockholders <sup>(1)</sup>	0.01	1.20	(13.10)	7.43
Revenues	4,196	4,604	18,784	19,230
Adjusted Income (Loss) from Operations	170	286	(880)	1,551
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders <sup>(1)</sup>	0.97	1.56	(5.22)	8.20
Average Basic Shares	169.2	180.5	171.0	187.4
Average Diluted Shares	170.6	183.2	172.7	189.1
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	0.8%	4.2%	-23.3%	6.7%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	6.0%	8.1%	-6.9%	11.0%
Book Value per Share (BVPS), Including AOCI	\$ 18.41	\$ 114.41	\$ 18.41	\$ 114.41
Book Value per Share, Excluding AOCI	63.73	78.05	63.73	78.05

<sup>(1)</sup> Due to reporting a net loss and net adjusted loss from operations for the twelve months ended December 31, 2022, basic shares were used in the diluted EPS calculation for that period as the use of diluted shares would have resulted in a lower loss per share.

## Operating Highlights – Fourth Quarter and Full Year 2022

- Life Insurance average in-force face amount of \$1.1 trillion, up 11% compared to the prior-year quarter
- Annuities net flows of \$137 million compared to net outflows of \$655 million in the prior-year quarter
- Group Protection insurance premiums of \$1.2 billion in the quarter, up 9%, and \$4.8 billion for the full year, up 7%
- Retirement Plan Services net flows of \$235 million compared to net outflows of \$380 million in the prior-year quarter and full-year net flows of \$2.9 billion compared to net flows of \$464 million in the prior year

This quarter's adjusted operating EPS results included the net impact of an unfavorable notable item of \$0.68 related to legal expenses. Full-year results included \$12.21 of net unfavorable items primarily related to impacts from the company's annual review of DAC and reserve assumptions. In the prior-year quarter, there were no notable items within adjusted income from operations while the prior full-year results included \$0.57 of net unfavorable items primarily related to legal expenses and impacts from the company's annual review of DAC and reserve assumptions.

## Fourth Quarter 2022 – Segment Results

### *Life Insurance*

Life Insurance reported income from operations of \$46 million compared to \$80 million in the prior-year quarter. The decrease was primarily driven by lower returns within the company's alternative investment portfolio and the run-rate impact from the company's annual review of DAC and reserve assumptions in the third quarter.

Total Life sales for the quarter were \$186 million compared to \$254 million in the prior-year quarter. For the full year, sales of \$705 million were up 7% driven primarily by growth in indexed universal life sales.

Average Life Insurance in-force of \$1.1 trillion increased 11% over the prior-year quarter. For the quarter, average account values were \$48 billion, down 6% compared to the prior-year quarter.

### ***Annuities***

Annuities reported income from operations of \$238 million, down 28% compared to the prior-year quarter. The decrease was primarily due to unfavorable equity markets lowering account values.

Total annuity deposits of \$3.2 billion were up 7% from the prior-year quarter as sales growth in fixed annuities and indexed variable annuities more than offset a decline in sales of traditional variable annuities. For the full year, total annuity sales of \$11.9 billion were up 1% from the prior year driven by growth in fixed annuity sales.

Net flows were \$137 million in the quarter compared to net outflows of \$655 million in the prior-year quarter. For the full year, net outflows totaled \$415 million compared to net outflows of \$2.6 billion in the prior year.

Average account values for the quarter of \$144 billion were down 16% from the prior-year quarter, primarily driven by unfavorable equity markets. Variable annuities with living benefits represented 45% of total annuity account values, a decrease of five percentage points compared to the prior-year quarter.

### ***Group Protection***

Group Protection reported income from operations of \$47 million in the quarter compared to a loss from operations of \$115 million in the prior-year quarter. The increase was primarily driven by lower pandemic-related claims and improved disability results.

The total loss ratio was 79% in the current quarter compared to 96% in the prior-year quarter with the decrease driven primarily by lower pandemic-related life claims and improved disability incidence.

