

FINANCIAL SUPPLEMENT

GAAP SEMI-ANNUAL REPORT (SELECT HIGHLIGHTS)

Pacific Mutual Holding Company

June 30, 2024



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The Company does not intend, and is under no obligation, to update any particular forward-looking statement or other information included in this presentation.

Credit Ratings and Financials

Financial Strength and Credit Ratings

The following table identifies the financial strength and credit ratings for Pacific LifeCorp, Pacific Life Insurance Company, its subsidiaries and affiliates, and Pacific Life Global Funding II and Pacific Life Short Term Funding LLC which are unaffiliated entities that issue medium- and short-term notes backed by funding agreements issued by Pacific Life Insurance Company. Ratings as of August 29, 2024.

What the ratings mean

Entities	A.M. Best	Fitch	Moody's	S&P Global
Pacific Life Insurance Company				
Financial Strength Rating	A+	AA-	Aa3	AA-
Outlook	Stable	Stable	Stable	Stable
Subordinated	a+	A	A2	A
Commercial Paper	AMB-1+	F1+	P-1	A-1+
Pacific Life & Annuity Company				
Financial Strength Rating	A+	AA-	Aa3	AA-
Outlook	Stable	Stable	Stable	Stable
Pacific LifeCorp				
Senior Unsecured	a	A-	A3	A-
Pacific Life Re International Ltd				
Pacific Life Re (Australia) Pty Ltd				
Financial Strength Ratings	NR	NR	NR	AA-
Outlook	—	—	—	Stable
Pacific Life Global Funding II				
Senior Secured	NR	AA-	Aa3	AA-
Pacific Life Short Term Funding LLC				
Commercial Paper	NR	F1+	P-1	A-1+

NR = Not Rated

Financial Summary¹

Pacific Mutual Holding Company and Subsidiaries

(\$ Millions)	Unaudited	
	Six Months Ended	
	6/30/2024	6/30/2023
Consolidated Statements of Operations Items		
Adjusted Operating Revenues ²	\$6,633	\$6,813
Adjusted Operating Income ³	591	702

(\$ Millions)	Unaudited	
	6/30/2024	12/31/2023
Consolidated Statements of Financial Condition Items		
Company Assets	\$224,938	\$217,386
Policyholder & Other Liabilities	215,646	207,619
Equity ⁴	15,389	14,768

¹ Based on accounting principles generally accepted in the United States of America (GAAP).

² Adjusted operating revenues excludes net investment gain (loss) other than stable value product income, gain (loss) on real estate equity investments and certain derivative costs. It also excludes non-recurring items that are not relevant to our ongoing operations. Revenues attributable to noncontrolling interests are excluded.

³ Adjusted operating income is utilized by management to measure the profitability generated by the operations of the company. It excludes net investment gain (loss) other than stable value product income, gain (loss) on real estate equity investments, and certain derivative costs. It also excludes deferred policy acquisition cost amortization due to movements in economic factors, certain other adjustments related to net investment gain (loss), other movements in economic factors and non-recurring items that are not relevant to our ongoing operations. Net income (loss) attributable to noncontrolling interests is excluded. The tax impact of the adjustments are calculated net of the U.S. or foreign statutory tax rate, which could differ from the company's effective tax rate.

⁴ Excludes accumulated other comprehensive income (loss) and noncontrolling interests.

Consolidated Statements

Consolidated Statements of Financial Condition

Pacific Mutual Holding Company and Subsidiaries

(\$ Millions)	Unaudited 6/30/2024	12/31/2023
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost of \$99,373 and \$94,361, includes ACL of \$26 and zero)	\$91,795	\$87,971
Mortgage loans (includes ACL of \$210 and \$207; VIE assets of \$1,297 and \$1,299)	22,926	22,401
Policy loans	8,277	8,208
Other investments (includes VIE assets of \$4,030 and \$3,832)	12,944	12,102
TOTAL INVESTMENTS	135,942	130,682
Cash, cash equivalents, and restricted cash (includes VIE assets of \$21 and \$23)	6,644	7,796
Deferred policy acquisition costs	8,226	7,940
Other assets (includes VIE assets of \$14 and \$21)	8,312	8,183
Separate account assets	65,814	62,785
TOTAL ASSETS	\$224,938	\$217,386
LIABILITY AND EQUITY		
Liabilities:		
Policyholder account balances	\$98,296	\$93,141
Future policy benefits	38,164	37,633
Debt (includes VIE debt of \$2,064 and \$2,163)	7,364	7,394
Other liabilities (includes VIE liabilities of \$18 and \$13)	6,008	6,666
Separate account liabilities	65,814	62,785
TOTAL LIABILITIES	215,646	207,619
Members' Equity:		
Members' capital	15,389	14,768
Accumulated other comprehensive loss	(6,670)	(5,549)
Total Members' Equity	8,719	9,219
Noncontrolling interests	573	548
TOTAL EQUITY	9,292	9,767
TOTAL LIABILITIES AND EQUITY	\$224,938	\$217,386

The abbreviation ACL above means allowance for credit losses.

The abbreviation VIE above means variable interest entity.

