

Atlantic American Financials
From Annual Report Filings
2018 -2022

Atlantic American Financials

ATLANTIC AMERICAN CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended December 31,

2022

2021

2020

2019

2018

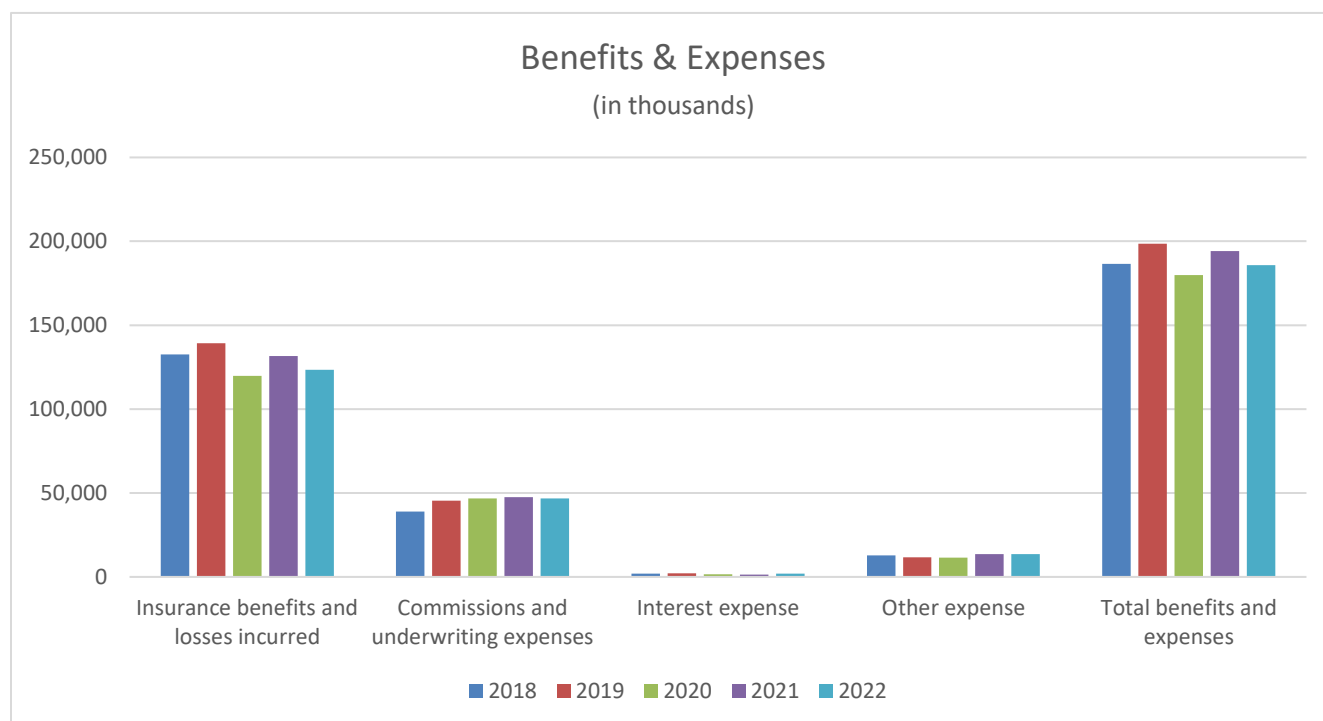
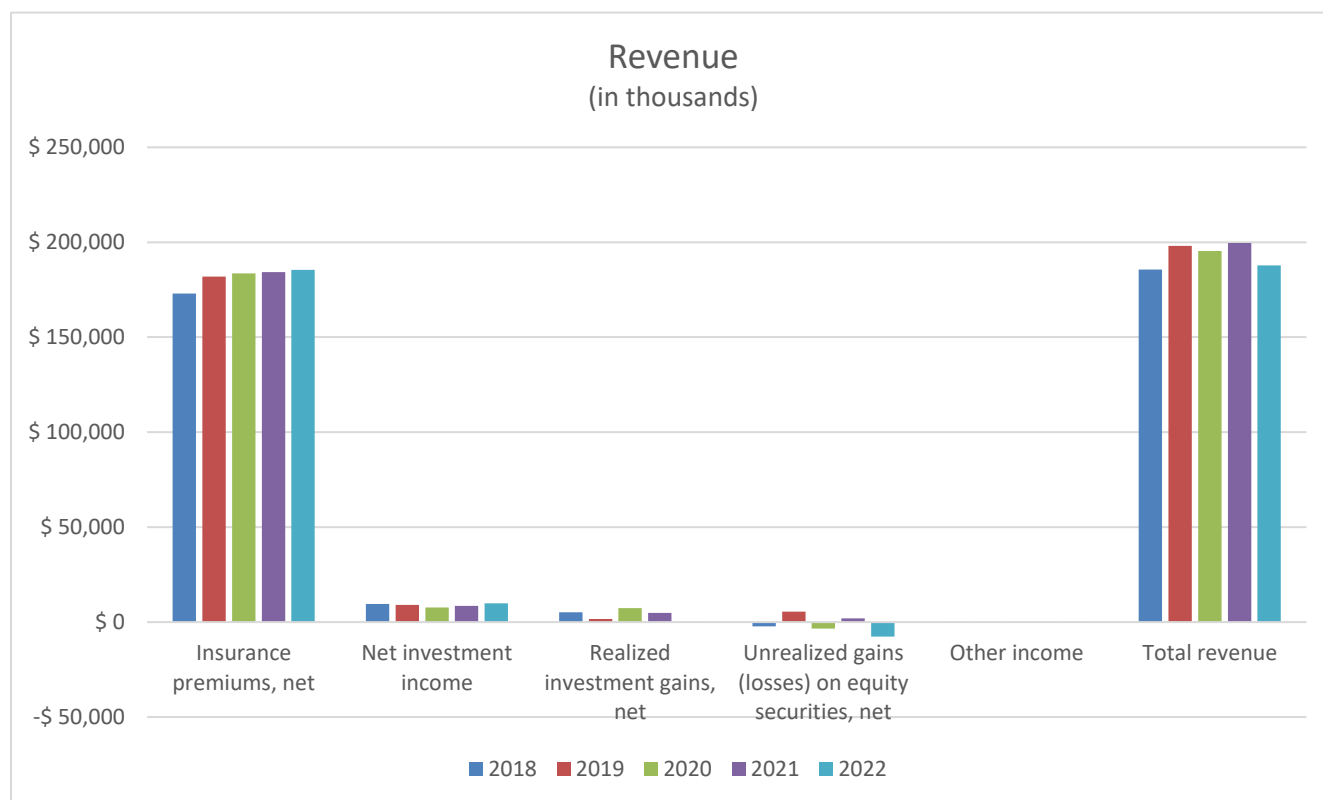
(In thousands, except per share data)