Group Protection sales for the quarter were \$356 million, down 8% compared to the prior-year quarter. Full-year sales were \$676 million, up 15% compared to the prior year. Insurance premiums of \$1.2 billion in the quarter were up 9% compared to the prior-year quarter. Full-year premiums of \$4.8 billion were up 7% from the prior year.

### ***Retirement Plan Services***

Retirement Plan Services reported income from operations of \$49 million, down 14% compared to the prior-year quarter. The decrease was primarily driven by lower equity markets partly offset by higher spread income.

Total deposits for the quarter of \$2.8 billion were down 7% compared to the prior-year quarter. For the full year, total deposits of \$11.9 billion were up 10%. Full year growth was driven by a 17% increase in first-year sales and a 6% increase in recurring deposits.

Net flows totaled \$235 million for the quarter and \$2.9 billion for the year. Average account values for the quarter of \$88 billion were down 10% from the prior-year quarter primarily driven by lower equity markets.

### ***Other Operations***

Other Operations reported a loss from operations of \$210 million versus a loss of \$68 million in the prior-year quarter.

The current quarter included a net unfavorable notable item of \$116 million related to legal expenses while the prior-year quarter included no notable items.

### **Fourth Quarter Highlights - Realized Gains and Losses / Impacts to Net Income**

Realized gains/losses and other impacts to net income (after-tax) in the quarter were primarily driven by:

- A \$76 million loss associated with hedge program performance.
- A \$64 million loss associated with non-performance risk.
- A \$37 million loss associated with indexed annuity forward-starting options.

### **Unrealized Gains and Losses**

The company reported a net unrealized loss of \$(11.9) billion, pre-tax, on its available-for-sale securities at December 31, 2022. This compares to a net unrealized gain of \$13.6 billion, pre-tax, at December 31, 2021, with the year-over-year decrease primarily driven by higher treasury rates.

### **Share Count**

The quarter's average diluted share count of 170.6 million was down 7% from the fourth quarter of 2021, the result of repurchasing 8.7 million shares of stock at a cost of \$550 million since December 31, 2021.

**Book Value**

As of December 31, 2022, book value per share, including AOCI, decreased 84% from the prior-year period to \$18.41. Book value per share, excluding AOCI, decreased 18% from the prior-year period to \$63.73.

The tables attached to this release define and reconcile the non-GAAP measures adjusted income from operations, adjusted operating ROE and BVPS, excluding AOCI, to net income, ROE and BVPS, including AOCI, calculated in accordance with GAAP.

This press release contains statements that are forward-looking, and actual results may differ materially. Please see the Forward-looking Statements – Cautionary Language at the end of this release for factors that may cause actual results to differ materially from the company's current expectations.

For other financial information, please refer to the company's fourth quarter 2022 statistical supplement available on its website, <http://www.lincolnfinancial.com/investor>.

**Conference Call Information**

Lincoln Financial Group will discuss the company's fourth quarter results with investors in a conference call beginning at 10:00 a.m. Eastern Time on Thursday, February 9, 2023.

The conference call will be broadcast live through the company website at [www.lincolnfinancial.com/webcast](http://www.lincolnfinancial.com/webcast). Please log on to the webcast at least 15 minutes prior to the start of the conference call to download and install any necessary streaming media software. A replay of the call will be available by 1:00 p.m. Eastern Time on February 9, 2023 at [www.lincolnfinancial.com/webcast](http://www.lincolnfinancial.com/webcast).

