

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

LINCOLN NATIONAL CORP
 Form 8-K
 April 30, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM 8-K

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: March 31, 2002

LINCOLN NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Indiana	1-6028	35-1140070
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1500 Market Street, Suite 3900, Centre Square West Tower, Philadelphia, PA 19102
 (Address of principal executive offices)

Registrant's telephone number 219-448-1400

Item 5
 Financial Report for the quarter ended March 31, 2002.

3/31/02

Financial Highlights
 Unaudited [Amounts in Millions, except Per Share]

	For the Quarter Ended March		
	2002 Amount	2001 Amount	Change
Income from Operations			
Lincoln Retirement*	80.4	82.3	(1.9)
Life Insurance	71.1	68.6	2.5
Investment Management	8.0	2.4	5.6
Lincoln UK	14.4	14.4	0.0
Corporate & Other**	(12.0)	10.9	(22.9)
Total Income from Operations	162.0	178.6	(16.6)
Realized gains (losses) on investments	(67.6)	(13.3)	(54.3)
Gains (losses) on derivatives	0.1	(0.1)	0.2

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Restructuring charges	0.0	(0.7)	0.7
	-----	-----	-----
Income before Accounting Changes	94.5	164.5	(70.0)
Cumulative effect of accounting changes***	0.0	(4.3)	4.3
	-----	-----	-----
Net Income	94.5	160.2	(65.7)
	=====	=====	=====
Earnings per share (diluted)			
Income from Operations	\$0.84	\$0.92	(\$0.08)
Realized gain (losses) on investments	(\$0.35)	(\$0.07)	(\$0.28)
Gains (losses) on derivatives	\$0.00	\$0.00	\$0.00
Restructuring charges	\$0.00	\$0.00	\$0.00
	-----	-----	-----
Income before Accounting Changes	\$0.49	\$0.85	(\$0.36)
Cumulative effect of accounting changes***	\$0.00	(\$0.02)	--
	-----	-----	-----
Net Income	\$0.49	\$0.83	(\$0.34)
	=====	=====	=====
Inc. from Oper.- before Goodwill Amort.			
Lincoln Retirement*	80.4	82.6	(2.2)
Life Insurance	71.1	74.5	(3.4)
Investment Management	8.0	6.5	1.5
Lincoln UK	14.4	14.5	(0.1)
Corporate & Other**	(12.0)	11.3	(23.2)
	-----	-----	-----
Total	162.0	189.5	(27.5)
	=====	=====	=====
Earnings per share (diluted)			
Inc. from Oper.- before Goodwill Amort.	\$0.84	\$0.98	(\$0.14)
Net Income - before Goodwill Amort.			
Lincoln Retirement*	47.6	76.9	(29.3)
Life Insurance	44.2	68.9	(24.6)
Investment Management	7.0	6.0	1.0
Lincoln UK	10.8	14.9	(4.1)
Corporate & Other**	(15.2)	4.4	(19.6)
	-----	-----	-----
Total	94.5	171.1	(76.6)
	=====	=====	=====
Earnings per share (diluted)			
Net Income - before Goodwill Amort.	\$0.49	\$0.88	(\$0.39)
Operating Revenue			
Lincoln Retirement*	503.5	512.8	(9.2)
Life Insurance	465.3	467.9	(2.6)
Investment Management	105.1	113.0	(7.9)
Lincoln UK	58.8	84.4	(25.6)
Corporate & Other**	97.1	541.5	(444.3)
	-----	-----	-----
Total Operating Revenue	1229.8	1719.5	(489.7)
	=====	=====	=====
Total Revenue			
Lincoln Retirement*	453.0	510.4	(57.4)
Life Insurance	423.9	459.6	(35.7)
Investment Management	103.5	112.3	(8.7)
Lincoln UK	53.6	84.9	(31.3)
Corporate & Other**	92.3	531.6	(439.3)

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	----- 1126.4 =====	----- 1698.8 =====	----- (572.4) =====
Total Revenue			
Operational Data by Segment: (Billions except where noted)			
Lincoln Retirement*			
Gross Deposits	1.714	1.447	0.267
Net Cash Flows	0.088	(0.590)	0.678
Account Values (Gross)	53.329	51.332	1.997
Account Values (Net of Reinsurance)	51.684	50.163	1.521
Life Insurance Segment			
First Year Premium- Retail (in millions)	139.377	124.240	15.137
First Year Premium- COLI (in millions)	6.873	7.055	(0.182)
First Year Premium- Total (in millions)	146.251	131.296	14.955
In-force	240.068	219.214	20.854
Account Values	11.667	10.764	0.903
Investment Management Segment			
Retail Deposits	1.093	1.124	(0.031)
Retail Net Cash Flows	(0.001)	(0.047)	0.046
Institutional In-flows	1.476	1.191	0.285
Institutional Net Cash Flows	0.731	(0.418)	1.149
Total Net Cash Flows	0.730	(0.465)	1.195
Assets Under Management- Retail and Inst'l	49.415	47.765	1.651
Assets Under Management- Insurance Assets	37.171	36.324	0.847
Assets Under Management- Total Segment	86.586	84.089	2.498
Consolidated			
Consolidated Domestic Retail Deposits	2.938	2.729	0.209
Consolidated Domestic Retail Account Balances	81.420	78.806	2.614
Total Retail Net Cash Flows	0.287	(0.382)	0.668
Total Net Cash Flows	1.018	(0.800)	1.817
Total Assets Under Management	126.687	124.170	2.517

* Effective March 7, 2002, the Annuities segment became known as Lincoln Retirement.

** Upon the closing of Swiss Re's acquisition of LNC's reinsurance business on December 7, 2001, financial data for the former Reinsurance segment was moved into "Other Operations." In addition, amortization of the deferred gain on indemnity reinsurance is shown in "Other Operations."

*** The cumulative effect of accounting changes relates to the adjustment recorded upon adoption in the 1st qtr. 2001.

3/31/2002

Financial Highlights
Unaudited [Amounts in Millions, except Per Share]

	For the Quarter Ended	
	2002 Amount	2001 Amount
	-----	-----
Consolidated Operational Data: (Millions)		

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Balance Sheet Assets - End of Period	97846.4	94122.4
Shareholders' Equity		
Beg of Period (Securities at Market)	5263.5	4954.1
End of Period (Securities at Market)	5131.1	5096.4
End of Period (Securities at Cost)	5076.6	4882.7
Average Equity (Securities at Cost)	5083.3	4953.7
Return on Equity		
Inc from Operations/Average Equity	12.7%	14.4%
Net Income/Average Equity	7.4%	12.9%
Return on Capital		
Inc from Operations/Average Capital	10.5%	11.9%
Common Stock Outstanding		
Average for the Period - Diluted	191.7	193.7
End of Period - Assuming Conv of Pref.	187.9	188.1
End of Period - Diluted	191.7	191.3
Book Value (Securities at Market)	\$27.30	\$27.09
Book Value (Securities at Cost)	\$27.02	\$25.96
Cash Returned to Shareholders		
Share Repurchase - dollar amount	50.9	151.8
Dividends Declared to Shareholders	60.1	57.9
	-----	-----
Total Cash Returned to Shareholders	111.0	209.7
	=====	=====
Share Repurchase - number of shares	1.000	3.550
Dividend Declared on Common Stock - per share	\$0.320	\$0.305

	For the Quarter Ended March 31	
	2002	2001
Comprehensive Income (millions)	Amount	Amount
	-----	-----
Net Income	94.5	160.2
Foreign Currency Translation	(12.8)	(17.8)
Net Unrealized Gains (Losses) on Securities	(163.9)	178.4
Gains (Losses) on Derivatives	1.1	5.7
Cumulative Effect of Accounting Change	0.0	17.6
Minimum Pension Liability Adjustment	0.7	0.0
	-----	-----
Comprehensive Income	(80.4)	344.1
	=====	=====

3/31/02

Financial Highlights
Unaudited [Amounts in Millions]

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	For the Quarter	
	2002 Amount	2001 Amount
	-----	-----
Consolidated Condensed Statements of Income		
Revenue:		
Insurance Premiums and Fees	438.2	913.4
Investment Advisory Fees	48.0	49.4
Net Investment Income	648.1	673.7
Realized Gains (Losses) on Investments	(103.5)	(20.5)
Gains (Losses) on Derivatives	0.1	(0.2)
Other	95.5	82.9
	-----	-----
Total Revenue	1,126.4	1,698.8
Benefits and Expenses:		
Benefits	603.4	906.7
Underwriting, Acquisition, Insurance and Other Expenses	417.0	571.1
	-----	-----
Total Benefits and Expenses	1,020.4	1,477.7
	-----	-----
Net Income		
before Federal Taxes	106.0	221.1
Federal Income Taxes	11.6	56.6
	-----	-----
Income before Accounting Changes	94.5	164.5
Cumulative Effect of Accounting Changes	0.0	(4.3)
	-----	-----
Net Income	94.5	160.2
	=====	=====
Income before Tax and Cumulative Effect of Accounting Changes By Segment		
Lincoln Retirement	46.7	95.3
Life Insurance	63.7	99.2
Investment Management	8.1	3.5
Lincoln UK	10.4	19.6
Corporate and Other	(22.9)	3.5
	-----	-----
Income before Tax and Cumulative Effect of Accounting Changes	106.0	221.1
Pre-Tax Realized Gains (Losses) by Segment*		
Lincoln Retirement	(50.4)	(2.4)
Life Insurance	(41.4)	(8.2)
Investment Management	(1.5)	(0.7)
Lincoln UK	(5.1)	0.6
Corporate and Other	(4.9)	(9.9)
	-----	-----
Pre-Tax Realized Gains (Losses) on Investments and Derivatives	(103.3)	(20.6)
After-Tax Realized Gains (Losses) by Segment*		
Lincoln Retirement	(32.7)	(1.5)
Life Insurance	(26.9)	(5.4)
Investment Management	(1.0)	(0.5)
Lincoln UK	(3.6)	0.4
Corporate and Other	(3.2)	(6.4)
	-----	-----

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

After-Tax Realized Gains (Losses)
on Investments and Derivatives (67.4) (13.4)

* Includes both realized gains (losses) on investments and gains (losses) on derivatives.

3/31/02

Financial Highlights
Unaudited [Amounts in Millions, except Retail Account Balances and Assets Managed]

	As of		
	March 2002 Amount	December 2001 Amount	Change
Consolidated Condensed Balance Sheets			
Assets:			
Investments:			
Securities Available for Sale:			
Fixed Maturities	28,840.6	28,345.7	495.0
Equities	438.6	470.5	(31.9)
Mortgage Loans on Real Estate	4,448.2	4,535.5	(87.4)
Real Estate	258.2	267.9	(9.7)
Policy Loans	1,918.0	1,939.7	(21.7)
Other Long-Term Investments	459.6	553.8	(94.2)
Total Investments	36,363.1	36,113.1	250.1
Other Assets:			
Assets Held in Separate Accounts	44,916.7	44,833.4	83.3
Other Assets	16,566.5	17,054.8	(488.3)
Total Assets	97,846.4	98,001.3	(154.9)
Liabilities and Shareholders' Equity			
Liabilities:			
Insurance and Investment Contract Liabilities	41,067.2	40,857.2	210.0
Liabilities Related to Separate Accounts	44,916.7	44,833.4	83.3
Other Liabilities	6,731.4	7,047.2	(315.9)
Total Liabilities	92,715.3	92,737.8	(22.6)
Shareholders' Equity:			
Net Unrealized Gains(Losses) on Securities and Derivatives	54.5	217.2	(162.7)
Other Shareholders' Equity	5,076.6	5,046.3	30.3
Total Shareholders' Equity	5,131.1	5,263.5	(132.4)
Total Liabilities and Shareholders' Equity	97,846.4	98,001.3	(154.9)

As of March 31

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

(\$ billions)	2002 Amount	2001 Amount	Change
Domestic Retail Account Balances:			
Lincoln Retirement - Fixed Annuities	16.533	15.430	1.104
Lincoln Retirement - Variable Annuities	35.150	34.733	0.417
Lincoln Retirement - Life Insurance	0.000	0.147	(0.147)
Life Insurance Segment - Life Insurance	11.667	10.764	0.903
Investment Management - Annuities	11.838	11.787	0.051
Investment Management - Mutual Funds	11.012	11.091	(0.079)
Investment Management - Wrap Fee & Other	1.903	1.688	0.215
Consolidating Adjustments	(6.684)	(6.834)	
Total Domestic Account Balance	81.420	78.806	2.614
Assets Managed by Advisor:			
Investment Management Segment	86.586	84.089	2.497
Lincoln UK	6.772	7.012	(0.240)
Policy Loans (within business units)	1.918	1.947	(0.029)
Non-LNC Affiliates	31.411	31.122	0.289
Total Assets Managed	126.687	124.170	2.517

Eleven-Year Summary
Unaudited [Millions of Dollars except Per Share Data]

For the Year Ended December 31	2001	2000	1999
Revenue			
Lincoln Retirement	1968.3	2133.7	2115.8
Life Insurance	1840.6	1819.0	1760.4
Investment Management	433.7	490.3	495.5
Lincoln UK	293.3	438.2	446.6
Corporate & Other	1844.7	1970.4	1985.4
Total Revenue	6380.6	6851.5	6803.7
Income from Operations*			
Lincoln Retirement	320.3	362.0	299.4
Life Insurance	279.0	259.9	212.0
Investment Management	14.6	44.1	61.0
Lincoln UK	60.2	61.0	(13.9)
Corporate & Other	14.8	(8.0)	(83.1)
Total Income from Cont Oper	689.0	719.1	475.5
Discontinued Operations			
Income from Operations	689.0	719.1	475.5

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net Income				
Lincoln Retirement	269.2	358.6	291.5	
Life Insurance	233.1	249.3	211.5	
Investment Management	11.8	37.0	51.6	
Lincoln UK	68.9	(13.2)	(18.2)	
Corporate & Other	7.2	(10.2)	(76.1)	
	-----	-----	-----	
Total Net Inc from Cont Oper	590.2	621.4	460.4	
Discontinued Operations				
	-----	-----	-----	
Total Net Income	590.2	621.4	460.4	
	=====	=====	=====	
OTHER DATA				
Assets	98001.3	99844.1	103095.7	93
Shareholders' Equity:				
Securities and Derivatives at Market	5263.5	4954.1	4263.9	5
Securities and Derivatives at Cost	5046.3	4942.0	4729.6	4
Average Equity (Sec & Deriv at Cost)	5022.6	4831.9	4818.7	4
Common Shares Outstanding: (millions)				
End of Period - Diluted	191.1	195.2	197.0	
Average for the Period - Diluted	193.3	194.9	200.4	
Per Share Data (Diluted)				
Income (Loss) from Continuing Operations	\$3.56	\$3.69	\$2.37	
Income from Operations *	\$3.56	\$3.69	\$2.37	
Net Income from Continuing Operations	\$3.05	\$3.19	\$2.30	
Net Income	\$3.05	\$3.19	\$2.30	
Shareholders' Equity:				
Shareholders' Equity (Sec & Deriv at Market)	\$28.10	\$25.92	\$21.76	\$
Shareholders' Equity (Sec & Deriv at Cost)	\$26.94	\$25.85	\$24.14	\$
Dividends Declared (Common Stock)	\$1.235	\$1.175	\$1.115	\$
Return on Equity (see page 30)				
Net Income/Average Equity	11.8%	12.9%	9.6%	
Inc from Operations/Average Equity	13.7%	14.9%	9.9%	
Market Value of Common Stock				
High for the Year	\$52.750	\$56.375	\$57.500	\$4
Low for the Year	\$38.000	\$22.625	\$36.000	\$3
Close for the Year	\$48.570	\$47.313	\$40.000	\$4
For the Year Ended December 31				
	1995	1994	1993	199
	-----	-----	-----	-----
Revenue				
Lincoln Retirement	1877.1	1506.2	1603.8	1336
Life Insurance	514.9	466.2	477.5	444
Investment Management	290.5			
Lincoln UK	351.5	216.0	174.9	180
Corporate & Other	1552.5	1744.1	2680.9	2780
	-----	-----	-----	-----
Total Revenue	4586.5	3932.5	4937.1	4742
	=====	=====	=====	=====