Revenue:					
Insurance premiums, net	\$ 185,440	\$ 184,216	\$ 183,539	\$ 181,925	\$ 172,931
Net investment income	9,932	8,528	7,744	8,979	9,549
Realized investment gains, net	30	4,903	7,420	1,574	5,154
Unrealized gains (losses) on equity securities, net	(7,562)	1,894	(3,431)	5,511	(2,194)
Other income	11	13	76	190	113
Total revenue	187,851	199,554	195,348	198,179	185,553
Benefits and expenses:					
Insurance benefits and losses incurred	123,456	131,694	119,876	139,225	132,650
Commissions and underwriting expenses	46,713	47,496	46,811	45,477	39,042
Interest expense	1,952	1,387	1,610	2,130	2,037
Other expense	13,634	13,675	11,548	11,754	12,795
Total benefits and expenses	185,755	194,252	179,845	198,586	186,524
Income before income taxes	2,096	5,302	15,503	(407)	(971)
Income tax expense	571	1,021	3,334	(21)	(267)
Net income	1,525	4,281	12,169	(386)	(704)
Preferred stock dividends	(399)	(399)	(399)	(399)	(399)
Net income (loss) applicable to common shareholders	\$ 1,126	\$ 3,882	\$ 11,770	(\$ 785)	(\$ 1,103)
Earnings (loss) per common share (basic and	\$ 0.06	\$ 0.19	0.57	(\$ 0.04)	(\$ 0.05)

Atlantic American Corporation

Financials 2018-2022

Operations



Atlantic American Financials

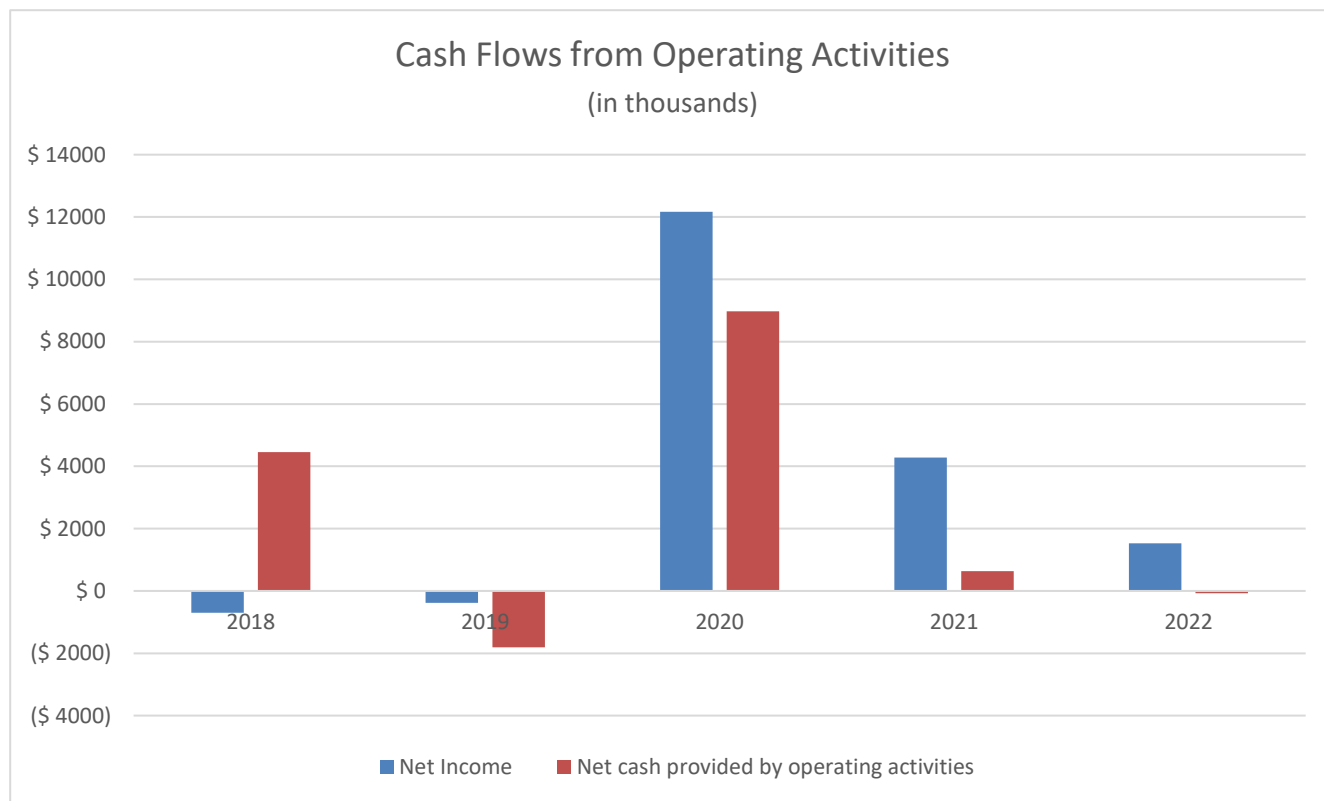
CONDENSED FINANCIAL INFORMATION OF REGISTRANT ATLANTIC AMERICAN CORPORATION (Parent Company Only) **STATEMENTS OF CASH FLOWS**