## About Lincoln Financial Group

Lincoln Financial Group provides advice and solutions that help people take charge of their financial lives with confidence and optimism. Today, approximately 16 million customers trust our retirement, insurance and wealth protection expertise to help address their lifestyle, savings and income goals, and guard against long-term care expenses. Headquartered in Radnor, Pennsylvania, Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. The company had \$282 billion in end-of-period account values as of December 31, 2022. Lincoln Financial Group is a committed corporate citizen included on major sustainability indices including the Dow Jones Sustainability Index North America and FTSE4Good and ranks among Newsweek's Most Responsible Companies. Dedicated to diversity, equity and inclusion, we are included on transparency benchmarking tools such as the Corporate Equality Index, the Disability Equality Index and the Bloomberg Gender-Equality Index. Committed to providing our employees with flexible work arrangements, we were named to FlexJobs' list of the Top 100 Companies to Watch for Remote Jobs in 2022. With a long and rich legacy of acting ethically, telling the truth and speaking up for what is right, Lincoln was recognized as one of Ethisphere's 2022 World's Most Ethical Companies®. We create opportunities for early career talent through our intern development program, which ranks among WayUp and Yello's annual list of Top 100 Internship Programs. Learn more at: [www.LincolnFinancial.com](http://www.LincolnFinancial.com). Follow us on [Facebook](#), [Twitter](#), [LinkedIn](#), and [Instagram](#). Sign up for email alerts at <http://newsroom.lfg.com>.

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## **Explanatory Notes on Use of Non-GAAP Measures**

Management believes that adjusted income from operations (adjusted operating income), adjusted operating return on equity, adjusted operating revenues, and adjusted operating EPS better explain the results of the company's ongoing businesses in a manner that allows for a better understanding of the underlying trends in the company's current business because the excluded items are unpredictable and not necessarily indicative of current operating fundamentals or future performance of the business segments, and, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments. Management also believes that using book value excluding accumulated other comprehensive income ("AOCI") enables investors to analyze the amount of our net worth that is primarily attributable to our business operations. Book value per share excluding AOCI is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates.

For the historical periods, reconciliations of non-GAAP measures used in this press release to the most directly comparable GAAP measure may be included in this Appendix to the press release and/or are included in the Statistical Reports for the corresponding periods contained in the Earnings section of the Investor Relations page on our website: [www.lfg.com/investor](http://www.lfg.com/investor).

## **Definitions of Non-GAAP Measures Used in this Press Release**

Adjusted income (loss) from operations, adjusted operating revenues and adjusted operating return on equity (including and excluding average goodwill within average equity), excluding AOCI, using annualized adjusted income (loss) from operations are financial measures we use to evaluate and assess our results. Adjusted income (loss) from operations, adjusted operating revenues and adjusted operating return on equity ("ROE"), as used in the press release, are non-GAAP financial measures and do not replace GAAP net income (loss), revenues and ROE, the most directly comparable GAAP measures.

### **Adjusted Income (Loss) from Operations**

Adjusted income (loss) from operations is GAAP net income (loss) excluding the after-tax effects of the following items, as applicable:

- Realized gains and losses associated with the following ("excluded realized gain (loss)"):
  - Sales or disposals and impairments of financial assets;
  - Changes in the fair value of equity securities;
  - Changes in the fair value of derivatives, embedded derivatives within certain reinsurance arrangements and trading securities ("gain (loss) on the mark-to-market on certain instruments");
  - Changes in the fair value of the derivatives we own to hedge our guaranteed death benefit ("GDB") riders within our variable annuities;
  - Changes in the fair value of the embedded derivatives of our guaranteed living benefit ("GLB") riders reflected within variable annuity net derivative results accounted for at fair value;
  - Changes in the fair value of the derivatives we own to hedge our GLB riders reflected within variable annuity net derivative results; and
  - Changes in the fair value of the embedded derivative liabilities related to index options we may purchase or sell in the future to hedge contract holder index allocations applicable to future reset periods for our indexed annuity products accounted for at fair value ("indexed annuity forward-starting option");
- Changes in reserves resulting from benefit ratio unlocking on our GDB and GLB riders and VUL products with secondary guarantees ("benefit ratio unlocking");
- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Gains (losses) on modification or early extinguishment of debt;
- Losses from the impairment of intangible assets;
- Income (loss) from discontinued operations;
- Transaction and integration costs related to mergers and acquisitions including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business; and
- Income (loss) from the initial adoption of new accounting standards, regulations and policy changes including the net impact from the Tax Cuts and Jobs Act.