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Income from Operations*				
Lincoln Retirement	175.2	142.4	127.1	89.0
Life Insurance	35.4	34.2	37.8	46.0
Investment Management	20.6			
Lincoln UK	45.9	17.2	11.9	9.0
Corporate & Other	(136.2)	24.8	20.8	6.0
	-----	-----	-----	-----
Total Income from Cont Oper	140.8	218.6	197.6	151.0
Discontinued Operations	165.6	171.1	145.9	88.0
	-----	-----	-----	-----
Income from Operations	306.5	389.7	343.5	240.0
	=====	=====	=====	=====
 Net Income				
Lincoln Retirement	248.8	142.4	127.1	89.0
Life Insurance	40.6	34.2	37.8	46.0
Investment Management	27.4			
Lincoln UK	45.7	18.5	12.6	9.0
Corporate & Other	(61.1)	(29.6)	(101.1)	125.0
	-----	-----	-----	-----
Total Net Inc from Cont Oper	301.4	165.5	76.4	270.0
Discontinued Operations	180.8	184.4	242.5	88.0
	-----	-----	-----	-----
Total Net Income	482.2	349.9	318.9	359.0
	=====	=====	=====	=====
 OTHER DATA				
 Assets	63257.7	48864.8	47825.1	39042.0
 Shareholders' Equity:				
Securities and Derivatives at Market	4378.1	3042.1	4072.3	2826.0
Securities and Derivatives at Cost	3679.9	3353.1	3157.6	2664.0
Average Equity (Sec & Deriv at Cost)	3550.5	3288.6	3009.0	2575.0
 Common Shares Outstanding: (millions)				
End of Period - Diluted	210.3	208.3	208.3	187.0
Average for the Period - Diluted	209.5	208.7	206.1	186.0
 Per Share Data (Diluted)				
Income (Loss) from Continuing Operations	\$0.67	\$1.05	\$0.96	\$0.00
Income from Operations *	\$1.46	\$1.87	\$1.67	\$1.00
Net Income from Continuing Operations	\$1.44	\$0.79	\$0.37	\$1.00
Net Income	\$2.30	\$1.68	\$1.55	\$1.00
 Shareholders' Equity:				
Shareholders' Equity (Sec & Deriv at Market)	\$20.95	\$14.67	\$19.69	\$15.00
Shareholders' Equity (Sec & Deriv at Cost)	\$17.61	\$16.17	\$15.27	\$14.00
Dividends Declared (Common Stock)	\$0.875	\$0.830	\$0.775	\$0.700
 Return on Equity (see page 30)				
Net Income/Average Equity	13.6%	10.6%	10.6%	13.0%
Inc from Operations/Average Equity	8.6%	11.8%	11.4%	9.0%
 Market Value of Common Stock				
High for the Year	\$26.875	\$22.188	\$24.125	\$19.000
Low for the Year	\$17.313	\$17.313	\$17.344	\$12.600
Close for the Year	\$26.875	\$17.500	\$21.750	\$18.500

* "Income from Operations" is defined as "Net income less realized gain (loss) on investments,

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

derivative instruments and associated items, gain (loss) on sale of subsidiaries, restructuring charges, and cumulative effect of accounting changes, all net of taxes." Income from operations also excludes the recognition of losses and related changes to the deferred gain amortization under indemnity reinsurance resulting from future developments in the business reinsured.

Quarterly Summary				
Unaudited [Millions of Dollars except Per Share Data]				
For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	-----
Revenue				
Lincoln Retirement	533.0	520.5	538.0	5
Life Insurance	426.3	437.1	473.1	4
Investment Management	123.2	118.8	126.6	1
Lincoln UK	113.1	110.5	103.8	1
Corporate & Other	482.8	455.2	566.4	4
	-----	-----	-----	-----
Total Revenue	1678.3	1642.1	1807.9	16
	=====	=====	=====	=====
Income from Operations*				
Lincoln Retirement	75.9	75.4	73.7	---
Life Insurance	54.4	52.6	57.0	---
Investment Management	14.3	14.7	16.5	---
Lincoln UK	19.0	16.2	(67.1)	---
Corporate & Other	(11.9)	(27.5)	(43.5)	---
	-----	-----	-----	-----
Income from Operations	151.8	131.4	36.6	1
	=====	=====	=====	=====
Net Income				
Lincoln Retirement	76.4	68.4	69.9	---
Life Insurance	51.5	54.0	59.7	---
Investment Management	14.0	14.4	19.8	---
Lincoln UK	20.0	16.4	(72.6)	---
Corporate & Other	(13.6)	(20.9)	(42.2)	---
	-----	-----	-----	-----
Total Net Income	148.4	132.3	34.6	1
	=====	=====	=====	=====
OTHER DATA				
Assets	98261.4	96500.7	103095.7	1063
Shareholders' Equity				
Beg of Period (Sec & Deriv at Market)	5107.4	4817.4	4662.2	42
End of Period (Sec & Deriv at Market)	4817.4	4662.2	4263.9	43
End of Period (Sec & Deriv at Cost)	4818.5	4766.0	4729.6	47
Average Equity (Sec & Deriv at Cost)	4834.2	4793.9	4774.2	47
Common Shares Outstanding				

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Average for the Period - Diluted	201.9	199.0	197.1	1
End of Period - Diluted	200.9	196.9	197.0	1
Per Share Data (Diluted)				
Income from Operations *	\$0.75	\$0.66	\$0.19	\$
Net Income	\$0.73	\$0.66	\$0.18	\$
Shareholders' Equity				
Shareholders' Equity (Sec & Deriv at Market)	\$24.18	\$23.76	\$21.76	\$2
Shareholders' Equity (Sec & Deriv at Cost)	\$24.18	\$24.28	\$24.14	\$2
Dividends Declared (Com Stk)	\$0.275	\$0.275	\$0.290	\$0
Return on Equity (see page 30)				
Net Income/Average Equity	12.3%	11.0%	2.9%	1
Inc from Operations/Average Equity	12.6%	11.0%	3.1%	1
Market Value of Common Stock				
Highest Price	\$53.438	\$57.500	\$48.313	\$41
Lowest Price	\$45.688	\$36.000	\$36.500	\$22
Closing Price	\$52.313	\$37.563	\$40.000	\$33
	Dec	Mar	Jun	
For the Quarter Ended	2000	2001	2001	
	-----	-----	-----	---
Revenue				
Lincoln Retirement	522.3	510.4	512.1	4
Life Insurance	479.9	459.6	455.7	4
Investment Management	120.0	112.3	110.3	1
Lincoln UK	104.3	84.9	68.9	
Corporate & Other	547.0	531.6	452.0	4
	-----	-----	-----	---
Total Revenue	1773.5	1698.8	1599.0	16
	=====	=====	=====	==
Income from Operations*				
Lincoln Retirement	86.4	82.3	90.8	
Life Insurance	70.6	68.6	67.1	
Investment Management	8.7	2.4	3.7	
Lincoln UK	15.5	14.4	16.2	
Corporate & Other	3.5	10.9	(9.7)	(
	-----	-----	-----	---
Income from Operations	184.7	178.6	168.1	1
	=====	=====	=====	==
Net Income				
Lincoln Retirement	89.2	76.6	79.9	
Life Insurance	65.4	62.9	53.5	
Investment Management	6.6	2.0	2.9	
Lincoln UK	(17.9)	14.8	17.6	
Corporate & Other	5.7	4.0	(12.2)	(
	-----	-----	-----	---
Total Net Income	148.9	160.2	141.7	1
	=====	=====	=====	==
OTHER DATA				
Assets	99844.1	94122.4	96431.2	902
Shareholders' Equity				

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Beg of Period (Sec & Deriv at Market)	4538.6	4954.1	5096.4	50
End of Period (Sec & Deriv at Market)	4954.1	5096.4	5055.9	53
End of Period (Sec & Deriv at Cost)	4942.0	4882.7	4952.8	51
Average Equity (Sec & Deriv at Cost)	4915.7	4953.7	4920.2	50
Common Shares Outstanding				
Average for the Period - Diluted	195.6	193.7	192.0	1
End of Period - Diluted	195.2	191.3	192.9	1
Per Share Data (Diluted)				
Income from Operations *	\$0.94	\$0.92	\$0.88	\$
Net Income	\$0.76	\$0.83	\$0.74	\$
Shareholders' Equity				
Shareholders' Equity (Sec & Deriv at Market)	\$25.92	\$27.09	\$26.87	\$2
Shareholders' Equity (Sec & Deriv at Cost)	\$25.85	\$25.96	\$26.32	\$2
Dividends Declared (Com Stk)	\$0.305	\$0.305	\$0.305	\$0
Return on Equity (see page 30)				
Net Income/Average Equity	12.1%	12.9%	11.5%	
Inc from Operations/Average Equity	15.0%	14.4%	13.7%	1
Market Value of Common Stock				
Highest Price	\$50.938	\$48.250	\$52.300	\$52
Lowest Price	\$40.875	\$38.000	\$41.280	\$41
Closing Price	\$47.313	\$42.470	\$51.750	\$46

* "Income from Operations" is defined as "Net income less realized gain (loss) on investments, derivative instruments and associated items, gain (loss) on sale of subsidiaries, restructuring charges, and cumulative effect of accounting changes, all net of taxes." Income from operations also excludes the recognition of losses and related changes to the deferred gain amortization under indemnity reinsurance resulting from future developments in the business reinsured.

Reconciliation of Business Segments to Consolidated Income Statement
Unaudited [Millions of Dollars]

For the Quarter Ended March 31	Lincoln Retirement		Life Insurance		Inve Mana
	Mar 2002	Mar 2001	Mar 2002	Mar 2001	Mar 2002
Operating Revenue					
Life and annuity premiums	12.2	19.1	51.1	50.9	
Surrender charges	7.9	9.1	11.7	17.2	
Mortality assessments			123.9	124.3	
Expense assessments	127.7	141.6	46.9	47.4	
Health premiums			0.0	0.0	

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Investment advisory fees					69.2
Other revenue and fees	5.8	1.7	5.7	5.1	23.0
Net investment income	349.9	341.3	226.0	223.0	12.8
Earnings in Unconsolidated Affiliates					
Operating Revenue	503.5	512.8	465.3	467.9	105.1
Operating Benefits and Expenses					
Ins. benefits paid or provided:					
Life and annuity policy benefits	55.4	69.8	104.1	99.9	
Div accum & div to policyholders			17.8	17.5	
Interest credited to policy bal.	226.1	209.4	146.3	138.3	
Health policy benefits			0.0	0.0	
Underwriting, acquisition, insurance and other expenses	124.9	134.6	92.1	98.8	95.4
Goodwill amortization		0.3		5.9	
Interest			0.0		
Operating Benefits and Expenses	406.4	414.1	360.2	360.5	95.4
Income from Operations Before Tax	97.1	98.7	105.1	107.4	9.7
Federal income taxes	16.7	16.3	34.0	38.8	1.7
Income from Operations	80.4	82.3	71.1	68.6	8.0
Restructuring charges		(0.7)			
Realized gains (losses) on investments	(32.8)	(1.4)	(26.9)	(5.4)	(1.0)
Gains (losses) on derivatives	0.0	(0.1)	0.0	(0.0)	
Gain on sale of subsidiaries					
Income before Accounting Changes	47.6	80.2	44.2	63.2	7.0
Cumulative effect of accounting changes		(3.6)		(0.2)	
Net Income	47.6	76.6	44.2	62.9	7.0
Inc. from Oper.-before Goodwill Amort.	80.4	82.6	71.1	74.5	8.0
Net Income-before Goodwill Amort.	47.6	76.9	44.2	68.9	7.0

	Corporate and Other Operations		Consolidating Adjustments	
	Mar 2002	Mar 2001	Mar 2002	Mar 2001
Operating Revenue				
Life and annuity premiums		320.0		
Surrender charges		0.9	0.5	0.7
Mortality assessments		0.0		
Expense assessments		(0.0)	10.6	12.2
Health premiums	1.8	104.2		
Investment advisory fees			(21.2)	(23.2)
Other revenue and fees	101.4	86.2	(40.7)	(37.9)
Net investment income	66.4	101.1	(21.7)	(23.7)
Earnings in Unconsolidated Affiliates		0.9		

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Operating Revenue	169.6	613.2	(72.4)	(71.8)
	-----	-----	-----	-----
Operating Benefits and Expenses				
Ins. benefits paid or provided:				
Life and annuity policy benefits	1.6	229.4		
Div accum & div to policyholders		1.4		
Interest credited to policy bal.	25.7	9.1	8.1	10.2
Health policy benefits	0.1	97.5		
Underwriting, acquisition, insurance and other expenses	113.8	208.1	(58.9)	(62.6)
Goodwill amortization		0.4		(0.0)
Interest	46.5	58.1	(21.7)	(23.7)
	-----	-----	-----	-----
Operating Benefits and Expenses	187.6	604.2	(72.4)	(76.1)
	-----	-----	-----	-----
Income from Operations Before Tax	(18.1)	9.0		4.3
Federal income taxes	(6.1)	1.2		1.3
	-----	-----		-----
Income from Operations	(12.0)	7.9		3.0
Restructuring charges				
Realized gains (losses) on investments	(3.3)	(6.5)		0.0
Gains (losses) on derivatives	0.1	0.1		
Gain on sale of subsidiaries				
	-----	-----		-----
Income before Accounting Changes	(15.2)	1.4		3.0
Cumulative effect of accounting changes		(0.4)		
	-----	-----		-----
Net Income	(15.2)	0.9		3.0
	=====	=====		=====
Inc. from Oper.-before Goodwill Amort.	(12.0)	8.3		3.0
	-----	-----		-----
Net Income-before Goodwill Amort.	(15.2)	1.4		3.0
	-----	-----		-----

Statement of Consolidated Income
Unaudited [Millions of Dollars]

For the Year Ended December 31	1997	1998	1999	
	-----	-----	-----	-----
Operating Revenue				
Life and annuity premiums	756.2	985.6	1183.0	14
Surrender charges	45.4	91.5	110.2	1
Mortality assessments	186.4	380.1	496.4	4
Expense assessments	600.3	803.0	930.9	10
Health premiums	572.6	635.1	698.5	4
Investment advisory fees	204.9	227.1	223.8	2
Other revenue and fees	157.3	261.0	344.5	4
Net investment income	2250.8	2681.4	2807.5	27
Earnings in Unconsolidated Affiliates	2.1	3.3	5.8	