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	(In thousands)				
Net Income	\$ 1,525	\$ 4,281	\$ 12,169	(\$ 386)	(\$ 704)
Adjustments to reconcile net income to net cash provided by operating					
Amortization of deferred acquisition costs			19,393	17,288	17,611
Acquisition costs deferred			(20,143)	(19,055)	(22,011)
Realized investment gains, net			(7,420)	(1,574)	(5,154)
Unrealized losses (gains) on equity securities, net	484	(230)	3,431	(5,511)	2,194
Distributions received from equity method investees			—	379	10,777
Depreciation and amortization	515	538	980	996	987
Compensation expense related to share awards	134	211	437	353	244
Earnings from equity method investees	(294)	—			
Equity in undistributed earnings of subsidiaries, net	1,307	(719)			
Decrease (increase) in intercompany taxes	220	(489)			
Deferred income tax benefit	(2,336)	(1,058)	(2,250)	(913)	(2,236)
Decrease in receivables, net			1,349	(4709)	(10,221)
Increase (decrease) in insurance reserves and policyholder funds			(3,230)	12858	15,465
(Decrease) increase in accounts payable and accrued expenses	(285)	63	2,324	3,472	(2,226)
Other, net	(1,348)	(1,966)	1931	(5,005)	(266)
Net cash (used in) provided by operating activities	(78)	631	8,971	(1807)	4,460
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from investments sold			18,541	120,950	30,140
Proceeds from investments matured, called or redeemed			7,117	6,157	4,906
Investments purchased			(27,489)	(124,029)	(49,552)
Additions to property and equipment	(45)	(49)	(233)	(69)	(281)
Net cash used in investing activities	(45)	(49)	(2,064)	3,009	(14,787)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Payment of dividends on Series D preferred stock	(399)	(399)	(399)	(399)	(399)
Payment of dividends on common stock	(408)	(408)	—	(403)	(407)
Proceeds from shares issued under stock plans	—	6	9	26	36
Proceeds from revolving credit facility, net	2,000	—			
Treasury stock acquired — share repurchase authorization				(71)	(597)
Treasury stock acquired — net employee share-based compensation	(108)	(153)	(91)	(92)	(223)
Net cash provided by (used in) financing activities	1,085	(954)	(481)	(939)	(1590)
Net increase (decrease) in cash	962	(372)	6,426	263	(11,917)
Cash and cash equivalents at beginning of year	1,718	2,090	12,893	12,630	24,547
Cash and cash equivalents at end of year	\$ 2,680	\$ 1,718	\$ 19,319	\$ 12,893	\$ 12,630
Supplemental disclosure:					
Cash paid for interest	\$ 1,794	\$ 1,389	\$ 1,665	\$ 2,155	\$ 1,996
Cash paid for income taxes	\$ 2,764	\$ 3,202	\$ 3,883	\$ 1,662	\$ 2,107
Intercompany tax settlement from subsidiaries	\$ 3,946	\$ 6,734			
Non-cash investing activities:					
Receivable from sale of other invested assets			\$ 12,678		