### **Adjusted Operating Revenues**

Adjusted operating revenues represent GAAP revenues excluding the pre-tax effects of the following items, as applicable:

- Excluded realized gain (loss);
- Revenue adjustments from the initial adoption of new accounting standards;
- Amortization of deferred front-end loads ("DFEL") arising from changes in benefit ratio unlocking; and
- Amortization of deferred gains arising from reserve changes on business sold through reinsurance.

## Adjusted Operating Return on Equity

Adjusted operating return on equity measures how efficiently we generate profits from the resources provided by our net assets.

- It is calculated by dividing annualized adjusted income (loss) from operations by average equity, excluding accumulated other comprehensive income (loss) (“AOCI”).
- Management evaluates return on equity by both including and excluding average goodwill within average equity.

## Definition of Notable Items

Adjusted income (loss) from operations, excluding notable items, is a non-GAAP measure that excludes items which, in management’s view, do not reflect the company’s normal, ongoing operations.

- We believe highlighting notable items included in adjusted income (loss) from operations enables investors to better understand the fundamental trends in its results of operations and financial condition.

## Book Value Per Share, Excluding AOCI

Book value per share, excluding AOCI, is calculated based upon a non-GAAP financial measure.

- It is calculated by dividing (a) stockholders’ equity, excluding AOCI and preferred stock by (b) common shares outstanding.
- We provide book value per share, excluding AOCI, to enable investors to analyze the amount of our net worth that is primarily attributable to our business operations.
- Management believes book value per share, excluding AOCI, is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates.
- Book value per share is the most directly comparable GAAP measure.

## Special Note

### Sales

Sales as reported consist of the following:

- Annuities and Retirement Plan Services – deposits from new and existing customers;
- Universal life insurance (“UL”), indexed universal life insurance (“IUL”), variable universal life insurance (“VUL”) – first-year commissionable premiums plus 5% of excess premiums received;
- *MoneyGuard*® linked-benefit products – *MoneyGuard*® (UL), 15% of total expected premium deposits, and *MoneyGuard Market Advantage*<sup>SM</sup> (VUL), 150% of commissionable premiums;
- Executive Benefits – insurance and corporate-owned UL and VUL, first-year commissionable premiums plus 5% of excess premium received, and single premium bank-owned UL and VUL, 15% of single premium deposits;
- Term – 100% of annualized first-year premiums; and
- Group Protection – annualized first-year premiums from new policies.



**Lincoln National Corporation**  
**Reconciliation of Net Income to Adjusted Income from Operations**

(in millions, except per share data)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
<b>Total Revenues</b>	\$ 4,196	\$ 4,604	\$ 18,784	\$ 19,230
Less:				
Excluded realized gain (loss)	(482)	(166)	135	(411)
Amortization of DFEL associated with benefit ratio unlocking	2	1	(16)	2
<b>Total Adjusted Operating Revenues</b>	<u>\$ 4,676</u>	<u>\$ 4,769</u>	<u>\$ 18,665</u>	<u>\$ 19,639</u>
<b>Net Income (Loss) Available to Common Stockholders – Diluted</b>	\$ 1	220	\$ (2,240)	\$ 1,405
Less:				
Adjustment for deferred units of LNC stock in our deferred compensation plans <sup>(1)</sup>	(5)	-	(13)	-
<b>Net Income (Loss)</b>	<u>6</u>	<u>220</u>	<u>(2,227)</u>	<u>1,405</u>
Less:				
Excluded realized gain (loss), after-tax	(381)	(132)	107	(325)
Benefit ratio unlocking, after-tax	217	77	(820)	196
Impairment of intangibles	-	-	(634)	-
Transaction and integration costs related to mergers, acquisitions and divestitures, after-tax	-	(11)	-	(11)
Gain (loss) on modification or early extinguishment of debt, after-tax	-	-	-	(6)
Total adjustments	(164)	(66)	(1,347)	(146)
<b>Adjusted Income (Loss) from Operations</b>	<u>\$ 170</u>	<u>\$ 286</u>	<u>\$ (880)</u>	<u>\$ 1,551</u>
<b>Earnings (Loss) Per Common Share – Diluted<sup>(2)</sup></b>				
Net income (loss)	\$ 0.01	\$ 1.20	\$ (13.10)	\$ 7.43
Adjusted income (loss) from operations	0.97	1.56	(5.22)	8.20
<b>Average Stockholders' Equity</b>				
Average equity, including average AOCI	\$ 3,159	\$ 20,721	\$ 9,576	\$ 20,999
Average AOCI	(8,148)	6,645	(3,084)	6,944
Average equity, excluding AOCI	11,307	14,076	12,660	14,055
Average goodwill	1,144	1,778	1,540	1,778
Average equity, excluding AOCI and goodwill	<u>\$ 10,163</u>	<u>\$ 12,298</u>	<u>\$ 11,120</u>	<u>\$ 12,277</u>
<b>Return on Equity, Including AOCI</b>				
Net income (loss) with average equity including goodwill	0.8%	4.2%	-23.3%	6.7%
<b>Adjusted Operating Return on Equity, Excluding AOCI</b>				
Adjusted income (loss) from operations with average equity including goodwill	6.0%	8.1%	-6.9%	11.0%
Adjusted income (loss) from operations with average equity excluding goodwill	6.7%	9.3%	-7.9%	12.6%