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Operating Revenue	4775.9	6068.0	6800.7	68
Operating Benefits and Expenses				
Ins. benefits paid or provided:				
Life and annuity policy benefits	1090.2	1237.7	1546.6	15
Div accum & div to policyholders	29.7	78.0	88.4	
Interest credited to policy bal.	1238.7	1446.2	1510.4	14
Health policy benefits	833.1	566.9	659.7	4
Underwriting, acquisition, insurance and other expenses	1557.3	1844.2	2218.5	21
Goodwill amortization	15.6	44.5	49.2	
Interest	92.5	117.1	133.7	1
Operating Benefits and Expenses	4857.2	5334.6	6206.4	59
Income from Operations Before Tax	(81.3)	733.4	594.4	9
Federal income taxes	(30.6)	203.0	118.9	2
Income from Continuing Operations	(50.6)	530.4	475.5	7
Discontinued Operations	911.8			
Restructuring charges		(34.3)	(18.9)	(
Realized gains (losses) on investments	72.9	13.7	3.8	(
Gains (losses) on derivatives				
Gain on sale of subsidiaries				
Income before Accounting Changes	934.0	509.8	460.4	6
Cumulative Effect of Accounting Changes				
Net Income	934.0	509.8	460.4	6

For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	Mar 2000	
Operating Revenue					
Life and annuity premiums	274.0	263.8	361.1	331.2	3
Surrender charges	27.1	28.4	29.2	28.7	
Mortality assessments	122.2	118.2	118.7	118.5	1
Expense assessments	231.5	245.9	238.3	261.1	2
Health premiums	160.3	149.6	233.6	58.4	1
Investment advisory fees	56.3	54.6	54.1	54.0	
Other revenue and fees	109.0	77.9	71.2	106.1	
Net investment income	700.8	697.1	700.1	711.1	6
Earnings in Unconsolidated Affiliates	1.1	1.2	1.8	1.0	
Operating Revenue	1682.4	1636.7	1808.2	1670.2	17
Operating Benefits and Expenses					
Ins. benefits paid or provided:					
Life and annuity policy benefits	335.5	294.0	572.5	356.1	3
Div accum & div to policyholders	22.5	21.2	23.3	21.7	
Interest credited to policy bal.	377.1	369.7	388.5	373.9	3
Health policy benefits	166.6	189.8	157.8	114.3	1
Underwriting, acquisition, insurance and other expenses	532.1	533.4	630.5	525.7	5

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Goodwill amortization	9.9	12.9	14.6	10.2	
Interest	32.6	33.3	34.7	36.3	
	-----	-----	-----	-----	-----
Operating Benefits and Expenses	1476.3	1454.1	1821.8	1438.2	14
	-----	-----	-----	-----	-----
Income from Operations before Tax/Min Int.	206.1	182.6	(13.6)	232.0	2
Federal income taxes	54.2	51.2	(50.2)	61.6	
	-----	-----	-----	-----	-----
Inc from Operations before Min Int	151.8	131.4	36.6	170.4	1
	-----	-----	-----	-----	-----
Minority Interest				(0.2)	
	-----	-----	-----	-----	-----
Income from Operations	151.8	131.4	36.6	170.6	1
	-----	-----	-----	-----	-----
Restructuring charges		(3.2)	(3.6)		
Realized gains (losses) on investments	(3.5)	4.1	1.6	(0.4)	
Gains (losses) on derivatives					
Gain on sale of subsidiaries					
	-----	-----	-----	-----	-----
Income before Accounting Changes	148.4	132.3	34.6	170.2	1
Cumulative Effect of Accounting Changes					
	-----	-----	-----	-----	-----
Net Income	148.4	132.3	34.6	170.2	1
	=====	=====	=====	=====	=====

3/31/02

Reconciliation of Business Segments to Consolidated Balance Sheets
Unaudited [Millions of Dollars]

ASSETS	Lincoln Retirement		Life Insurance		Inv Man
	Mar 2002	Dec 2001	Mar 2002	Dec 2001	Mar 2002
	-----	-----	-----	-----	-----
Investments					
Corporate bonds	11223.9	10956.5	7012.0	7088.2	432.5
U.S. government bonds	30.0	13.2	75.9	78.2	0.1
Foreign government bonds	172.8	145.8	121.6	114.6	2.0
Asset/Mortgage backed securities	1920.0	1945.8	754.6	779.1	37.3
State and municipal bonds	24.6	24.3	22.8	17.4	
Preferred stocks-redeemable	61.6	62.7	12.8	13.0	8.8
Common stocks			6.5	7.6	
Preferred stocks-equity	36.4	38.5	0.6	5.6	2.6
Mortgage loans	2323.1	2378.1	1674.7	1701.6	93.4
Real estate					
Policy loans	481.5	491.4	1428.5	1439.7	
Other long-term investments	12.1	11.7	19.9	20.9	

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Total Investments	16286.1	16068.0	11129.9	11265.9	576.6
Allocated investments	3862.5	3481.0	1304.2	1154.7	121.1
Notes receivable from LNC	362.8	333.3	83.6	27.6	30.7
Invest in unconsol affiliates					
Cash and invested cash	(19.7)	(24.7)	(89.1)	(36.4)	42.6
Property and equipment			8.3	8.5	44.4
Premium and fees receivable	0.1	0.0	(10.7)	8.2	36.0
Accrued investment income	245.6	245.0	192.4	187.6	10.0
Assets held in separate accounts	34672.2	34324.6	1423.3	1491.0	
Federal income tax recoverable					
Amount recoverable from reinsurers	1180.0	1211.6	859.3	859.5	
Deferred acquisition costs	1031.0	912.8	1385.3	1265.6	
Other intangible assets	150.7	154.5	947.1	964.0	47.9
Goodwill	43.9	43.9	855.1	855.1	300.7
Other	148.3	138.1	361.8	358.4	203.1
Total Assets	57963.6	56888.2	18450.5	18409.7	1413.2

ASSETS	Corporate and Other Operations		Consolidating Adjustments	
	Mar 2002	Dec 2001	Mar 2002	Dec 2001
Investments				
Corporate bonds	4299.1	4123.9		
U.S. government bonds	323.0	318.9		
Foreign government bonds	608.1	586.2		
Asset/Mortgage backed securities	902.0	757.3		
State and municipal bonds	15.2	3.0		
Preferred stocks-redeemable	1.5	1.4		
Common stocks	99.2	100.5		
Preferred stocks-equity	114.7	104.5		
Mortgage loans	356.6	363.0		
Real estate	259.3	269.0	(1.3)	(1.3)
Policy loans				
Other long-term investments	1677.7	1771.3	(1250.0)	(1250.0)
Total Investments	8656.3	8399.1	(1251.3)	(1251.3)
Allocated investments	(42.7)	50.0	(5245.0)	(4788.2)
Notes receivable from LNC	(476.4)	(443.7)	(0.7)	(0.1)
Invest in unconsol affiliates	8.1	8.1		
Cash and invested cash	1577.4	3130.5		(210.5)
Property and equipment	175.8	173.2		
Premium and fees receivable	365.0	365.6	(14.2)	(12.2)
Accrued investment income	126.3	101.0	(19.5)	
Assets held in separate accounts			3203.1	3410.5
Federal income tax recoverable			551.3	15.1
Amount recoverable from reinsurers	4239.9	4150.6	(182.8)	(191.4)
Deferred acquisition costs	38.4	33.9	90.9	85.6
Other intangible assets				
Goodwill	(0.0)	(0.0)		

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Other	1113.5	1032.7	(610.4)	(604.7)
	-----	-----	-----	-----
Total Assets	15,781.7	17001.1	(3478.7)	(3547.1)
	=====	=====	=====	=====

3/31/2002

Reconciliation of Business Segments to Consolidated Balance Sheets
Unaudited [Millions of Dollars]

LIABILITIES and SHAREHOLDERS' EQUITY	Lincoln Retirement		Life Insur
	Mar 2002	Dec 2001	Mar 2002
	-----	-----	-----
Liabilities			
Insurance and Inv Contract Liabilities:			
Life and annuity reserves	2665.6	2622.7	13066.1
Health reserves			0.3
Unpaid claims - life and health	38.5	31.3	90.5
Unearned premiums			0.0
Premium deposit funds	18016.1	17838.9	10.1
Participating policyholders' funds			98.6
Other policyholders' funds			564.4
Liab related to separate accounts	34672.2	34324.6	1423.3
	-----	-----	-----
Total Insurance and Inv Contract Liabilities	55392.5	54817.5	15253.3
Federal income taxes	(1.1)	(5.7)	(35.1)
Short-term debt			(0.1)
Long-term debt			
Minority Interest in pref. securities of sub.			
Notes payable to LNC			
Other liabilities	188.5	168.4	357.4
Deferred gain on indemnity reinsurance			
	-----	-----	-----
Total Liabilities	55579.9	54980.3	15575.5
Net unrealized gains (losses) on securities	2.7	79.9	(30.7)
Gains (losses) on derivatives*	3.8	0.3	14.8
Other shareholders' equity	2377.2	1824.9	2890.9
S/Hs' equity-minimum pension liability adjustment			
Cumulative effect of accounting change		2.8	
	-----	-----	-----
Shareholders' Equity	2383.7	1907.9	2875.0
	-----	-----	-----
Total Liabilities and S/Hs' Equity	57963.6	56888.2	18450.5
	=====	=====	=====

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

LIABILITIES and SHAREHOLDERS' EQUITY	Corporate and Other Operations		Consolida Adjustme
	Mar 2002	Dec 2001	Mar 2002
Liabilities			
Insurance and Inv Contract Liabilities:			
Life and annuity reserves	1120.4	1122.8	(118.3)
Health reserves	2447.1	2491.5	
Unpaid claims - life and health	980.0	920.9	
Unearned premiums	66.5	66.9	
Premium deposit funds	36.5	105.5	578.7
Participating policyholders' funds			
Other policyholders' funds	7.4	7.4	
Liab related to separate accounts			3203.1
Total Insurance and Inv Contract Liabilities	4657.8	4715.0	3663.5
Federal income taxes	(556.5)	(26.3)	550.5
Short-term debt	510.3	550.7	
Long-term debt	2111.8	2111.8	(1250.0)
Minority Interest in pref. securities of sub.	376.2	474.7	
Notes payable to LNC	344.8	335.0	(344.8)
Other liabilities	3157.6	3392.6	(835.4)
Deferred gain on indemnity reinsurance	1118.6	1144.5	
Total Liabilities	11720.6	12698.0	1783.8
Net unrealized gains (losses) on securities	40.2	77.2	8.2
Gains (losses) on derivatives*	4.0	(0.8)	
Other shareholders' equity	4016.9	4222.9	(5270.7)
S/Hs' equity-minimum pension liability adjustment			
Cumulative effect of accounting change		3.9	
Shareholders' Equity	4061.1	4303.1	(5262.5)
Total Liabilities and S/Hs' Equity	15781.7	17001.1	(3478.7)

LIABILITIES and SHAREHOLDERS' EQUITY	Investment Management		Lincoln
	Mar 2002	Dec 2001	Mar 2002
Liabilities			
Insurance and Inv Contract Liabilities:			
Life and annuity reserves			1280.8
Health reserves			45.0
Unpaid claims - life and health			44.7
Unearned premiums			
Premium deposit funds			28.1

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Participating policyholders' funds			
Other policyholders' funds			
Liab related to separate accounts			5618.1

Total Insurance and Inv Contract Liabilities			7016.7
Federal income taxes	42.6	43.3	(0.3)
Short-term debt			
Long-term debt			
Minority Interest in pref. securities of sub.			
Notes payable to LNC			
Other liabilities	807.6	866.2	188.9
Deferred gain on indemnity reinsurance			
	-----	-----	-----
Total Liabilities	850.2	918.8	7205.3
	-----	-----	-----
Net unrealized gains (losses) on securities	(1.6)	1.5	13.0
Gains (losses) on derivatives*			
Other shareholders' equity	564.6	540.3	533.0
S/Hs' equity-minimum pension liability adjustment			(35.2)
Cumulative effect of accounting change			
	-----	-----	-----
Shareholders' Equity	563.0	541.7	510.8
	-----	-----	-----
Total Liabilities and S/Hs' Equity	1413.2	1460.5	7716.1
	=====	=====	=====

	Consolid

	Mar
	2002

LIABILITIES and SHAREHOLDERS' EQUITY	
Liabilities	
Insurance and Inv Contract Liabilities:	
Life and annuity reserves	18014.6
Health reserves	2492.4
Unpaid claims - life and health	1153.6
Unearned premiums	66.5
Premium deposit funds	18669.6
Participating policyholders' funds	98.5
Other policyholders' funds	571.9
Liab related to separate accounts	44916.7

Total Insurance and Inv Contract Liabilities	85983.9
Federal income taxes	
Short-term debt	510.2
Long-term debt	861.8
Minority Interest in pref. securities of sub.	376.2
Notes payable to LNC	(0.0)
Other liabilities	3864.6
Deferred gain on indemnity reinsurance	1118.6

Total Liabilities	92715.3

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net unrealized gains (losses) on securities	31.8
Gains (losses) on derivatives*	22.6
Other shareholders' equity	5111.8
S/Hs' equity-minimum pension liability adjustment	(35.2)
Cumulative effect of accounting change	
Shareholders' Equity	5131.1
Total Liabilities and S/Hs' Equity	97846.4

* Cumulative effect of accounting change recorded upon the adoption of FAS 133 in the 1st quarter of 2001 is a component of gains (losses) on derivatives in the 1st quarter of 2002.