Atlantic American Corporation

Financials 2018-2022

Cash Flows



Atlantic American Financials

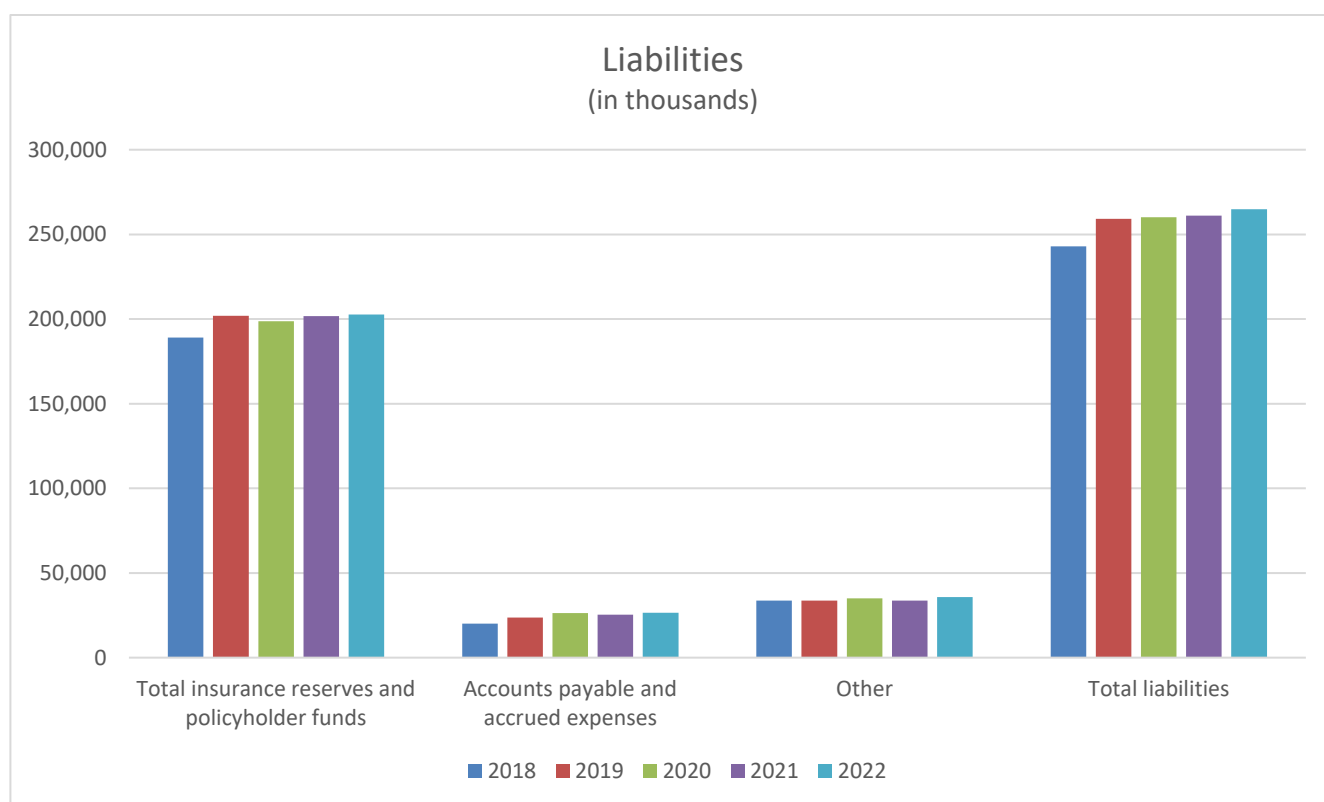
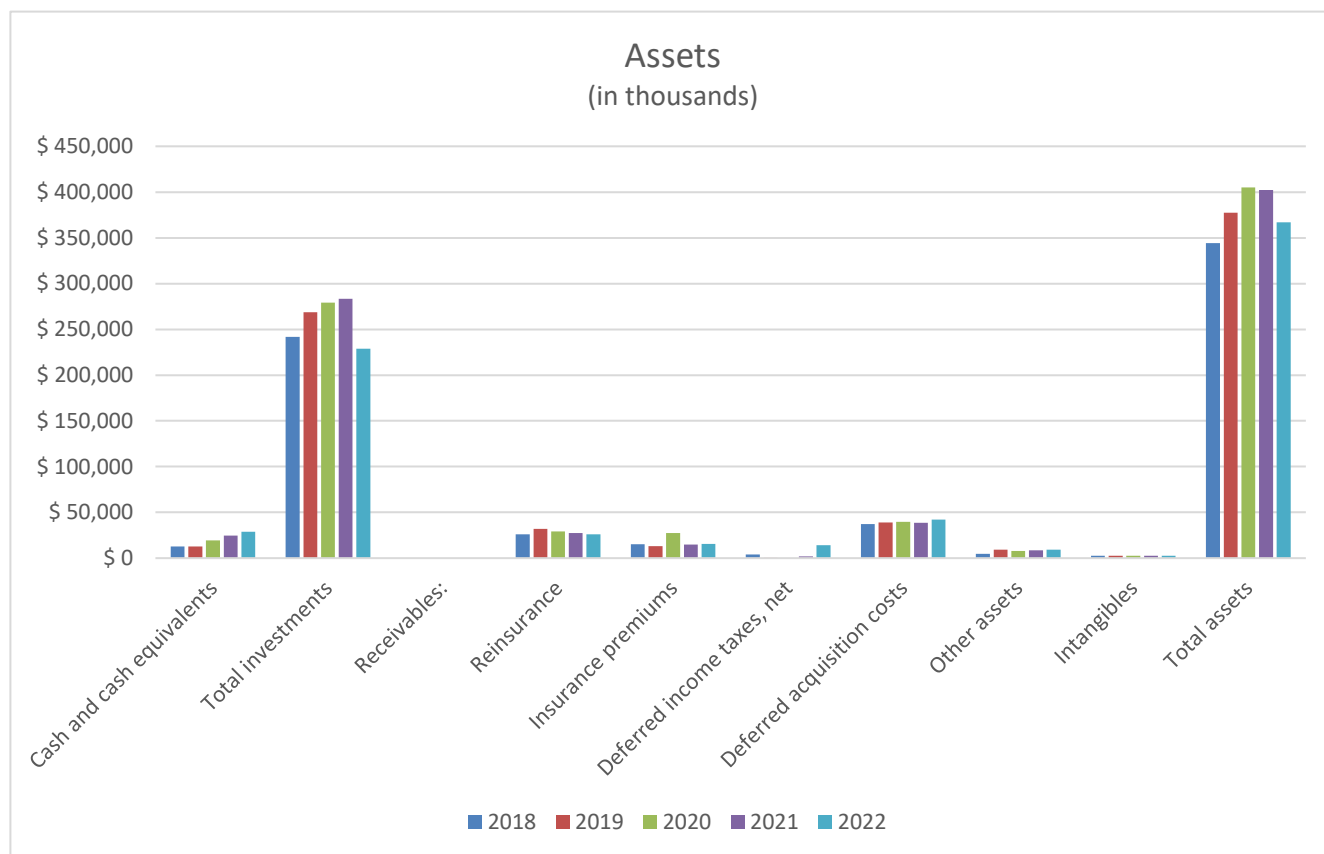
ATLANTIC AMERICAN CORPORATION CONSOLIDATED BALANCE SHEETS