(1) We exclude deferred units of LNC stock that are antidilutive from our diluted earnings per share calculation.

(2) In periods where a net loss or adjusted loss from operations is presented, basic shares are used in the diluted EPS and adjusted diluted EPS calculations, as the use of diluted shares would result in a lower loss per share.

**Lincoln National Corporation**  
**Reconciliation of Book Value per Share**

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2021</b>
Book value per share, including AOCI	\$ <b>18.41</b>	\$ 114.41
Per share impact of AOCI	<b>(45.32)</b>	36.36
Book value per share, excluding AOCI	<b>63.73</b>	78.05

**Lincoln National Corporation**  
**Digest of Earnings**

(in millions, except per share data)

	<b>For the Three Months Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>	<b>\$ 4,196</b>	<b>\$ 4,604</b>
<b>Net Income (Loss)</b>	<b>\$ 6</b>	<b>\$ 220</b>
Adjustment for deferred units of LNC stock in our deferred compensation plans <sup>(1)</sup>	<b>(5)</b>	<b>-</b>
<b>Net Income (Loss) Available to Common Stockholders – Diluted</b>	<b>\$ 1</b>	<b>\$ 220</b>
<b>Earnings (Loss) Per Common Share – Basic</b>	<b>\$ 0.04</b>	<b>\$ 1.22</b>
<b>Earnings (Loss) Per Common Share – Diluted</b>	<b>0.01</b>	<b>1.20</b>
<b>Average Shares – Basic</b>	<b>169,217,427</b>	<b>180,519,527</b>
<b>Average Shares – Diluted</b>	<b>170,632,350</b>	<b>183,246,238</b>

	<b>For the Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>	<b>\$ 18,784</b>	<b>\$ 19,230</b>
<b>Net Income (Loss)</b>	<b>\$ (2,227)</b>	<b>\$ 1,405</b>
Adjustment for deferred units of LNC stock in our deferred compensation plans <sup>(1)</sup>	<b>(13)</b>	<b>-</b>
<b>Net Income (Loss) Available to Common Stockholders – Diluted</b>	<b>\$ (2,240)</b>	<b>\$ 1,405</b>
<b>Earnings (Loss) Per Common Share – Basic</b>	<b>\$ (13.02)</b>	<b>\$ 7.50</b>
<b>Earnings (Loss) Per Common Share – Diluted <sup>(2)</sup></b>	<b>(13.10)</b>	<b>7.43</b>
<b>Average Shares – Basic</b>	<b>171,034,695</b>	<b>187,359,884</b>
<b>Average Shares – Diluted</b>	<b>172,700,155</b>	<b>189,098,767</b>

(1) We exclude deferred units of LNC stock that are antidilutive from our diluted earnings per share calculation.

(2) In periods where a net loss or adjusted loss from operations is presented, basic shares are used in the diluted EPS and adjusted diluted EPS calculations, as the use of diluted shares would result in a lower loss per share.