3/31/2002

Five Year Comparative Balance Sheet
Unaudited [Millions of Dollars except Common Share Data]

ASSETS	1997	1998	1999
	-----	-----	-----
Investments			
Corporate bonds	16633.3	22505.2	21119.5
U.S. government bonds	662.4	1134.6	538.3
Foreign government bonds	1804.4	1321.2	1447.5
Mortgage backed securities	4529.3	5080.5	4404.0
State and municipal bonds	241.4	16.7	14.7
Preferred stocks-redeemable	195.5	174.6	164.7
Common stocks	572.3	463.1	514.5
Preferred stocks-equity	88.2	79.8	89.5
Mortgage loans	3288.1	4393.1	4735.4
Real estate	576.0	488.7	256.2
Policy loans	763.1	1840.0	1892.4
Other long-term investments	464.8	432.0	401.8
Total Investments	29818.8	37929.5	35578.4
Invest in unconsol affiliates	21.0	18.8	25.8
Cash and invested cash	3794.7	2433.4	1895.9
Property and equipment	189.8	174.8	203.8
Premiums and fees receivable	197.5	246.2	259.6
Accrued investment income	423.0	528.5	533.2
Assets held in separate accounts	37138.8	43408.9	53654.2
Federal income taxes recoverable		204.1	345.0
Amounts recoverable from reinsurers	2350.8	3127.1	3954.3
Deferred acquisition costs	1623.8	1964.4	2800.3
Other intangible assets	613.9	1848.4	1746.5
Goodwill	457.7	1484.3	1423.0
Other	544.8	468.0	675.7
Total Assets	77174.7	93836.3	103095.7

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	=====	=====	=====
LIABILITIES and SHAREHOLDERS' EQUITY			
Liabilities			
Insurance and Inv Contract Liabilities:			
Life and annuity reserves	8228.7	16434.2	17071.4
Health reserves	2300.4	2600.1	2507.8
Unpaid claims-life and health	682.0	1043.4	1269.8
Unearned premiums	55.3	62.3	75.8
Premium deposit funds	19803.0	20171.9	19624.1
Participating policyholders' funds	79.8	142.7	132.0
Other policyholders' funds	180.6	438.4	472.6
Liab related to separate accounts	37138.8	43408.9	53654.2
	-----	-----	-----
Total Ins and Inv Contr Liabilities	68468.5	84301.9	94807.7
Federal income taxes	487.8		
Short-term debt	297.2	314.6	460.2
Long-term debt	511.0	712.2	712.0
Minority Interest - pref sec of a sub	315.0	745.0	745.0
Other liabilities	2112.2	2374.6	2107.0
Deferred gain on indemnity reinsurance			
	-----	-----	-----
Total Liabilities	72191.8	88448.3	98831.9
S/Hs' equity-unrealized gains (losses)-cont op.	436.0	552.4	(465.7)
S/Hs' equity-foreign currency	46.2	50.0	30.0
S/Hs' equity-minimum pension liability adjustment			
S/Hs' equity-other	4500.7	4785.5	4699.6
Cumulative effect of accounting change			
	-----	-----	-----
Total Shareholders' Equity	4982.9	5387.9	4263.9
	-----	-----	-----
Total Liabilities and Shareholders' Equity	77174.7	93836.3	103095.7
	=====	=====	=====
Shareholders' Equity Per Share			
[Book Value, Securities at Cost]	\$22.48	\$23.86	\$24.14
Common shares outstanding	202.3	202.6	196.0

3/31/2002

Quarterly Balance Sheet
Unaudited [Millions of Dollars except Common Share Data]

	Jun	Sep	Dec	Mar	J
	1999	1999	1999	2000	20
	-----	-----	-----	-----	-----
ASSETS					
Investments					
Corporate bonds	21888.5	21560.5	21119.5	21188.0	20719
U.S. government bonds	1367.8	991.0	538.3	572.4	566

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Foreign government bonds	1339.7	1369.6	1447.5	1416.4	1377.0
Mortgage backed securities	4788.5	4601.2	4404.0	4393.4	4242.0
State and municipal bonds	19.1	14.8	14.7	14.7	14.0
Preferred stocks - redeemable	175.8	171.3	164.7	159.7	159.0
Common stocks	419.0	423.9	514.5	496.4	467.0
Preferred stocks-equity	86.7	82.7	89.5	91.3	92.0
Mortgage loans	4570.5	4772.7	4735.4	4833.9	4783.0
Real estate	449.8	280.3	256.2	283.4	282.0
Policy loans	1847.4	1863.2	1892.4	1896.3	1914.0
Other long-term investments	409.9	401.2	401.8	428.8	438.0
	-----	-----	-----	-----	-----
Total Investments	37362.6	36532.4	35578.4	35774.6	35057.0
	-----	-----	-----	-----	-----
Invest in unconsol affiliates	22.3	23.4	25.8		(0.0)
Cash and invested cash	2151.1	2342.9	1895.9	1510.1	1619.0
Property and equipment	180.7	191.9	203.8	207.7	205.0
Premiums and fees receivable	269.0	296.0	259.6	190.2	247.0
Accrued investment income	569.1	602.9	533.2	575.0	544.0
Assets held in separate accounts	47864.3	46228.8	53654.2	56907.6	54924.0
Federal income taxes recoverable	478.4	457.3	345.0	300.4	246.0
Amount recoverable from reinsurers	3121.3	3315.6	3954.3	3851.0	3775.0
Deferred acquisition costs	2398.3	2614.5	2800.3	2870.4	2968.0
Other intangible assets	1764.9	1760.6	1746.5	1705.5	1646.0
Goodwill	1428.3	1435.0	1423.0	1349.6	1335.0
Other	651.1	699.3	675.7	1097.8	1279.0
	-----	-----	-----	-----	-----
Total Assets	98261.4	96500.7	103095.7	106340.0	103847.0
	=====	=====	=====	=====	=====
LIABILITIES and SHAREHOLDERS' EQUITY					
Liabilities					
Insurance and Inv Contract Liabilities:					
Life and annuity reserves	16536.4	16760.5	17071.4	17172.1	17247.0
Health reserves	2528.2	2511.3	2507.8	2547.4	2494.0
Unpaid claims-life and health	1064.9	1162.6	1269.8	1177.3	1204.0
Unearned premiums	68.7	62.5	75.8	57.1	52.0
Premium deposit funds	20012.6	19988.9	19624.1	18899.3	18407.0
Participating policyholders' funds	125.7	120.2	132.0	130.7	130.0
Other policyholders' funds	441.2	445.9	472.6	478.9	490.0
Liab related to separate accounts	47864.3	46228.8	53654.2	56907.6	54924.0
	-----	-----	-----	-----	-----
Total Ins and Inv Contr Liabilities	88642.1	87280.8	94807.7	97370.5	94950.0
Federal income taxes					
Short-term debt	380.2	367.7	460.2	474.2	355.0
Long-term debt	712.1	712.0	712.0	712.0	712.0
Minority Interest - pref sec of a sub	745.0	745.0	745.0	745.0	745.0
Notes payable to LNC					
Other liabilities	2964.7	2733.0	2107.0	2697.9	2860.0
Deferred gain on indemnity reinsurance					
	-----	-----	-----	-----	-----
Total Liabilities	93444.1	91838.5	98831.9	101999.6	99623.0
	-----	-----	-----	-----	-----
S/Hs' equity-unrealized gns (losses)- inv.	(1.1)	(103.8)	(465.7)	(411.2)	(556.0)
S/Hs' equity- gains (losses)-derivatives*					
S/Hs' equity-foreign currency	20.6	40.2	30.0	22.8	21.0
S/Hs' equity-minimum pension liability adj					
S/Hs' equity-other	4797.9	4725.8	4699.6	4728.9	4758.0
Cumulative effect of accounting change					

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	Dec 2000	Mar 2001	Jun 2001	Sep 2001	D 20
Total Shareholders' Equity	4817.4	4662.2	4263.9	4340.4	4223
Total Liabilities and Shareholders' Equity	98261.4	96500.7	103095.7	106340.0	103847
Shareholders' Equity Per Share [Book Value, Securities at Cost]	\$24.18	\$24.28	\$24.14	\$24.58	\$25.
Common shares outstanding	199.3	196.3	196.0	193.3	191
	Dec 2000	Mar 2001	Jun 2001	Sep 2001	D 20
ASSETS					
Investments					
Corporate bonds	21249.7	21855.2	22116.6	23424.3	23105
U.S. government bonds	542.9	536.6	510.0	467.7	410
Foreign government bonds	1321.1	1240.8	1236.3	1160.3	1174
Mortgage backed securities	4160.4	4009.8	3844.6	3765.6	3524
State and municipal bonds	14.6	14.7	14.1	14.4	44
Preferred stocks - redeemable	161.2	154.1	152.2	99.3	85
Common stocks	436.6	388.6	373.3	311.2	319
Preferred stocks-equity	113.1	170.9	160.8	166.5	151
Mortgage loans	4663.0	4641.2	4652.8	4663.1	4535
Real estate	282.0	308.1	306.9	288.8	267
Policy loans	1960.9	1947.0	1947.4	1943.4	1939
Other long-term investments	463.3	477.4	480.9	483.4	553
Total Investments	35368.6	35744.5	35796.0	36788.0	36113
Invest in unconsol affiliates	6.4	7.3	6.1	6.5	8
Cash and invested cash	1927.4	2015.2	1501.9	1996.3	3095
Property and equipment	228.2	242.1	251.4	261.0	257
Premiums and fees receivable	296.7	282.8	303.7	264.5	400
Accrued investment income	546.4	581.9	573.2	615.1	563
Assets held in separate accounts	50579.9	44506.2	47140.2	39479.8	44833
Federal income taxes recoverable	207.5	106.6	177.5	35.3	15
Amount recoverable from reinsurers	3747.7	3706.4	3662.0	3818.3	6030
Deferred acquisition costs	3070.5	2963.4	3129.1	3087.2	2885
Other intangible assets	1557.0	1505.3	1479.0	1451.5	1412
Goodwill	1286.0	1274.5	1263.6	1253.2	1211
Other	1021.6	1186.3	1147.7	1149.4	1174
Total Assets	99844.1	94122.4	96431.2	90206.0	98001
LIABILITIES and SHAREHOLDERS' EQUITY					
Liabilities					
Insurance and Inv Contract Liabilities:					
Life and annuity reserves	17841.2	17733.0	17865.3	17990.8	17917
Health reserves	2523.8	2534.8	2533.9	2573.2	2537
Unpaid claims-life and health	1316.6	1255.3	1136.5	1206.6	1087
Unearned premiums	46.5	45.9	19.0	8.1	66
Premium deposit funds	17715.5	17667.1	17715.9	18509.7	18585
Participating policyholders' funds	139.4	145.0	135.2	118.3	100

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Other policyholders' funds	522.2	532.1	541.4	554.3	562.1
Liab related to separate accounts	50579.9	44506.2	47140.2	39479.8	44833.1
Total Ins and Inv Contr Liabilities	90685.1	84419.3	87087.2	80440.8	85690.1
Federal income taxes					
Short-term debt	312.9	415.3	351.3	539.0	350.0
Long-term debt	712.2	712.3	712.4	712.4	861.0
Minority Interest - pref sec of a sub	745.0	745.0	745.0	305.0	474.0
Notes payable to LNC					
Other liabilities	2434.7	2734.2	2479.4	2840.2	4216.0
Deferred gain on indemnity reinsurance					1144.0
Total Liabilities	94890.0	89026.0	91375.3	84837.4	92737.1
S/Hs' equity-unrealized gns (losses)- inv.	12.0	190.4	76.2	247.9	195.0
S/Hs' equity- gains (losses)-derivatives*		5.7	9.4	2.8	3.0
S/Hs' equity-foreign currency	21.9	4.1	(15.3)	6.9	(8.0)
S/Hs' equity-minimum pension liability adj					(36.0)
S/Hs' equity-other	4920.1	4878.5	4968.2	5093.4	5090.0
Cumulative effect of accounting change		17.6	17.6	17.6	17.0
Total Shareholders' Equity	4954.1	5096.4	5055.9	5368.6	5263.1
Total Liabilities and Shareholders' Equity	99844.1	94122.4	96431.2	90206.0	98000.1
Shareholders' Equity Per Share [Book Value, Securities at Cost]	\$25.85	\$25.96	\$26.32	\$26.87	\$26.87
Common shares outstanding	191.2	188.1	188.2	189.8	187.0

* Cumulative effect of accounting change recorded upon the adoption of FAS 133 in the 1st quarter of 2001 is a component of gains (losses) on derivatives in the 1st quarter of 2001

3/31/2002

Lincoln Retirement
Income Statements & Operational Data
Unaudited [Millions of Dollars]

For the Year Ended December 31	Dec 1997	Dec 1998	Dec 1999	D 2000
Operating Revenue				
Premiums	84.2	53.9	65.2	64.0
Surrender charges	29.8	33.5	37.9	41.0
Expense assessments	367.2	459.9	536.2	628.0
Other revenue and fees	1.2	1.7	14.5	11.0
Net investment income	1477.1	1501.6	1474.2	1393.0
Operating Revenue	1959.5	2050.6	2128.0	2138.0

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Operating Benefits and Expenses				
Benefits paid or provided:				
Benefits	292.6	271.6	259.1	254.4
Interest credited to policy bal.	974.4	955.2	925.2	866.0
Underwriting, acquisition, insurance and other expenses	415.0	498.8	560.8	575.0
Goodwill amortization	0.0	2.2	2.0	(0.0)
	-----	-----	-----	-----
Operating Benefits and Expenses	1682.0	1727.8	1747.1	1695.0
	-----	-----	-----	-----
Income from Operations Before Tax	277.5	322.8	380.9	443.0
Federal income taxes	54.5	60.4	81.4	81.0
	-----	-----	-----	-----
Income from Operations	223.0	262.4	299.4	362.0
	-----	-----	-----	-----
Realized gains (losses) on investments	40.3	11.4	(7.9)	(3.0)
Gains (losses) on derivatives				
Restructuring charges				
	-----	-----	-----	-----
Income before Accounting Changes	263.3	273.8	291.5	358.0
Cumulative effect of accounting changes				
	-----	-----	-----	-----
Net Income	263.3	273.8	291.5	358.0
	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	223.0	264.6	301.5	361.0
Net Income -before Goodwill Amort.	263.3	276.0	293.6	358.0
Effective tax rate	19.6%	18.7%	21.4%	18.7%
Operating Revenue	1959.5	2050.6	2128.0	2138.0
Realized gains (losses) on investments	63.5	17.5	(12.1)	(5.0)
Gains (losses) on derivatives				
	-----	-----	-----	-----
Total Revenue	2023.0	2068.1	2115.8	2133.0
	=====	=====	=====	=====
Average capital	1373.0	1592.6	1562.0	1601.0
Return on average capital	16.2%	16.5%	19.2%	22.0%

PAGE 14

Lincoln Retirement
Income Statements & Operational Data
Unaudited [Millions of Dollars]

	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	16.2	13.1	21.0	13.3	16.8	18.0

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Surrender charges	9.3	10.1	9.8	11.1	11.2	10.4
Expense assessments	133.3	142.6	140.5	155.1	155.7	163.4
Other revenue and fees	3.2	0.9	6.4	2.2	0.6	4.6
Net investment income	370.2	364.5	366.0	362.9	345.8	349.8
	-----	-----	-----	-----	-----	-----
Operating Revenue	532.3	531.2	543.7	544.6	530.1	546.2
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	65.0	55.0	77.2	61.6	65.7	68.4
Interest credited to policy balances	232.9	230.1	234.1	228.2	219.4	205.4
Underwriting, acquisition, insurance and other expenses	141.0	146.5	134.7	144.5	139.8	147.9
Goodwill amortization	0.4	0.6	0.5	(1.5)	0.3	0.3
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	439.2	432.2	446.5	432.8	425.2	421.9
	-----	-----	-----	-----	-----	-----
Income from Operations Before Tax	93.0	99.0	97.2	111.8	104.8	124.2
Federal income taxes	17.1	23.6	23.5	23.3	20.7	21.3
	-----	-----	-----	-----	-----	-----
Income from Operations	75.9	75.4	73.7	88.5	84.1	102.9
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	0.5	(7.0)	(3.7)	2.7	0.3	(9.1)
Gains (losses) on derivatives						
Restructuring charges						
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	76.4	68.4	69.9	91.2	84.4	93.8
Cumulative effect of accounting changes						
	-----	-----	-----	-----	-----	-----
Net Income	76.4	68.4	69.9	91.2	84.4	93.8
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	76.3	76.0	74.2	87.0	84.4	103.2
Net Income -before Goodwill Amort.	76.8	69.1	70.4	89.7	84.7	94.1
Effective tax rate	18.4%	23.8%	24.2%	20.8%	19.7%	17.1%
Operating Revenue	532.3	531.2	543.7	544.6	530.1	546.2
Realized gains (losses) on investments	0.7	(10.7)	(5.8)	4.2	0.4	(14.1)
Gains (losses) on derivatives						
	-----	-----	-----	-----	-----	-----
Total Revenue	533.0	520.5	538.0	548.7	530.5	532.1
	=====	=====	=====	=====	=====	=====
Average capital	1602.4	1471.2	1559.0	1438.4	1647.7	1635.2
Return on average capital	19.0%	20.5%	18.9%	24.6%	20.4%	25.2%
	Dec	Mar	Jun	Sep	Dec	Mar
	2000	2001	2001	2001	2001	2002
	-----	-----	-----	-----	-----	-----
C>						
Operating Revenue						
Premiums	16.2	19.1	32.5	13.2	12.7	12.2
Surrender charges	9.1	9.1	8.5	6.5	7.2	7.9
Expense assessments	154.2	141.6	138.0	132.0	126.2	127.7
Other revenue and fees	3.5	1.7	3.9	1.2	10.0	5.8