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS	(dollars in thousands, except share data)				
Cash and cash equivalents	\$ 28,863	\$ 24,753	\$ 19,319	\$ 12,893	\$ 12,630
Investments:					
Fixed maturities, available-for-sale, at fair value (amortized cost: \$236,766 and	208,729	260,986	254,106	232,472	210,386
Equity securities, at fair value (cost: \$4,907 and \$4,907)	11,562	19,124	18,716	22,922	20,758
Other invested assets (cost: \$5,628 and \$698)	5,386	198	3,238	9,960	7,424
Policy loans	1,759	1,858	1,975	2,007	2,085
Real estate	38	38	38	38	38
Investment in unconsolidated trusts	1,238	1,238	1,238	1,238	1,238
Total investments	228,712	283,442	279,311	268,637	241,929
Receivables:					
Reinsurance	25,913	27,416	29,086	32,135	26,110
Insurance premiums and other, net of allowance for doubtful accounts of \$177 and \$188 as of 2022 and 2021, respectively; \$198, \$183, and \$207 for 2020, 2019, and 2018, respectively	15,386	14,959	27,512	13,134	15,223
Deferred income taxes, net	14,163	1,755	—	314	4,184
Deferred acquisition costs	42,281	38,698	39,611	38,861	37,094
Other assets	9,202	8,719	7,804	9,108	4,560
Intangibles	2,544	2,544	2,544	2,544	2,544
Total assets	\$ 367,064	\$ 402,286	\$ 405,187	\$ 377,626	\$ 344,274
LIABILITIES AND SHAREHOLDERS' EQUITY					
Insurance reserves and policyholder funds					
Future policy benefits	\$ 85,564	\$ 87,348	\$ 90,872	\$ 92,490	\$ 90,257
Unearned premiums	28,348	27,469	27,131	26,035	24,206
Losses and claims	87,484	85,620	79,147	81,448	72,612
Other policy liabilities	1,255	1,360	1,526	1,933	1,973
Total insurance reserves and policyholder funds	202,651	201,797	198,676	201,906	189,048
Accounts payable and accrued expenses	26,473	25,465	26,412	23,588	20,116
Revolving credit facility	2,009	—	—	—	—
Deferred income taxes, net	—	—	1,301	—	—
Junior subordinated debenture obligations, net	33,738	33,738	33,738	33,738	33,738
Total liabilities	264,871	261,000	260,127	259,232	242,902
Commitments and contingencies (Note 17)					
Shareholders' equity:					
Preferred stock, \$1 par, 4,000,000 shares authorized; Series D preferred, 55,000 shares issued and outstanding; \$5,500	55	55	55	55	55
Common stock, \$1 par, 50,000,000 shares authorized; 22,400,894 shares issued; 20,407,229 and 20,378,576 shares outstanding as of 2022 and 2021, respectively; 20,415, 243 as of 2020; and 20,472,162 and 20,170,360 shares outstanding as of	22,401	22,401	22,401	22,401	22,401
Additional paid-in capital	57,425	57,441	57,437	57,820	57,414
Retained earnings	51,982	51,264	47,790	36,020	37,208
Accumulated other comprehensive income (loss)	(22,149)	17,688	25,000	10,459	(7,535)
Unearned stock grant compensation	(132)	(73)	(284)	(781)	(186)
Treasury stock, at cost, 1,993,665 and 2,022,318 shares as of 2022 and 2021, respectively; 1,985,651 shares as of 2020; and 1,928,732 and 2,230,534 shares as	(7,389)	(7,490)	(7,339)	(7,580)	(7,985)
Total shareholders' equity	102,193	141,286	145,060	118,394	101,372
Total liabilities and shareholders' equity	\$ 367,064	\$ 402,286	\$ 405,187	\$ 377,626	\$ 344,274

