

2012

Financial Strength



Connecting to a Stronger Future for Credit Unions

Born in 1935 out of the emerging credit union movement, during the depths of the Great Depression, CUNA Mutual Group endeavored to fulfill the vision of credit union pioneers. Driven by the belief that insurance was as fundamental to the movement as savings and lending, CUNA Mutual Group would become the leading provider of credit life insurance in the United States in just two years.

Today, CUNA Mutual Group is a Fortune 1000 company, with assets of more than \$17 billion. Our products have expanded to include Life Insurance, Annuities, Retirement Income and Investments. Our achievements are directly attributable to a single principle: an enduring commitment to the success of credit unions, their members and our policyholders.

In 2012, we improved our financial strength, enhanced products and services, and invested in the markets we serve and the communities in which we operate. These results are a direct reflection of our original mission.

Jeff Post
President & CEO



2012 Results: Delivering on Our Commitment to Policyholders

The external challenges in 2012 remained formidable with a sluggish national economy and the continuing struggle at the federal level to address the fiscal issues. Severe weather events also presented difficult obstacles to overcome, from the drought in the Midwest's Corn Belt to Superstorm Sandy that battered the East Coast. Despite that backdrop, CUNA Mutual Group delivered strong financial results.

Key financial results for the year included:

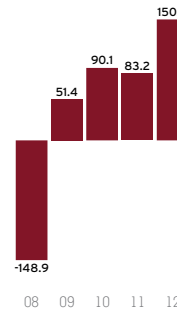
- Total revenues of \$3.1 billion - growth of 3.2% over the prior year
- Net income of \$150 million - nearly double 2011 results
- Net gain from continuing operations improved to \$152 million compared to \$128 million in 2011

Looking ahead, the outlook for economic recovery remains uncertain. Despite the external challenges, we have several exciting initiatives within the company to support our ongoing growth and financial strength. We are confident in our ability to grow revenue, continue to improve our organization, and deliver on our commitment to our policyholders.

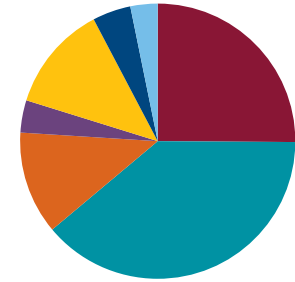
Total Revenue
(in billions)



Net Income (Loss)
(in millions)



Operating Revenue by Product



- Lending Products **25.1%**
- Consumer Products **38.8%**
- Commercial Products **12.1%**
- Retirement Services **3.8%**
- Crop Insurance Products **12.5%**
- Financial Services **4.5%**
- International Products and Other **3.2%**

Certain classifications have been made to prior years' results to reflect current period presentations.

Continued Financial Strength

Maintaining a solid financial foundation is key for CUNA Mutual Group. Everything we do is built on our ability to support the needs of our customers and policyholders.

Our financial performance over the past five years illustrates our efforts to improve our financial strength, better positioning us to meet our future obligations.

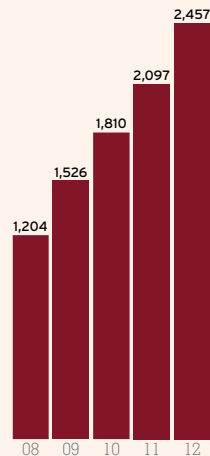
In 2012, our financial highlights include Total Surplus increasing 17% and Risk-based Capital Ratio increasing 39 points. In addition, the following members of CUNA Mutual Group are rated "A" (Excellent) by A.M. Best Company (December, 2012):

- CMFG Life Insurance Company
- MEMBERS Life Insurance Company
- CUMIS Insurance Society, Inc.
- CUMIS Specialty Insurance Company, Inc.
- Producers Agriculture Insurance Company
- Producers Lloyds Insurance Company

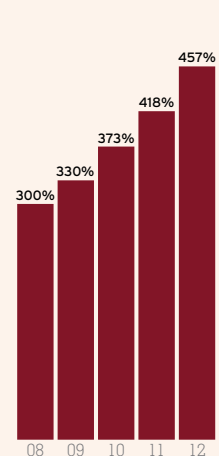
For the latest rating, access www.ambest.com.