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net investment income	335.0	341.3	339.3	346.6	342.6	349.9
	-----	-----	-----	-----	-----	-----
Operating Revenue	518.1	512.8	522.1	499.5	498.7	503.5
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	59.0	69.8	72.6	66.3	55.3	55.4
Interest credited to policy balances	213.2	209.4	209.7	217.2	227.5	226.1
Underwriting, acquisition, insurance and other expenses	143.2	134.6	126.0	132.8	131.1	124.9
Goodwill amortization	0.3	0.3	0.3	0.3	0.3	
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	415.7	414.1	408.6	416.6	414.2	406.4
	-----	-----	-----	-----	-----	-----
Income from Operations Before Tax	102.3	98.7	113.6	82.9	84.5	97.1
Federal income taxes	15.9	16.3	22.8	10.4	9.7	16.7
	-----	-----	-----	-----	-----	-----
Income from Operations	86.4	82.3	90.8	72.4	74.8	80.4
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	2.8	(1.4)	(6.7)	(13.5)	(20.7)	(32.8)
Gains (losses) on derivatives		(0.1)	0.1	(0.3)	0.1	0.0
Restructuring charges		(0.7)	(0.6)	0.0	0.0	0.0
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	89.2	80.2	83.6	58.6	54.2	47.6
Cumulative effect of accounting changes		(3.6)	(3.7)	0.0	0.0	0.0
	-----	-----	-----	-----	-----	-----
Net Income	89.2	76.6	79.9	58.6	54.2	47.6
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	86.7	82.6	91.1	72.7	75.1	80.4
Net Income -before Goodwill Amort.	89.5	76.9	80.2	58.9	54.5	47.6
Effective tax rate	15.6%	16.6%	20.1%	12.6%	11.5%	17.2%
Operating Revenue	518.1	512.8	522.1	499.5	498.7	503.5
Realized gains (losses) on investments	4.2	(2.2)	(10.3)	(20.8)	(31.3)	(50.5)
Gains (losses) on derivatives		(0.2)	0.2	(0.5)	0.2	0.0
	-----	-----	-----	-----	-----	-----
Total Revenue	522.3	510.4	512.1	478.2	467.5	453.0
	=====	=====	=====	=====	=====	=====
Average capital	1686.0	1797.9	1787.1	1902.9	1824.9	2041.6
Return on average capital	20.5%	18.3%	20.3%	15.2%	16.4%	15.8%
	-----	-----	-----	-----	-----	-----

Lincoln Retirement
Annuity Account Value Roll Forward
Unaudited [Billions of Dollars]

1997

1998

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Fixed Annuities- Bal Beg-of-Year	17.634	17.214	1
Gross Deposits	1.632	1.452	
Withdrawals (incl charges) & deaths	(2.220)	(2.468)	(
Net cash flows	(0.588)	(1.016)	
Transfer from (to) var annuities	(1.336)	(0.356)	(
Interest credited	0.978	0.994	
Acq of new business/companies	0.527	1.274	
Fixed Annuities-Gross	17.214	18.111	1
Reinsurance Ceded	(1.757)	(1.606)	(
Fixed Annuities-Bal End -of-Year	15.458	16.505	1
Fixed Annuities Incremental Deposits *	1.412	1.265	
Variable Annuities-Bal Beg-of-Year	20.383	27.346	3
Gross Deposits	2.695	2.791	
Withdrawals (incl charges) & deaths	(2.038)	(3.019)	(
Net cash flows	0.657	(0.228)	(
Transfer from (to) fixed annuities	1.335	0.389	
Invest inc & change in mkt value	4.971	5.414	
Acq(sale) of new business/companies		0.437	
Var Annuities-Bal End-of-Year	27.346	33.358	4
Variable Annuities Incremental Deposits *	2.585	2.641	
Total Annuities - Bal Beg-of-Year	38.017	44.561	5
Gross Deposits	4.327	4.244	
Withdrawals (incl charges) & deaths	(4.258)	(5.487)	(
Net cash flows	0.069	(1.244)	(
Transfers	(0.001)	0.033	
Interest credited & change in mkt value	5.949	6.408	
Acq of new business/companies	0.527	1.711	
Total Gross Annuities-Bal End-of-Year	44.561	51.469	5
Reinsurance Ceded	(1.757)	(1.606)	(
Total Annuities (Net of Ceded) - Bal End-of-Year	42.804	49.863	5
Total Annuities Incremental Deposits *	3.997	3.906	
Var Ann Under Agree - Included above		0.649	
Fixed Annuities - excluding fixed portion of variable contracts			
Deposits			
Withdrawals			(
Net Flows			(

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Variable Annuities - including fixed portion of variable contracts
 Deposits
 Withdrawals
 Net Flows

Fixed Portion of Variable Contracts
 Deposits
 Withdrawals
 Net Flows

* Incremental Deposits represent gross deposits reduced by transfers from other Lincoln Annuity

3/31/02

Lincoln Retirement
 Annuity Account Value Roll Forward
 Unaudited [Billions of Dollars]

	Jun 1999	Sep 1999	Dec 1999	M 20
	-----	-----	-----	-----
Fixed Annuities-Bal Beg-of-Quarter	18.225	18.303	18.406	18.2
Gross Deposits	0.654	0.678	0.741	0.5
Withdrawals (incl charges) & deaths	(0.593)	(0.567)	(0.782)	(0.8
Net cash flows	0.061	0.111	(0.040)	(0.2
Transfer from (to) var annuities	(0.211)	(0.238)	(0.300)	(0.5
Interest credited	0.228	0.231	0.144	0.2
Acq of new business/companies				
Fixed Annuities-Gross	18.303	18.406	18.210	17.6
Reinsurance Ceded	(1.524)	(1.473)	(1.419)	(1.3
Fixed Annuities-Bal End-of-Quarter	16.779	16.934	16.791	16.2
Fixed Annuities Incremental Deposits *	0.622	0.644	0.582	0.5
Variable Annuities-Bal Beg-of-Quarter	34.148	37.233	35.613	41.4
Gross Deposits	0.651	0.634	0.634	0.7
Withdrawals (incl charges) & deaths	(0.912)	(0.938)	(1.084)	(1.2
Net cash flows	(0.261)	(0.304)	(0.450)	(0.4
Transfer from (to) fixed annuities	0.213	0.237	0.303	0.5
Invest inc & change in mkt value	3.133	(1.553)	6.027	3.0
Acq(sale) of new business/companies				
Var Annuities-Bal End-of-Quarter	37.233	35.613	41.493	44.6

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Variable Annuities Incremental Deposits	0.622	0.589	0.592	0.7
Total Annuities -Bal Beg-of-Quarter	52.373	55.536	54.020	59.7
Gross Deposits	1.305	1.312	1.375	1.3
Withdrawals (incl charges) & deaths	(1.505)	(1.505)	(1.865)	(2.0)
Net cash flows	(0.200)	(0.193)	(0.490)	(0.7)
Transfers	0.002	(0.001)	0.003	(0.0)
Interest credited & change in mkt value	3.361	(1.322)	6.171	3.2
Acq of new business/companies				
Total Gross Annuities-Bal End-of-Quarter	55.536	54.020	59.704	62.2
Reinsurance Ceded	(1.524)	(1.473)	(1.419)	(1.3)
Total Annuities (Net of Ceded) - Bal End-of-Qtr	54.012	52.547	58.284	60.8
Total Annuities Incremental Deposits *	1.244	1.233	1.174	1.2
Var Ann Under Agree - Included above	0.685	0.639	0.719	0.8
	Dec	Mar	Jun	S
	2000	2001	2001	20
Fixed Annuities-Bal Beg-of-Quarter	16.930	16.615	16.599	16.6
Gross Deposits	0.482	0.560	0.668	0.8
Withdrawals (incl charges) & deaths	(0.810)	(0.787)	(0.574)	(0.5)
Net cash flows	(0.328)	(0.227)	0.094	0.3
Transfer from (to) var annuities	(0.216)	(0.014)	(0.222)	0.0
Interest credited	0.230	0.225	0.226	0.2
Acq of new business/companies				
Fixed Annuities-Gross	16.615	16.599	16.697	17.3
Reinsurance Ceded	(1.221)	(1.169)	(1.146)	(1.2)
Fixed Annuities-Bal End-of-Quarter	15.394	15.430	15.551	16.0
Fixed Annuities Incremental Deposits *	0.447	0.536	0.611	0.8
Variable Annuities-Bal Beg-of-Quarter	42.743	39.427	34.733	36.9
Gross Deposits	0.846	0.887	0.703	0.6
Withdrawals (incl charges) & deaths	(1.199)	(1.250)	(0.993)	(0.7)
Net cash flows	(0.353)	(0.363)	(0.290)	(0.1)
Transfer from (to) fixed annuities	0.212	0.011	0.227	(0.0)
Invest inc & change in mkt value	(3.175)	(4.342)	2.291	(6.3)
Acq(sale) of new business/companies				
Var Annuities-Bal End-of-Quarter	39.427	34.733	36.961	30.5

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Variable Annuities Incremental Deposits	0.650	0.683	0.612	0.6
Total Annuities -Bal Beg-of-Quarter	59.673	56.043	51.332	53.6
Gross Deposits	1.328	1.447	1.371	1.5
Withdrawals (incl charges) & deaths	(2.009)	(2.037)	(1.567)	(1.3
Net cash flows	(0.681)	(0.590)	(0.196)	0.2
Transfers	(0.004)	(0.003)	0.005	(0.0
Interest credited & change in mkt value	(2.945)	(4.117)	2.517	(6.0
Acq of new business/companies				
Total Gross Annuities-Bal End-of-Quarter	56.043	51.332	53.658	47.8
Reinsurance Ceded	(1.221)	(1.169)	(1.146)	(1.2
Total Annuities (Net of Ceded) - Bal End-of-Qtr	54.821	50.163	52.512	46.5
Total Annuities Incremental Deposits *	1.097	1.219	1.223	1.4
Var Ann Under Agree - Included above	0.941	0.904	0.975	0.9

* Incremental Deposits represent gross deposits reduced by transfers from other Lincoln Annuity p

	Jun 1999	Sep 1999	Dec 1999	M 20
Fixed Annuities - excluding fixed portion of variable contracts				
Deposits	0.151	0.147	0.275	0.1
Withdrawals	(0.318)	(0.329)	(0.428)	(0.6
Net Flows	(0.167)	(0.182)	(0.152)	(0.4
Variable Annuities - including fixed portion of variable contracts				
Deposits	1.154	1.165	1.100	1.2
Withdrawals	(1.187)	(1.176)	(1.438)	(1.4
Net Flows	(0.033)	(0.011)	(0.338)	(0.2
Fixed Portion of Variable Contracts				
Deposits	0.503	0.531	0.466	0.4
Withdrawals	(0.275)	(0.238)	(0.354)	(0.2
Net Flows	0.228	0.293	0.112	0.1

	Dec 2000	Mar 2001	Jun 2001	S 20
Fixed Annuities - excluding fixed portion of variable contracts				
Deposits	0.085	0.160	0.329	0.4
Withdrawals	(0.570)	(0.556)	(0.356)	(0.3
Net Flows	(0.485)	(0.396)	(0.027)	0.1
Variable Annuities - including fixed portion of variable contracts				

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Deposits	1.243	1.287	1.042	1.0
Withdrawals	(1.439)	(1.481)	(1.211)	(0.9)
Net Flows	(0.196)	(0.194)	(0.169)	0.1
Fixed Portion of Variable Contracts				
Deposits	0.397	0.400	0.339	0.4
Withdrawals	(0.240)	(0.231)	(0.218)	(0.1)
Net Flows	0.157	0.169	0.121	0.2

3/31/2002

Life Insurance Segment
Income Statements & Operational Data
Unaudited [Millions of Dollars]

	Dec 1997	Dec 1998	Dec 1999
	-----	-----	-----
Operating Revenue			
Premiums	64.8	185.9	235.8
Surrender charges	9.8	52.1	66.3
Mortality assessments	161.2	350.1	444.6
Expense assessments	28.6	146.2	165.8
Other revenue and fees	9.0	2.6	9.8
Net investment income	268.2	642.6	840.1
	-----	-----	-----
Operating Revenue	541.5	1379.5	1762.6
	-----	-----	-----
Operating Benefits and Expenses			
Benefits paid or provided:			
Benefits	143.6	371.2	430.5
Div accum & div to policyholders	20.4	70.7	81.5
Interest credited to policy bal.	153.0	393.1	493.8
Underwriting, acquisition, insurance and other expenses	172.1	293.1	399.1
Goodwill amortization	0.1	19.7	23.4
	-----	-----	-----
Operating Benefits and Expenses	489.3	1147.8	1428.2
	-----	-----	-----
Income from Operations Before Tax	52.3	231.6	334.3
	-----	-----	-----
Federal income taxes	12.4	82.4	122.3
	-----	-----	-----
Income from Operations	39.9	149.2	212.0
	-----	-----	-----
Realized gains (losses) on investments	(0.8)	(1.7)	(0.5)
Gains (losses) on derivatives			
Restructuring charges	0.0	(20.0)	0.0
	-----	-----	-----
Income before Accounting Changes	39.1	127.5	211.5
Cumulative effect of accounting changes			
	-----	-----	-----

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net Income	39.1	127.5	211.5
	=====	=====	=====
Inc from Oper -before Goodwill Amort.	40.0	168.9	235.4
Net Income -before Goodwill Amort.	39.2	147.1	234.9
Effective tax rate	23.7%	35.6%	36.6%
Operating Revenue	541.5	1,379.5	1,762.6
Realized gains (losses) on investments	3.2	(1.0)	(2.2)
Gains (losses) on derivatives			
	-----	-----	-----
Total Revenue	544.8	1378.5	1760.4
	=====	=====	=====
Average capital	384.9	1948.0	2712.3
Return on average capital	10.4%	7.7%	7.8%
First Year Premiums by Product (Millions)			
Universal Life	114.0	233.0	342.9
Variable Universal Life	52.9	101.3	142.2
Whole Life	5.4	20.0	23.9
Term	33.0	48.0	45.9
	-----	-----	-----
Total Retail	205.3	402.3	555.0
Corporate Owned Life Insurance (COLI)	0.0	4.0	14.7
	-----	-----	-----
Total	205.3	406.3	569.7
	-----	-----	-----
First Year Premiums by Distribution (Millions)			
Lincoln Financial Advisors	71.0	35.0	188.3
Lincoln Financial Distributors	134.3	356.3	367.9
Other*	0.0	15.0	13.5
	-----	-----	-----
Total by Distribution	205.3	406.3	569.7
	=====	=====	=====
Life Insurance In-Force (Billions)			
Universal Life & Other	32.827	105.837	109.288
Term Insurance	30.337	67.076	85.701
	-----	-----	-----
Total Life Segment In-Force	63.164	172.914	194.988
	=====	=====	=====

*Other consists of distribution arrangements with third-party intermediaries.