Atlantic American Corporation

Financials 2018-2022

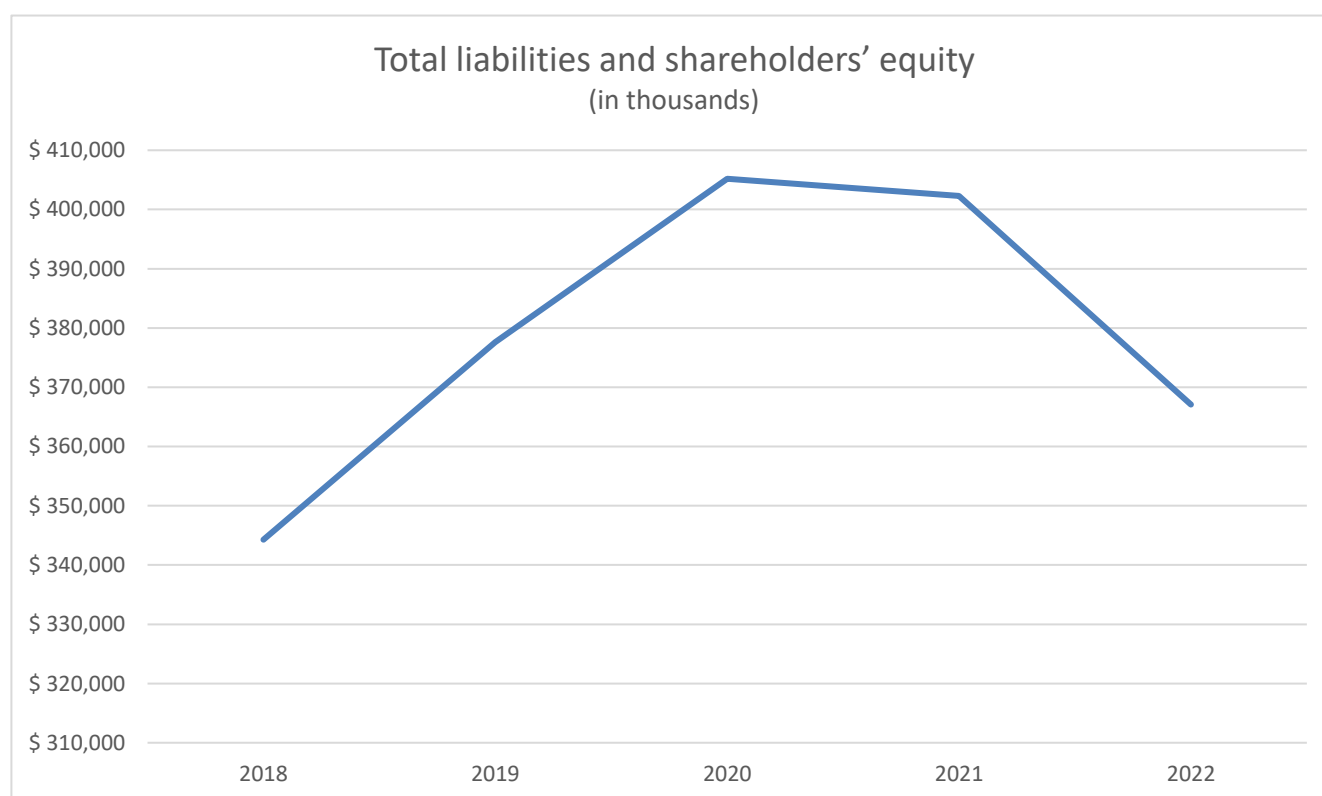
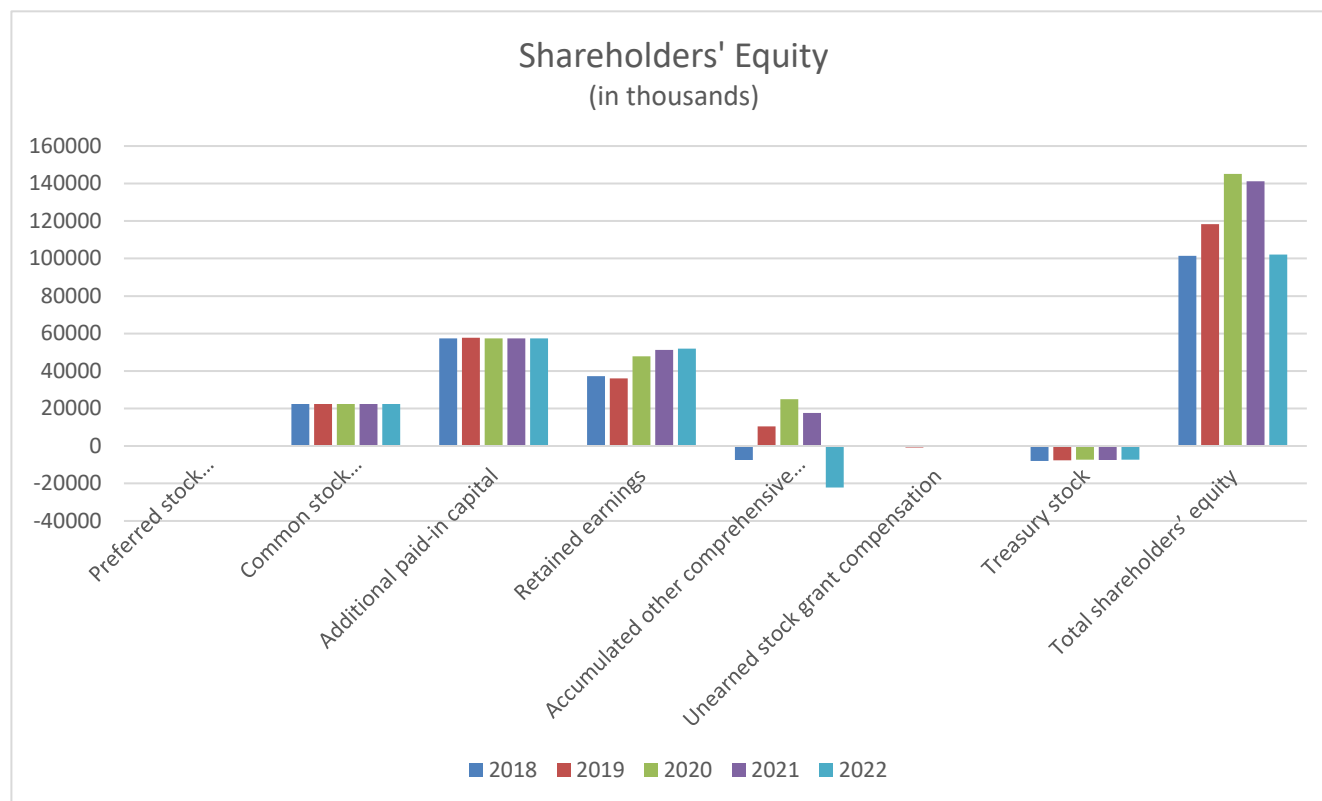
Assets & Liabilities