Consolidated Statements of Operations

Pacific Mutual Holding Company and Subsidiaries

Unaudited

(\$ Millions)	Six Months Ended	
	6/30/2024	6/30/2023
REVENUES		
Policy fees and insurance premiums	\$3,465	\$3,646
Net investment income	3,171	2,758
Net investment gain (loss)	(139)	95
Investment advisory fees	94	108
Other income	118	160
TOTAL REVENUES	6,709	6,767
BENEFITS AND EXPENSES		
Policy benefits paid or provided	2,607	3,095
Interest credited to policyholder account balances	1,719	1,393
Commission expenses	578	547
Operating and other expenses	1,040	975
TOTAL BENEFITS AND EXPENSES	5,944	6,010
INCOME BEFORE PROVISION FOR INCOME TAXES	765	757
Provision for income taxes	135	150
Net income	630	607
Less: net income attributable to noncontrolling interests	(9)	(25)
NET INCOME ATTRIBUTABLE TO THE COMPANY	\$621	\$582

Investment Portfolio

Investments Portfolio Highlights

Total Investment Portfolio

- Investment portfolio consists primarily of investment grade public and private fixed income securities, mortgage loans and policy loans

Fixed Income Profile

- Net unrealized losses in the fixed income portfolio were (\$7.6) billion as of June 30, 2024 and (\$6.4) billion as of December 31, 2023
- As of June 30, 2024 and December 31, 2023, 95% of our fixed maturity securities were rated as investment-grade. We have not experienced any material changes in the credit quality of our portfolio since December 31, 2021
- Fixed income portfolio performance continues to be strong with minimal write-downs
- The overall year to date change in allowance for credit losses was \$26 million increase

Investment Portfolio

(\$ Millions)	6/30/24	12/31/23
Bonds	\$91,795	\$87,971
Mortgage Loans	22,926	22,401
Policy Loans	8,277	8,208
Cash, Cash Equivalent, and Restricted Cash	6,644	7,796
Other ¹	12,944	12,102
Total	\$142,586	\$138,478

¹ Other includes private equity, real estate, working capital finance investments, derivatives, common stock, fair value option securities, and trading securities

Fixed Income Securities by NAIC Ratings and Industry

<i>By NAIC Ratings</i>	6/30/24		12/31/23	
<i>(\$ Millions)</i>	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
NAIC 1	\$46,212	(\$3,460)	\$43,648	(\$2,848)
NAIC 2	41,254	(3,836)	40,142	(3,268)
NAIC 3	3,564	(177)	3,374	(198)
NAIC 4-6	765	(79)	807	(76)
Total Fixed Income Securities	\$91,795	(\$7,552)	\$87,971	(\$6,390)

<i>By Industries</i>	6/30/24		12/31/23	
<i>(\$ Millions)</i>	Fair Value	Unrealized Gain (Loss)	Fair Value	Unrealized Gain (Loss)
Consumer Cyclical and Non-Cyclical	\$13,799	(\$1,579)	\$13,999	(\$1,262)
Industrials	12,842	(1,022)	12,658	(821)
Financials	12,582	(960)	11,554	(831)
Utilities	10,561	(1,395)	10,591	(1,135)
ABS	7,613	(288)	6,674	(356)
Governments	6,502	(705)	6,351	(513)
CDO	6,919	50	5,779	27
Telecommunications	6,040	(509)	6,076	(380)
CMBS/RMBS	5,857	(420)	5,275	(490)
Energy	5,415	(397)	5,403	(329)
Real Estate	3,665	(327)	3,611	(300)
Total Fixed Income Securities	\$91,795	(\$7,552)	\$87,971	(\$6,390)

Mortgage Loan Portfolio Highlights

Portfolio strategy

- Mortgage loan emphasis is on properties in high “barrier to entry” locations and regions exhibiting strong demographic and economic trends
- Loan underwriting at origination emphasizes high debt coverage ratio and low loan-to-value

Mortgage loan profile

- As of June 30, 2024, total amortized cost of mortgage loans was \$23 billion. Mortgage loans primarily consist of commercial mortgage loans
- Overall portfolio loan-to-value remains strong at 59.79%, consistent with prior year
- 4.18% of the mortgage portfolio loans are engaged in deferral of scheduled principal amortization

Change in Allowance for Credit Losses

(\$ Millions)	6/30/24	06/30/23
Balance, beginning of period	\$207	
Impact of adoption of ASU 2016-13		\$290
Current period provision	(\$4)	\$67
Write-offs	(\$3)	(\$147)
Recoveries	\$10	
Balance, end of period	\$210	\$210

Property Type

(\$ Millions)	6/30/24	12/31/23
Apartment	\$7,664	\$7,567
Retail	5,393	5,348
Office	4,198	4,313
Lodging	1,331	1,346
Industrial	1,194	1,169
Residential	1,916	1,434
Agriculture	955	962
Other	275	262
Total Mortgage Loans	\$22,926	\$22,401

Mortgage Loan Portfolio by Rating and Geographic Region

By Rating

(\$ Millions)	6/30/24	12/31/23
CM 1	\$7,628	\$6,992
CM 2	9,822	10,393
CM 3	2,021	2,070
CM 4-6	242	213
Not Rated	1,297	1,299
Residential	1,916	1,434
Total Mortgage Loans	\$22,926	\$22,401

By Geographic Region¹

(\$ Millions)	6/30/24	12/31/23
Atlantic	\$6,846	\$6,795
Pacific	6,776	6,443
South Central	3,142	3,084
North Central	2,593	2,572
Mountain	2,047	1,977
New England	1,362	1,363
Canada	160	167
Total Mortgage Loans	\$22,926	\$22,401

¹ Regions consistent with the American Council of Life Insurers (ACLI) geographic regions