3/31/2002

Life Insurance Segment
Income Statements & Operational Data
Unaudited [Millions of Dollars]

For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Jun 2000
-----------------------	-------------	-------------	-------------	-------------	-------------

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Operating Revenue					
Premiums	57.8	52.4	71.1	53.0	56.3
Surrender charges	16.5	17.1	18.0	16.2	16.5
Mortality assessments	111.4	110.5	113.9	112.2	114.5
Expense assessments	35.4	42.8	48.0	45.3	44.1
Other revenue and fees	1.6	2.4	3.9	3.2	3.6
Net investment income	207.8	209.6	214.8	215.6	215.5
Operating Revenue	430.6	434.9	469.6	445.5	450.5
Operating Benefits and Expenses					
Benefits paid or provided:					
Benefits	108.7	105.4	112.8	98.4	96.3
Div accum & div to policyholders	21.0	19.2	21.0	20.4	18.7
Interest credited to policy bal.	123.0	122.8	122.3	126.3	128.7
Underwriting, acquisition, insurance and other expenses	86.5	99.1	117.8	99.4	100.9
Goodwill amortization	5.0	6.4	6.0	5.9	5.9
Operating Benefits and Expenses	344.1	353.0	379.9	350.3	350.6
Income from Operations Before Tax	86.5	82.0	89.8	95.2	99.9
Federal income taxes	32.0	29.4	32.8	34.8	37.4
Income from Operations	54.4	52.6	57.0	60.4	62.4
Realized gains (losses) on investments	(2.9)	1.4	2.8	(2.4)	(4.0)
Gains (losses) on derivatives					
Restructuring charges					
Income before Accounting Changes	51.5	54.0	59.7	58.1	58.4
Cumulative effect of accounting changes					
Net Income	51.5	54.0	59.7	58.1	58.4
Inc from Oper -before Goodwill Amort.	59.5	59.0	63.0	66.3	68.4
Net Income -before Goodwill Amort.	56.6	60.4	65.8	64.0	64.4
Effective tax rate	37.0%	35.9%	36.5%	36.5%	37.5%
Operating Revenue	430.6	434.9	469.6	445.5	450.5
Realized gains (losses) on investments	(4.4)	2.1	3.4	(3.8)	(6.3)
Gains (losses) on derivatives					
Total Revenue	426.3	437.1	473.1	441.7	444.2
Average capital	2739.4	2707.4	2686.0	2655.3	2615.0
Return on average capital	7.9%	7.8%	8.5%	9.1%	9.6%
First Year Premiums by Product (Millions)					
Universal Life	81.2	75.6	113.2	72.3	63.7

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Variable Universal Life	26.9	30.0	55.6	44.0	44.5
Whole Life	5.2	6.4	8.0	3.9	4.5
Term	11.9	10.5	11.0	13.1	12.1
	-----	-----	-----	-----	-----
Total Retail	125.2	122.5	187.8	133.3	124.8
Corporate Owned Life Insurance (COLI)	6.6	2.3	4.0	12.7	19.5
	-----	-----	-----	-----	-----
Total	131.8	124.8	191.9	146.0	144.3
	-----	-----	-----	-----	-----
First Year Premiums by Distribution (Millions)					
Lincoln Financial Advisors	35.1	39.4	72.8	46.1	37.0
Lincoln Financial Distributors	93.3	82.0	115.0	96.8	104.4
Other*	3.3	3.4	4.1	3.0	2.9
	-----	-----	-----	-----	-----
Total by Distribution	131.8	124.8	191.9	146.0	144.3
	=====	=====	=====	=====	=====
Insurance In-Force (Billions)					
Universal Life & Other	106.047	106.945	109.288	108.817	110.448
Term Insurance	78.431	81.963	85.701	92.857	97.039
	-----	-----	-----	-----	-----
Total Segment In-Force	184.478	188.908	194.988	201.674	207.487
	=====	=====	=====	=====	=====
For the Quarter Ended					
	Dec	Mar	Jun	Sep	Dec
	2000	2001	2001	2001	2001
	-----	-----	-----	-----	-----
Operating Revenue					
Premiums	67.1	50.9	50.7	46.4	64.4
Surrender charges	19.9	17.2	13.5	15.6	19.9
Mortality assessments	122.1	124.3	124.8	124.7	125.5
Expense assessments	55.5	47.4	45.3	46.0	52.8
Other revenue and fees	3.7	5.1	3.8	3.0	6.0
Net investment income	219.7	223.0	227.4	233.2	226.6
	-----	-----	-----	-----	-----
Operating Revenue	488.0	467.9	465.5	468.9	495.2
	-----	-----	-----	-----	-----
Operating Benefits and Expenses					
Benefits paid or provided:					
Benefits	121.0	99.9	103.5	102.3	112.9
Div accum & div to policyholders	25.3	17.5	19.0	16.5	25.4
Interest credited to policy bal.	136.5	138.3	141.2	143.5	146.9
Underwriting, acquisition, insurance and other expenses	89.6	98.8	92.0	92.5	91.4
Goodwill amortization	5.9	5.9	5.9	5.9	5.9
	-----	-----	-----	-----	-----
Operating Benefits and Expenses	378.4	360.5	361.7	360.8	382.5
	-----	-----	-----	-----	-----
Income from Operations Before Tax	109.6	107.4	103.8	108.1	112.7
Federal income taxes	39.0	38.8	36.7	38.1	39.5
	-----	-----	-----	-----	-----
Income from Operations	70.6	68.6	67.1	70.1	73.2
	-----	-----	-----	-----	-----

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Realized gains (losses) on investments	(5.2)	(5.4)	(6.4)	(5.3)	(21.3)
Gains (losses) on derivatives		(0.0)	0.1	(0.0)	1.5
Restructuring charges			(2.0)		(1.5)
Income before Accounting Changes	65.4	63.2	58.8	64.7	51.9
Cumulative effect of accounting changes		(0.2)	(5.3)	0.0	(0.0)
Net Income	65.4	62.9	53.5	64.7	51.9
Inc from Oper -before Goodwill Amort.	76.5	74.5	73.0	76.0	79.1
Net Income -before Goodwill Amort.	71.3	68.9	59.5	70.6	57.8
Effective tax rate	35.6%	36.1%	35.3%	35.2%	35.0%
Operating Revenue	488.0	467.9	465.5	468.9	495.2
Realized gains (losses) on investments	(8.1)	(8.2)	(10.0)	(8.2)	(31.1)
Gains (losses) on derivatives		(0.0)	0.2	(0.1)	0.6
Total Revenue	479.9	459.6	455.7	460.6	464.7
Average capital	2640.0	2729.8	2715.7	2736.3	2744.4
Return on average capital	10.7%	10.1%	9.9%	10.2%	10.7%
First Year Premiums by Product (Millions)					
Universal Life	80.9	57.7	70.0	67.4	97.5
Variable Universal Life	75.1	56.0	52.2	50.1	70.2
Whole Life	8.0	4.1	5.1	6.7	10.4
Term	7.6	6.5	7.2	8.1	9.1
Total Retail	171.6	124.2	134.6	132.4	187.2
Corporate Owned Life Insurance (COLI)	49.0	7.1	21.0	5.1	14.2
Total	220.7	131.3	155.6	137.4	201.3
First Year Premiums by Distribution (Millions)					
Lincoln Financial Advisors	66.2	38.1	48.2	41.8	68.0
Lincoln Financial Distributors	150.6	89.1	104.0	90.4	129.5
Other*	3.9	4.2	3.4	5.2	3.8
Total by Distribution	220.7	131.3	155.6	137.4	201.3
Insurance In-Force (Billions)					
Universal Life & Other	115.872	116.747	118.007	119.029	121.168
Term Insurance	100.130	102.467	105.265	108.723	113.226
Total Segment In-Force	216.002	219.214	223.272	227.751	234.394

*Other consists of distribution arrangements with third-party intermediaries.

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

3/31/2002

Life Insurance Segment
Life Insurance Account Value Roll Forward
Unaudited [Billions of Dollars]

	1997	1998	1999	
	-----	-----	-----	-----
Universal Life-Bal Beg-of-Year	2.530	2.558	6.259	6
Deposits	0.278	0.675	1.017	0
Withdrawals & deaths	(0.399)	(0.701)	(0.452)	(0)
Net cash flows	(0.121)	(0.026)	0.564	0
Policyholder assessments			(0.544)	(0)
Interest credited	0.149	0.350	0.370	0
Acq of new business/transfers between segments	0.000	3.378	0.000	0
Universal Life-Bal End of Year (1)	2.558	6.259	6.650	6
Variable Universal Life-Bal Beg-of-Year	0.339	0.480	1.200	1
Deposits	0.106	0.193	0.326	0
Withdrawals & deaths	(0.040)	(0.100)	(0.099)	(0)
Net cash flows	0.065	0.093	0.228	0
Policyholder assessments		0.000	(0.084)	(0)
Invest inc & chg in mkt value	0.076	0.105	0.370	(0)
Acq of new business/transfers between segments	0.000	0.522	(0.110)	0
Variable Universal Life-Bal End-of-Year	0.480	1.200	1.605	1
Interest Sensitive Whole Life-Bal Beg-of-Year			1.784	1
Deposits		0.340	0.355	0
Withdrawals & deaths		(0.294)	(0.162)	(0)
Net cash flows		0.046	0.193	0
Policyholder assessments			(0.168)	(0)
Interest credited		0.096	0.109	0
Acq of new business/transfers between segments		1.642	0.045	0
Int Sensitive Whole Life-Bal End-of-Year		1.784	1.963	2
Total Segment- Life Insurance Account Values Bal Beg-of-Year	2.869	3.038	9.243	10
Deposits	0.384	1.207	1.698	1
Withdrawals & deaths	(0.439)	(1.095)	(0.713)	(0)
Net cash flows	(0.056)	0.113	0.985	1
Policyholder assessments			(0.795)	(0)
Invest inc & change in market value	0.225	0.551	0.849	0
Acq of new business/transfers between segments		5.542	(0.065)	0
Total Segment-Bal End-of-Year	3.038	9.243	10.217	10

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

(1) Includes fixed investment option of VUL products.

3/31/2002

Life Insurance Segment
Life Insurance Account Value Roll Forward
Unaudited [Billions of Dollars]

For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Jun 2000
Universal Life-Bal Beg-of-Quarter	6.374	6.434	6.519	6.650	6.729
Deposits	0.238	0.239	0.306	0.252	0.212
Withdrawals & deaths	(0.152)	(0.109)	(0.124)	(0.121)	(0.111)
Net cash flows	0.086	0.129	0.182	0.131	0.101
Policyholder assessments	(0.133)	(0.136)	(0.145)	(0.145)	(0.143)
Interest credited	0.107	0.091	0.093	0.093	0.095
Acq of new business/transfers between segments				0.000	
Universal Life-Bal End-of-Quarter (1)	6.434	6.519	6.650	6.729	6.782
Variable Universal Life-Bal Beg of Quarter	1.177	1.298	1.285	1.605	1.771
Deposits	0.068	0.074	0.107	0.112	0.128
Withdrawals & deaths	(0.013)	(0.049)	(0.025)	(0.019)	(0.028)
Net cash flows	0.055	0.025	0.082	0.093	0.100
Policyholder assessments	(0.020)	(0.020)	(0.024)	(0.032)	(0.033)
Invest inc & chg in mkt value	0.087	(0.018)	0.262	0.105	(0.074)
Acq of new business/transfers between segments				0.000	
Variable Universal Life-Bal End-of-Quarter	1.298	1.285	1.605	1.771	1.764
Interest Sensitive Whole Life-Bal Beg-of-Quarter	1.865	1.895	1.922	1.963	1.970
Deposits	0.073	0.086	0.113	0.060	0.071
Withdrawals & deaths	(0.030)	(0.044)	(0.050)	(0.042)	(0.037)
Net cash flows	0.044	0.043	0.062	0.018	0.034
Policyholder assessments	(0.039)	(0.042)	(0.048)	(0.039)	(0.040)
Interest credited	0.025	0.027	0.026	0.028	0.028
Acq of new business/transfers between segments					
Int Sensitive Whole Life-Bal End-of-Quarter	1.895	1.922	1.963	1.970	1.993
Total Segment-Life Insurance Account Values Bal Beg-of-Quarter	9.416	9.628	9.726	10.217	10.470

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Deposits	0.379	0.399	0.526	0.424	0.411
Withdrawals & deaths	(0.195)	(0.202)	(0.199)	(0.182)	(0.176)
Net cash flows	0.185	0.197	0.327	0.242	0.235
Policyholder assessments	(0.192)	(0.198)	(0.216)	(0.215)	(0.216)
Invest inc & change in market value	0.219	0.100	0.381	0.227	0.048
Acq of new business/transfers between segments	0.000	0.000	0.000	0.000	0.000
Total Segment-Bal End-of-Quarter	9.628	9.726	10.217	10.470	10.538
For the Quarter Ended	Dec 2000	Mar 2001	Jun 2001	Sep 2001	Dec 2001
Universal Life-Bal Beg-of-Quarter	6.878	6.976	7.063	7.216	7.315
Deposits	0.265	0.227	0.270	0.233	0.314
Withdrawals & deaths	(0.114)	(0.091)	(0.071)	(0.085)	(0.073)
Net cash flows	0.151	0.136	0.199	0.147	0.241
Policyholder assessments	(0.150)	(0.147)	(0.147)	(0.150)	(0.153)
Interest credited	0.097	0.098	0.100	0.102	0.105
Acq of new business/transfers between segments	0.000				
Universal Life-Bal End-of-Quarter (1)	6.976	7.063	7.216	7.315	7.508
Variable Universal Life-Bal Beg of Quarter	1.812	1.808	1.633	1.766	1.527
Deposits	0.245	0.136	0.138	0.124	0.186
Withdrawals & deaths	(0.048)	(0.049)	(0.060)	(0.055)	(0.088)
Net cash flows	0.197	0.087	0.078	0.069	0.098
Policyholder assessments	(0.041)	(0.041)	(0.041)	(0.042)	(0.045)
Invest inc & chg in mkt value	(0.160)	(0.221)	0.096	(0.266)	0.166
Acq of new business/transfers between segments	0.000	0.000			
Variable Universal Life-Bal End-of-Quarter	1.808	1.633	1.766	1.527	1.746
Interest Sensitive Whole Life-Bal Beg-of-Quarter	2.026	2.062	2.068	2.084	2.096
Deposits	0.113	0.056	0.069	0.077	0.105
Withdrawals & deaths	(0.056)	(0.041)	(0.043)	(0.054)	(0.061)
Net cash flows	0.057	0.014	0.027	0.022	0.044
Policyholder assessments	(0.050)	(0.037)	(0.040)	(0.041)	(0.047)
Interest credited	0.029	0.028	0.030	0.030	0.030
Acq of new business/transfers between segments					
Int Sensitive Whole Life-Bal End-of-Quarter	2.062	2.068	2.084	2.096	2.123
Total Segment- Life Insurance Account Values Bal Beg-of-Quarter	10.716	10.847	10.764	11.066	10.939
Deposits	0.622	0.418	0.477	0.434	0.605
Withdrawals & deaths	(0.218)	(0.181)	(0.173)	(0.195)	(0.222)

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net cash flows	0.404	0.237	0.304	0.239	0.383
Policyholder assessments	(0.241)	(0.225)	(0.228)	(0.232)	(0.246)
Invest inc & change in market value	(0.033)	(0.094)	0.226	(0.134)	0.301
Acq of new business/transfers between segments	0.000	0.000	0.000	0.000	0.000
Total Segment-Bal End-of-Quarter	10.847	10.764	11.066	10.939	11.377

(1) Includes fixed investment option of VUL products.