Atlantic American Corporation

Financials 2018-2022

Assets & Liabilities



Atlantic American Financials

Overall Corporate Results

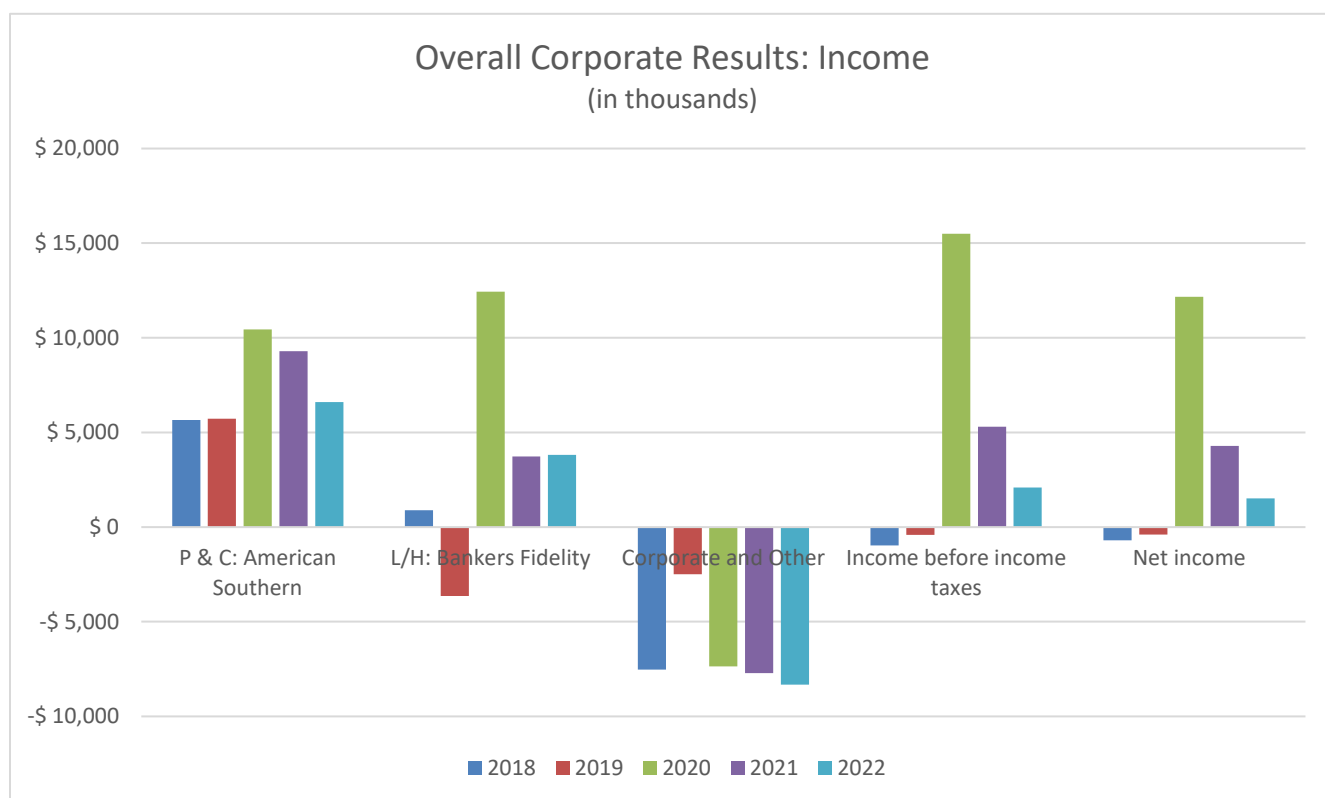
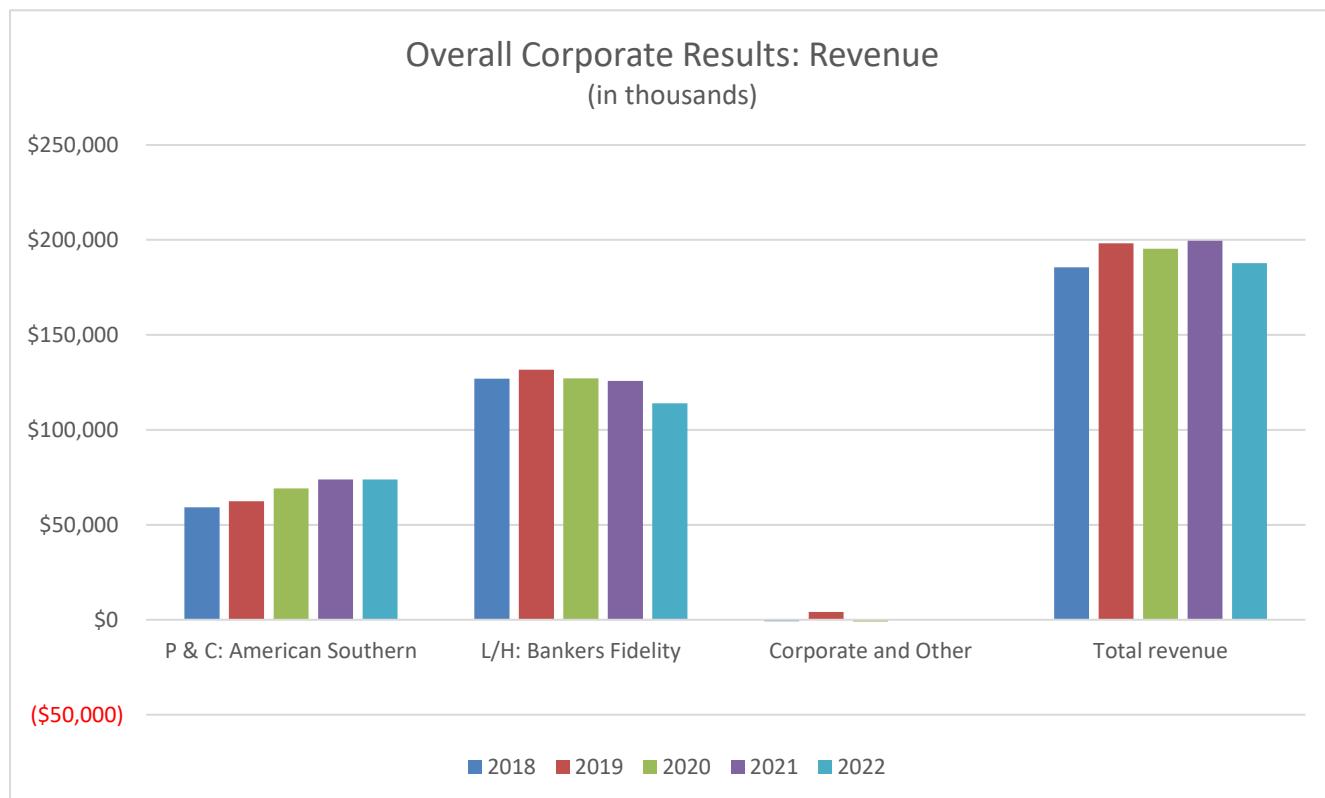
Revenue	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Property and Casualty:	(In thousands)				
American Southern	\$ 73,949	\$ 73,868	\$ 69,179	\$62,402	\$59,254
Life and Health:					
Bankers Fidelity	114,015	125,702	127,144	131,611	127,005
Corporate and Other	(113)	(16)	(975)	4,166	(706)
Total revenue	\$ 187,851	\$ 199,554	\$ 195,348	\$ 198,179	\$ 185,553
Income before income taxes					
Property and Casualty:					
American Southern	\$ 6,613	\$ 9,292	\$ 10,436	\$ 5,729	\$ 5,661
Life and Health:					
Bankers Fidelity	3,812	3,726	12,430	(3,646)	896
Corporate and Other	(8,329)	(7,716)	(7,363)	(2,490)	(7,528)
Income before income taxes	\$ 2,096	\$ 5,302	\$ 15,503	(\$ 407)	(\$ 971)
Net income	\$ 1,525	\$ 4,281	\$ 12,169	(\$ 386)	(\$ 704)

Reconciliation of Non-GAAP Financial Measure	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(In thousands)				
Net income	\$ 1,525	\$ 4,281	\$ 12,169	(\$ 386)	(\$ 704)
Income tax expense	571	1,021	3,334	(21)	(267)
Realized investment gains, net	(30)	(4,903)	(7,420)	(1,574)	(5,154)
Unrealized (gains) losses on equity securities,	7,562	(1,894)	3,431	(5,511)	2,194
Non-GAAP operating income (loss)	\$ 9,628	(\$ 1,495)	\$ 11,514	(\$ 7,492)	(\$ 3,931)

Atlantic American Corporation

Financials 2018-2022

Overall Corporate Results



Atlantic American Corporation

Financials 2018-2022

Overall Corporate Results