## FORWARD-LOOKING STATEMENTS – CAUTIONARY LANGUAGE

Certain statements made in this press release and in other written or oral statements made by Lincoln or on Lincoln's behalf are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may contain words like: "anticipate," "believe," "estimate," "expect," "project," "shall," "will" and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in Lincoln's businesses, prospective services or products, future performance or financial results and the outcome of contingencies, such as legal proceedings. Lincoln claims the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those expressed in or implied by such forward-looking statements due to a variety of factors, including:

- Weak general economic and business conditions that may affect demand for our products, account values, investment results, guaranteed benefit liabilities, premium levels and claims experience;
- Adverse global capital and credit market conditions that may affect our ability to raise capital, if necessary, and may cause us to realize impairments on investments and certain intangible assets, including goodwill and the valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- The inability of our subsidiaries to pay dividends to the holding company in sufficient amounts, which could harm the holding company's ability to meet its obligations;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect: the cost of, or demand for, our subsidiaries' products; the required amount of reserves and/or surplus; our ability to conduct business and our captive reinsurance arrangements as well as restrictions on the payment of revenue sharing and 12b-1 distribution fees;
- The impact of U.S. federal tax reform legislation on our business, earnings and capital;
- The impact of regulations adopted by the Securities and Exchange Commission ("SEC"), the Department of Labor or other federal or state regulators or self-regulatory organizations relating to the standard of care owed by investment advisers and/or broker-dealers that could affect our distribution model;
- The impact of new and emerging privacy regulations that may lead to increased compliance costs and reputation risk;
- Increasing scrutiny and evolving expectations and regulations regarding ESG matters that may adversely affect our reputation and our investment portfolio;
- Actions taken by reinsurers to raise rates on in-force business;
- Declines in or sustained low interest rates causing a reduction in investment income, the interest margins of our businesses and demand for our products;
- Rapidly increasing interest rates causing contract holders to surrender life insurance and annuity policies, thereby causing realized investment losses;
- The impact of the implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- A decline or continued volatility in the equity markets causing a reduction in the sales of our subsidiaries' products; a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products; and an increase in liabilities related to guaranteed benefit riders of our subsidiaries' variable annuity products;
- Ineffectiveness of our risk management policies and procedures, including our various hedging strategies;
- A deviation in actual experience regarding future persistency, mortality, morbidity, interest rates or equity market returns from the assumptions used in pricing our subsidiaries' products and in establishing related insurance reserves, which may reduce future earnings;
- Changes in accounting principles that may affect our financial statements;
- Lowering of one or more of our debt ratings issued by nationally recognized statistical rating organizations and the adverse effect such action may have on our ability to raise capital and on our liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of our insurance subsidiaries and the adverse effect such action may have on the premium writings, policy retention, profitability of our insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud, corporate governance or other issues that may adversely affect the value of certain financial assets, as well as counterparties to which we are exposed to credit risk, requiring that we realize losses on financial assets;
- Interruption in telecommunication, information technology or other operational systems or failure to safeguard the confidentiality or privacy of sensitive data on such systems, including from cyberattacks or other breaches of our data security systems;
- The effect of acquisitions and divestitures, restructurings, product withdrawals and other unusual items;
- The inability to realize or sustain the benefits we expect from, greater than expected investments in, and the potential impact of efforts related to, our strategic initiatives, including the Spark Initiative;
- The adequacy and collectability of reinsurance that we have obtained;
- Pandemics, acts of terrorism, war or other man-made and natural catastrophes that may adversely impact liabilities for contract holder claims, affect our businesses and increase the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that our subsidiaries can charge for their products;
- The unknown effect on our subsidiaries' businesses resulting from evolving market preferences and the changing demographics of our client base; and

- The unanticipated loss of key management, financial planners or wholesalers.

The risks and uncertainties included here are not exhaustive. Our most recent Form 10-K, as well as other reports that we file with the SEC, include additional factors that could affect our businesses and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, Lincoln disclaims any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this press release.

The reporting of Risk-Based Capital (“RBC”) measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.