Investment Management
Income Statements
Unaudited [Millions of Dollars]

For the Year Ended December 31	1997	1998	1999	2000
Operating Revenue				
Investment advisory fees - External	229.9	249.0	248.6	231.1
Investment advisory fees - Insurance Assets	68.5	82.5	83.6	88.1
Other revenue and fees	76.3	92.5	106.6	115.1
Net investment income	72.8	67.0	56.9	57.1
Operating Revenue	447.5	491.0	495.6	494.1
Operating Benefits and Expenses				
Underwriting, acquisition, insurance and other expenses	396.1	401.5	384.3	408.1
Goodwill amortization	15.5	16.3	16.2	16.1
Interest on notes payable	0.1	0.4	0.0	0.1
Operating Benefits and Expenses	411.8	418.2	400.5	425.1
Income from Operations Before Tax	35.8	72.8	95.1	69.1
Federal income taxes	17.7	28.9	34.1	25.1
Income from Operations	18.1	43.9	61.0	44.1
Realized gains (losses) on investments	7.0	0.5	(0.1)	(2.1)
Gains (losses) on derivatives				
Restructuring charges	0.0	0.0	(9.2)	(4.1)
Income before Accounting Changes	25.1	44.4	51.6	37.1
Cumulative effect of accounting changes				
Net Income	25.1	44.4	51.6	37.1

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Income from Operations - before Goodwill Amortization	33.6	60.3	77.2	60.3
Income from Operations - before Goodwill & Intang. Amort	45.2	72.6	88.7	70.0
Net Income - before Goodwill Amortization	40.6	60.8	67.9	53.3
Net Income - before Goodwill & Intang. Amort.	52.2	73.1	79.4	63.0
Operating Revenue	447.5	491.0	495.6	494.0
Realized gains (losses) on investments	11.6	0.9	(0.1)	(3.0)
Gains (losses) on derivatives				
	-----	-----	-----	-----
Total Revenue	459.1	491.9	495.5	490.0
	=====	=====	=====	=====
Average Capital (Securities at Cost)	653.3	642.3	593.9	575.0
Return on Capital	2.8%	6.8%	10.3%	7.0%
For the Quarter Ended	Jun	Sep	Dec	Ma
	1999	1999	1999	2000
	-----	-----	-----	-----
Operating Revenue				
Investment advisory fees - External	62.5	60.7	60.3	60.0
Investment advisory fees - Insurance Assets	20.7	19.9	22.1	21.0
Other revenue and fees	26.3	24.9	29.8	31.0
Net investment income	14.1	13.9	13.9	13.0
	-----	-----	-----	-----
Operating Revenue	123.6	119.3	126.1	126.0
	-----	-----	-----	-----
Operating Benefits and Expenses				
Underwriting, acquisition, insurance and other expenses	97.3	92.8	96.3	102.0
Goodwill amortization	4.1	4.1	4.1	4.0
Interest on notes payable	0.0	0.0	0.0	0.0
	-----	-----	-----	-----
Operating Benefits & Expenses	101.4	96.8	100.4	106.0
	-----	-----	-----	-----
Income from Operations Before Tax	22.2	22.5	25.7	19.0
Federal income taxes	7.9	7.7	9.1	7.0
	-----	-----	-----	-----
Income from Operations	14.3	14.7	16.5	12.0
	-----	-----	-----	-----
Realized gains (losses) on investments	(0.3)	(0.3)	0.4	(0.0)
Gains (losses) on derivatives				
Restructuring charges	0.0	0.0	2.9	0.0
	-----	-----	-----	-----
Income before Accounting Changes	14.0	14.4	19.8	12.0
Cumulative effect of accounting changes				
	-----	-----	-----	-----
Net Income	14.0	14.4	19.8	12.0
	=====	=====	=====	=====
Inc from Oper - before Goodwill Amortization	18.4	18.8	20.6	16.0
Inc from Oper - before Goodwill & Intang. Amort	21.3	21.7	23.3	19.0
Net Income - before				

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Goodwill Amortization	18.1	18.5	23.9	16.0
Net Income - before				
Goodwill & Intang. Amort	21.0	21.3	26.6	19.0
Operating Revenue	123.6	119.3	126.1	126.0
Realized gains (losses) on investments	(0.4)	(0.5)	0.6	(0.0)
Gains (losses) on derivatives				
Total Revenue	123.2	118.8	126.6	125.0
Average Capital (Securities at Cost)	591.6	587.2	584.2	581.0
Return on Capital	9.7%	10.0%	11.3%	8.6%
For the Quarter Ended	Dec	Mar	Jun	Se
	2000	2001	2001	2000
Operating Revenue				
Investment advisory fees - External	56.7	50.5	51.1	46.0
Investment advisory fees - Insurance Assets	23.1	22.1	21.6	21.0
Other revenue and fees	26.6	26.3	25.7	23.0
Net investment income	13.8	14.1	13.0	13.0
Operating Revenue	120.2	113.0	111.4	105.0
Operating Benefits and Expenses				
Underwriting, acquisition, insurance and other expenses	103.0	104.7	101.6	95.0
Goodwill amortization	4.1	4.1	4.1	4.0
Interest on notes payable	(0.0)	0.0	0.0	0.0
Operating Benefits & Expenses	107.1	108.8	105.7	99.0
Income from Operations Before Tax	13.1	4.2	5.7	6.0
Federal income taxes	4.4	1.8	2.0	2.0
Income from Operations	8.7	2.4	3.7	3.0
Realized gains (losses) on investments	(0.2)	(0.5)	(0.7)	(0.0)
Gains (losses) on derivatives			0.0	0.0
Restructuring charges	(1.9)	0.0	0.0	0.0
Income before Accounting Changes	6.6	2.0	3.0	2.0
Cumulative effect of accounting changes			(0.1)	0.0
Net Income	6.6	2.0	2.9	2.0
Inc from Oper - before				
Goodwill Amortization	12.7	6.5	7.7	7.0
Inc from Oper - before				
Goodwill & Intang. Amort	15.2	9.1	9.2	9.0
Net Income - before				
Goodwill Amortization	10.6	6.0	6.9	7.0
Net Income - before				

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Goodwill & Intang. Amort	13.1	8.6	8.4	8.
Operating Revenue	120.2	113.0	111.4	105.
Realized gains (losses) on investments	(0.3)	(0.7)	(1.1)	(0.
Gains (losses) on derivatives				
Total Revenue	<u>120.0</u>	<u>112.3</u>	<u>110.3</u>	<u>104.</u>
Average Capital (Securities at Cost)	558.5	548.3	542.8	543.
Return on Capital	6.2%	1.8%	2.7%	2.5

Investment Management
Assets Under Management Roll Forward
Unaudited [Billions of Dollars]

	1997	1998	1999
	-----	-----	-----
Retail Fixed - Bal Beg-of-Year	5.853	8.125	8.217
Fund Sales	0.961	1.165	0.991
Redemptions	(1.271)	(1.235)	(1.424)
Net Money Market	(0.069)	(0.140)	(0.110)
Transfers	(0.220)	0.132	0.177
Net Cash Flows	(0.599)	(0.078)	(0.366)
Income Retained	0.276	0.291	0.276
Market Apprec/Deprec	0.049	(0.121)	(0.704)
Acq of New Company/Business	2.547		
Balance End-of-Year	<u>8.125</u>	<u>8.217</u>	<u>7.424</u>
Retail Equity - Bal Beg-of-Year	13.152	17.754	22.080
Fund Sales	2.953	3.581	3.271
Redemptions	(1.926)	(2.460)	(4.971)
Net Money Market	0.000	(0.002)	(0.001)
Transfers	0.209	0.730	(0.143)
Net Cash Flows	1.236	1.849	(1.844)
Income Retained	0.005	0.220	0.120
Market Apprec/Deprec	3.317	2.256	3.028
Acq of New Company/Business	0.043		
Balance at End-of-Year	<u>17.754</u>	<u>22.080</u>	<u>23.383</u>
Total Retail - Bal Beg-of-Year	19.006	25.879	30.297
Retail Sales-Annuities	2.163	2.238	1.561
Retail Sales-Mutual Funds	1.218	1.913	2.153
Retail Sales-Wrap & Other	0.533	0.596	0.550

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Total Retail Sales	3.914	4.745	4.264
Redemptions	(3.197)	(3.694)	(6.396)
Net Money Market	(0.068)	(0.141)	(0.111)
Transfers	(0.011)	0.862	0.034
	-----	-----	-----
Net Cash Flows	0.637	1.772	(2.209)
Income Retained	0.281	0.511	0.396
Market Apprec/Deprec	3.366	2.136	2.324
Acq of New Company/Business	2.590		
	-----	-----	-----
Balance at End-of-Year	25.879	30.297	30.807
	-----	-----	-----
Institutional Fixed - Bal Beg-of-Year	3.580	5.708	6.955
Inflows	2.509	2.169	2.000
Withdrawals/Terminations	(0.787)	(1.242)	(1.699)
Transfers	0.013	(0.074)	(0.001)
	-----	-----	-----
Net Cash Flows	1.735	0.853	0.300
Income Retained	0.225	0.333	0.346
Market Apprec/Deprec	0.118	0.061	(0.665)
Acq of New Company/Business	0.051		
	-----	-----	-----
Balance at End-of-Year	5.708	6.955	6.937
	-----	-----	-----
Institutional Equity - Bal Beg-of-Year	22.886	24.871	24.235
Inflows	2.465	3.840	5.248
Withdrawals/Terminations	(6.447)	(7.441)	(7.801)
Transfers	(0.068)	0.047	0.011
	-----	-----	-----
Net Cash Flows	(4.049)	(3.555)	(2.542)
Income Retained	0.491	0.473	0.482
Market Apprec/Deprec	5.544	2.446	1.453
Acq of New Company/Business			
	-----	-----	-----
Balance at End-of-Year	24.871	24.235	23.630
	-----	-----	-----
Total Institutional - Bal Beg-of-Year	26.465	30.579	31.191
Inflows	4.975	6.009	7.249
Withdrawals/Terminations	(7.234)	(8.683)	(9.500)
Transfers	(0.055)	(0.027)	0.011
	-----	-----	-----
Net Cash Flows	(2.314)	(2.702)	(2.240)
Income Retained	0.716	0.806	0.829
Market Apprec/Deprec	5.662	2.508	0.789
Acq of New Company/Business	0.051		
	-----	-----	-----
Balance at End-of-Year	30.579	31.191	30.567
	-----	-----	-----
Total Retail/Institutional - At End-of-Year	56.458	61.488	61.374
	-----	-----	-----
Insurance Assets - At End-of-Year	35.684	39.432	35.934
	-----	-----	-----
Total Assets Under Management			

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

At End-of-Year	----- 92.142 -----	----- 100.920 -----	----- 97.308 -----
----------------	--------------------------	---------------------------	--------------------------

3/31/2002

Investment Management
Assets Under Management Roll Forward
Unaudited [Billions of Dollars]

	Jun 1999	Sep 1999	Dec 1999	
	-----	-----	-----	-----
Retail Fixed - Bal-Beg-of-Qtr	8.233	7.945	7.680	7
Fund Sales	0.263	0.231	0.181	0
Redemptions	(0.366)	(0.342)	(0.403)	(0)
Net Money Market	(0.033)	(0.029)	(0.030)	(0)
Transfers	(0.043)	0.034	0.154	(0)
Net Cash Flows	(0.179)	(0.106)	(0.098)	(0)
Income Retained	0.074	0.069	0.067	0
Market Apprec/Deprec	(0.185)	(0.228)	(0.225)	(0)
Balance at End-of-Qtr	7.945	7.680	7.424	6
Retail Equity - Bal-Beg-of-Qtr	21.798	22.340	20.873	23
Fund Sales	0.790	0.730	0.894	1
Redemptions	(1.957)	(0.865)	(1.120)	(1)
Net Money Market	(0.001)	0.000	0.000	0
Transfers	0.036	(0.060)	(0.086)	(0)
Net Cash Flows	(1.132)	(0.195)	(0.312)	(0)
Income Retained	0.061	0.007	0.000	0
Market Apprec/Deprec	1.614	(1.279)	2.822	1
Balance at End-of-Qtr	22.340	20.873	23.383	24
Total Retail - Bal-Beg-of-Qtr	30.031	30.285	28.553	30
Retail Sales-Annuities	0.393	0.332	0.409	0
Retail Sales-Mutual Funds	0.487	0.514	0.587	0
Retail Sales-Wrap & Other	0.173	0.116	0.079	0
Total Retail Sales	1.053	0.962	1.075	1
Redemptions	(2.323)	(1.207)	(1.523)	(1)
Net Money Market	(0.033)	(0.029)	(0.030)	(0)
Transfers	(0.006)	(0.027)	0.068	(0)
Net Cash Flows	(1.309)	(0.301)	(0.410)	(0)
Income Retained	0.134	0.076	0.067	0
Market Apprec/Deprec	1.429	(1.507)	2.597	1

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Balance at End-of-Qtr	30.285	28.553	30.807	31
Institutional Fixed - Bal-Beg-of-Qtr	6.984	7.264	7.218	6
Inflows	0.478	0.446	0.420	0
Withdrawals/Terminations	(0.210)	(0.294)	(0.781)	(0)
Transfers	0.003	(0.002)	0.001	(0)
Net Cash Flows	0.271	0.150	(0.360)	(0)
Income Retained	0.079	0.110	0.068	0
Market Apprec/Deprec	(0.070)	(0.306)	0.011	0
Balance at End-of-Qtr	7.264	7.218	6.937	6
Institutional Equity - Bal-Beg-of-Qtr	22.927	23.962	23.098	23
Inflows	1.179	1.839	0.934	0
Withdrawals/Terminations	(2.052)	(1.165)	(2.043)	(3)
Transfers	0.019	(0.008)	(0.010)	(0)
Net Cash Flows	(0.854)	0.666	(1.119)	(2)
Income Retained	0.118	0.167	0.093	0
Market Apprec/Deprec	1.771	(1.697)	1.559	(1)
Balance at End-of-Qtr	23.962	23.098	23.630	20
Total Institutional - Bal-Beg-of-Qtr	29.910	31.226	30.316	30
Inflows	1.656	2.284	1.354	1
Withdrawals/Terminations	(2.262)	(1.458)	(2.825)	(3)
Transfers	0.022	(0.010)	(0.009)	(0)
Net Cash Flows	(0.584)	0.816	(1.480)	(2)
Income Retained	0.197	0.277	0.161	0
Market Apprec/Deprec	1.702	(2.003)	1.569	(0)
Balance at End-of-Qtr	31.226	30.316	30.567	27
Total Retail/Inst - At End-of-Qtr	61.511	58.869	61.374	58
Insurance Assets-End-of-Qtr	37.391	36.820	35.934	35
Total Assets Under Management				
At End-of-Qtr	98.902	95.689	97.308	93
	Dec	Mar	Jun	
	2000	2001	2001	
Retail Fixed - Bal-Beg-of-Qtr	6.531	6.499	6.631	6
Fund Sales	0.200	0.235	0.195	0
Redemptions	(0.272)	(0.255)	(0.280)	(0)
Net Money Market	(0.051)	0.010	(0.030)	0