Financial Strength Measures

Total Surplus
(in millions)



Risk-based Capital Ratio*



*CMFG Life Insurance Company

Figures contained in this document are primarily derived from the company's consolidated financial statements, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP)

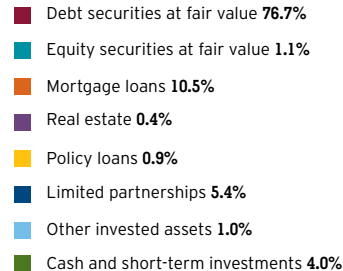
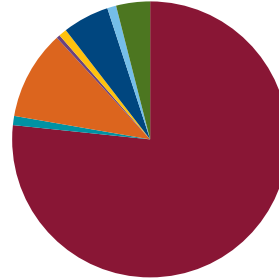
Sound Investment Management

Protecting and growing our policyholders' assets is an essential responsibility of CUNA Mutual Group.

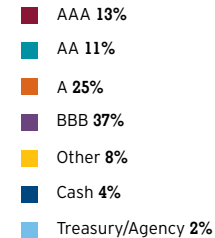
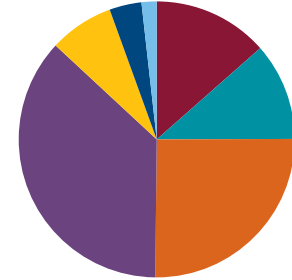
Total Net Investment Income was \$523 million for 2012. Additionally, we chose to increase the quality of our fixed income portfolio to a solid A in this absolute low-interest environment.

CUNA Mutual Group's investment team had an excellent absolute and relative year and contributed to the bottom line in a meaningful way. We believe we are well positioned for continued good results.

Allocation of Invested Assets



Bond Portfolio Ratings



Business Strategy

Our goal is to stand apart in the credit union market from other providers through our unique industry knowledge, service and support, and our enduring commitment to the credit union movement.

More Than Just Products and Services ... People

With major offices in Madison, Wisconsin, Waverly, Iowa and Fort Worth, Texas - the employees of CUNA Mutual Group are focused on helping credit unions, their employees and their members achieve financial success. Whether it involves protecting them from insurable risks, helping them save for retirement, guiding their investments, or providing a source for retirement income, CUNA Mutual Group employees are dedicated in their work and proud of their mission - most of them are credit union members too!

Through the CUNA Mutual Foundation, we routinely donate money to relief efforts for disaster victims. Our foundation also donates money and in-kind assistance to strengthen and support local programs for at-risk youth. The company funds grants that go to non-profit organizations where our employees volunteer at least 50 hours a year.

Focus on Credit Unions

Improving and solidifying our financial strength allows us to also improve and solidify our support for the entire credit union movement, which has been at the heart of our mission for more than 75 years. We illustrate that support in a variety of ways including:

Advocacy: Including Regulation Z, Unrelated Business Income Tax (UBIT) and consumer legislation, CUNA Mutual Group helps to serve as an advocate for the industry and its well-being.

Financial: With more than \$39 million given in 2012 to state credit union leagues, CUNA and other credit union organizations, CUNA Mutual Group is unparalleled in its support of the credit union industry.

Grassroots: By engaging our employees in initiatives throughout the year, the voices of credit union members and their families are amplified.

CUNA Mutual Group was founded in 1935 by credit union pioneers and our commitment to their vision continues today. We offer insurance and protection for credit unions, employees and members; lending solutions and marketing programs; TruStage™ branded consumer insurance products; and investment and retirement services to help our customers succeed.

CUNA Mutual Group At-A-Glance

CUNA Mutual Group member organizations include:

CMFG Life Insurance Company

accident, health and life insurance

CUMIS Insurance Society, Inc.

property and casualty affiliate

CUNA Brokerage Services, Inc.

investments and mutual funds

MEMBERS Capital Advisors, Inc.

registered investment advisor

CUNA Mutual Insurance Agency, Inc.

insurance and annuity products

CUNA Mutual Group is the marketing name for CUNA Mutual Holding Company, a mutual insurance holding company, its subsidiaries and affiliates.



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