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Transfers	0.013	0.042	(0.002)	0
	-----	-----	-----	-----
Net Cash Flows	(0.109)	0.032	(0.117)	0
Income Retained	0.057	0.054	0.050	0
Market Apprec/Deprec	0.021	0.046	0.080	0
	-----	-----	-----	-----
Balance at End-of-Qtr	6.499	6.631	6.643	7
	-----	-----	-----	-----
Retail Equity - Bal-Beg-of-Qtr	23.680	21.174	17.935	19
Fund Sales	1.055	0.888	0.660	0
Redemptions	(0.820)	(0.899)	(0.657)	(0)
Net Money Market	0.000	0.000	0.000	0
Transfers	(0.068)	(0.068)	(0.046)	(0)
	-----	-----	-----	-----
Net Cash Flows	0.167	(0.079)	(0.043)	(0)
Income Retained	0.025	0.007	0.015	0
Market Apprec/Deprec	(2.698)	(3.168)	1.504	(3)
	-----	-----	-----	-----
Balance at End-of-Qtr	21.174	17.935	19.411	15
	-----	-----	-----	-----
Total Retail - Bal-Beg-of-Qtr	30.211	27.674	24.566	26
Retail Sales-Annuities	0.536	0.455	0.373	0
Retail Sales-Mutual Funds	0.535	0.442	0.324	0
Retail Sales-Wrap & Other	0.184	0.227	0.157	0
	-----	-----	-----	-----
Total Retail Sales	1.255	1.124	0.854	0
Redemptions	(1.092)	(1.154)	(0.938)	(0)
Net Money Market	(0.051)	0.010	(0.030)	0
Transfers	(0.054)	(0.026)	(0.048)	(0)
	-----	-----	-----	-----
Net Cash Flows	0.058	(0.047)	(0.160)	(0)
Income Retained	0.082	0.061	0.066	0
Market Apprec/Deprec	(2.677)	(3.122)	1.584	(3)
	-----	-----	-----	-----
Balance at End-of-Qtr	27.674	24.566	26.054	22
	-----	-----	-----	-----
Institutional Fixed - Bal-Beg-of-Qtr	6.275	6.111	5.890	5
Inflows	0.135	0.310	0.233	0
Withdrawals/Terminations	(0.568)	(0.432)	(0.112)	(0)
Transfers	0.001	0.003	0.010	0
	-----	-----	-----	-----
Net Cash Flows	(0.433)	(0.119)	0.131	(0)
Income Retained	0.050	0.066	0.047	0
Market Apprec/Deprec	0.219	(0.168)	(0.259)	0
	-----	-----	-----	-----
Balance at End-of-Qtr	6.111	5.890	5.809	5
	-----	-----	-----	-----
Institutional Equity - Bal-Beg-of-Qtr	19.041	19.111	17.311	18
Inflows	0.750	0.881	0.823	0
Withdrawals/Terminations	(1.368)	(1.199)	(0.501)	(0)
Transfers	0.007	0.019	(0.008)	0
	-----	-----	-----	-----
Net Cash Flows	(0.611)	(0.299)	0.314	0
Income Retained	0.102	0.094	0.117	0

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Market Apprec/Deprec	0.579	(1.596)	0.663	(2)
	-----	-----	-----	-----
Balance at End-of-Qtr	19.111	17.311	18.405	16
	-----	-----	-----	-----
Total Institutional - Bal-Beg-of-Qtr	25.316	25.222	23.201	24
Inflows	0.885	1.191	1.056	0
Withdrawals/Terminations	(1.936)	(1.631)	(0.613)	(1)
Transfers	0.008	0.022	0.002	0
	-----	-----	-----	-----
Net Cash Flows	(1.043)	(0.418)	0.445	(0)
Income Retained	0.151	0.160	0.164	0
Market Apprec/Deprec	0.798	(1.764)	0.404	(2)
	-----	-----	-----	-----
Balance at End-of-Qtr	25.222	23.201	24.214	21
	-----	-----	-----	-----
Total Retail/Inst - At End-of-Qtr	52.895	47.766	50.268	44
Insurance Assets-End-of-Qtr	35.686	36.324	36.018	37
Total Assets Under Management				
	-----	-----	-----	-----
At End-of-Qtr	88.581	84.090	86.286	81
	=====	=====	=====	=====

3/31/2002

Lincoln UK
Income Statements & Operational Data
Unaudited [Millions of Dollars]

For the Year Ended December 31	1997	1998	1999	2000
	-----	-----	-----	-----
Operating Revenue				
Premiums	145.4	156.6	145.1	148.
Mortality assessments	25.2	29.3	27.1	31.
Expense assessments	166.1	153.6	182.3	178.
Other revenue and fees	3.3	11.2	13.8	6.
Net investment income	85.1	87.9	75.3	70.
	-----	-----	-----	-----
Operating Revenue	425.2	438.6	443.6	435.
	-----	-----	-----	-----
Operating Benefits and Expenses				
Benefits paid or provided:				
Benefits	339.6	151.0	306.2	178.
Underwriting, acquisition, insurance and other expenses	184.5	175.6	223.5	180.
Goodwill amortization	0.0	6.3	7.0	4.
	-----	-----	-----	-----
Operating Benefits and Expenses	524.1	332.9	536.7	362.
	-----	-----	-----	-----
Income from Operations Before Tax	(99.0)	105.8	(93.1)	72.

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Federal income taxes	9.3	34.8	(79.2)	11.
	-----	-----	-----	-----
Income from Operations	(108.3)	70.9	(13.9)	61.
	-----	-----	-----	-----
Realized gains (losses) on investments	1.5	0.8	2.1	2.
Restructuring charges	0.0	0.0	(6.5)	(76.)
	-----	-----	-----	-----
Income before Accounting Changes	(106.8)	71.7	(18.2)	(13.)
Cumulative effect of accounting changes				
	-----	-----	-----	-----
Net Income	(106.8)	71.7	(18.2)	(13.)
	=====	=====	=====	=====
Inc from Oper - before Goodwill Amort.	(108.3)	77.2	(6.9)	65.
Net Income - before Goodwill Amort.	(106.8)	78.0	(11.3)	(9.)
Effective tax rate	(9.4%)	32.9%	85.1%	15.7%
Operating revenue	425.2	438.6	443.6	435.
Realized gains (losses) on investments	2.1	1.1	3.0	3.
	-----	-----	-----	-----
Total Revenue	427.3	439.7	446.6	438.
	=====	=====	=====	=====
Average capital	618.1	517.7	551.2	488.
Return on average capital	(17.5%)	13.7%	(2.5%)	12.5%
Unit Linked Assets - Beg-of-Year	5.074	5.643	6.265	7.220
Deposits	0.569	0.473	0.537	0.550
Withdrawals (incl. chgs) & Deaths	(0.503)	(0.547)	(0.566)	(0.640)
	-----	-----	-----	-----
Net Cash Flows	0.066	(0.074)	(0.029)	(0.090)
Inv Inc & Chg in Mkt Val	0.682	0.662	1.154	(0.150)
Acq of new business/companies	0.000	0.000	0.000	0.000
Foreign currency adjustment	(0.179)	0.035	(0.170)	(0.530)
	-----	-----	-----	-----
Unit Linked Assets - End-of-Year	5.643	6.265	7.220	6.440
	=====	=====	=====	=====
Individual Life In-force (Billions)	25.026	25.002	25.698	24.290
Exchange Rate - Dollars to Pounds				
For-the-Year	1.644	1.658	1.617	1.510
End-of-Year	1.651	1.660	1.615	1.490

3/31/2002

Lincoln UK
Income Statements & Operational Data
Unaudited [Millions of Dollars]

For the Quarter Ended Jun Sep Dec Mar Jun

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	1999	1999	1999	2000	2000
	-----	-----	-----	-----	-----
Operating Revenue					
Premiums	29.0	33.5	38.7	39.0	36.3
Mortality assessments	7.7	7.7	5.0	6.3	8.0
Expense assessments	51.9	49.3	37.2	46.5	44.3
Other revenue and fees	3.5	3.6	3.8	2.4	1.3
Net investment income	19.6	16.2	17.7	18.9	18.5
	-----	-----	-----	-----	-----
Operating Revenue	111.8	110.3	102.4	113.2	108.4
	-----	-----	-----	-----	-----
Operating Benefits and Expenses					
Benefits paid or provided:					
Benefits	31.5	27.2	211.8	35.0	37.4
Underwriting, acquisition, insurance and other expenses	55.2	61.6	51.4	56.4	43.5
Goodwill amortization	1.2	1.2	3.3	1.3	1.3
	-----	-----	-----	-----	-----
Operating Benefits and Expenses	87.9	90.1	266.6	92.8	82.2
	-----	-----	-----	-----	-----
Income from Operations Before Tax	23.9	20.2	(164.2)	20.4	26.2
	-----	-----	-----	-----	-----
Federal income taxes	4.9	4.0	(97.1)	4.7	6.9
	-----	-----	-----	-----	-----
Income from Operations	19.0	16.2	(67.1)	15.7	19.3
	-----	-----	-----	-----	-----
Realized gains (losses) on investments	1.0	0.2	1.0	(0.2)	(0.1)
Restructuring charges	0.0	0.0	(6.5)	0.0	0.0
	-----	-----	-----	-----	-----
Income before Accounting Changes	20.0	16.4	(72.6)	15.5	19.1
Cumulative effect of accounting changes					
	-----	-----	-----	-----	-----
Net Income	20.0	16.4	(72.6)	15.5	19.1
	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	20.2	17.4	(63.8)	17.1	20.5
Net Income -before Goodwill Amort.	21.2	17.6	(69.3)	16.8	20.4
Effective tax rate	20.4%	20.0%	59.1%	22.9%	26.4%
Operating revenue	111.8	110.3	102.4	113.2	108.4
Realized gains (losses) on investments	1.4	0.3	1.4	(0.4)	(0.2)
	-----	-----	-----	-----	-----
Total Revenue	113.1	110.5	103.8	112.8	108.2
	=====	=====	=====	=====	=====
Average capital	526.9	573.5	585.0	516.4	500.8
Return on average capital	14.4%	11.3%	(45.9%)	12.2%	15.4%
Unit Linked Assets					
Balance-Beg-of-Quarter (Billions)	6.348	6.503	6.568	7.220	7.031
Deposits	0.119	0.130	0.156	0.159	0.134
Withdrawals (incl. chgs) & Deaths	(0.137)	(0.136)	(0.158)	(0.170)	(0.162)
	-----	-----	-----	-----	-----
Net Cash Flows	(0.017)	(0.005)	(0.002)	(0.011)	(0.028)

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Inv Inc & Chg in Mkt Val	0.314	(0.214)	0.784	(0.077)	0.047
Acq of new business/companies					
Foreign currency adjustment	(0.141)	0.284	(0.130)	(0.101)	(0.324)
	-----	-----	-----	-----	-----
Unit Linked Assets - End-of-Quarter	6.503	6.568	7.220	7.031	6.726
	=====	=====	=====	=====	=====
Individual Life In-force (Billions)	25.107	26.235	25.698	26.514	25.225
Exchange Rate - Dollars to Pounds					
For-the-Quarter	1.602	1.614	1.625	1.599	1.536
End-of-Quarter	1.577	1.647	1.615	1.591	1.517
For the Quarter Ended	Dec	Mar	Jun	Sep	Dec
	2000	2001	2001	2001	2001
	-----	-----	-----	-----	-----
Operating Revenue					
Premiums	40.5	12.8	9.6	11.8	11.9
Mortality assessments	7.5	9.4	8.9	8.5	7.1
Expense assessments	34.6	43.7	31.4	35.5	24.1
Other revenue and fees	1.3	0.6	0.1	0.0	0.6
Net investment income	16.7	17.9	16.9	14.8	15.2
	-----	-----	-----	-----	-----
Operating Revenue	100.6	84.4	66.9	70.7	58.9
	-----	-----	-----	-----	-----
Operating Benefits and Expenses					
Benefits paid or provided:					
Benefits	54.2	24.0	17.9	20.7	20.8
Underwriting, acquisition, insurance and other expenses	34.9	41.1	29.7	40.3	36.5
Goodwill amortization	0.2	0.2	0.2	0.2	0.2
	-----	-----	-----	-----	-----
Operating Benefits and Expenses	89.3	65.3	47.7	61.1	57.5
	-----	-----	-----	-----	-----
Income from Operations Before Tax	11.3	19.1	19.1	9.6	1.4
Federal income taxes	(4.2)	4.7	2.9	(0.5)	(18.1)
	-----	-----	-----	-----	-----
Income from Operations	15.5	14.4	16.2	10.1	19.5
	-----	-----	-----	-----	-----
Realized gains (losses) on investments	2.6	0.4	1.4	3.9	3.0
Restructuring charges	(36.1)	0.0	0.0	0.0	0.0
	-----	-----	-----	-----	-----
Income before Accounting Changes	(17.9)	14.8	17.6	14.0	22.5
Cumulative effect of accounting changes					
	-----	-----	-----	-----	-----
Net Income	(17.9)	14.8	17.6	14.0	22.5
	=====	=====	=====	=====	=====
Inc from Oper - before Goodwill Amort.	15.7	14.5	16.4	10.3	19.7
Net Income - before Goodwill Amort.	(17.8)	14.9	17.8	14.2	22.7
Effective tax rate	(37.1%)	24.6%	15.3%	(5.7%)	(1337.4%)
Operating revenue	100.6	84.4	66.9	70.7	58.9

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Realized gains (losses) on investments	3.8	0.6	2.0	5.5	4.3
	-----	-----	-----	-----	-----
Total Revenue	104.3	84.9	68.9	76.3	63.2
	=====	=====	=====	=====	=====
Average capital	448.9	548.7	553.2	575.4	561.3
Return on average capital	13.8%	10.5%	11.7%	7.0%	13.9%
Unit Linked Assets					
Balance-Beg-of-Quarter (Billions)	6.499	6.441	5.677	5.768	5.218
Deposits	0.116	0.132	0.111	0.128	0.111
Withdrawals (incl. chgs) & Deaths	(0.153)	(0.147)	(0.131)	(0.136)	(0.115)
	-----	-----	-----	-----	-----
Net Cash Flows	(0.037)	(0.015)	(0.020)	(0.009)	(0.004)
Inv Inc & Chg in Mkt Val	(0.100)	(0.421)	0.115	(0.768)	0.457
Acq of new business/companies					
Foreign currency adjustment	0.078	(0.328)	(0.004)	0.226	(0.063)
	-----	-----	-----	-----	-----
Unit Linked Assets - End-of-Quarter	6.441	5.677	5.768	5.218	5.607
	=====	=====	=====	=====	=====
Individual Life In-force (Billions)	24.290	21.894	21.519	21.299	20.878
Exchange Rate - Dollars to Pounds					
For-the-Quarter	1.454	1.455	1.421	1.442	1.448
End-of-Quarter	1.493	1.416	1.415	1.474	1.456

Other Operations
Unaudited [Millions of Dollars]

For the Year Ended December 31	1997	1998	1999
	-----	-----	-----
Revenue			
Lincoln Financial Advisors	125.3	286.4	311.1
Lincoln Financial Distributors	20.5	33.5	10.0
	-----	-----	-----
Total Distribution	145.8	319.9	421.1
Reinsurance	1362.3	1581.2	1821.1
Amortization of deferred gain on indemnity reinsurance*			
Other [Including			
Consolidating Adjustments]	(105.9)	(192.7)	(27.1)
	-----	-----	-----
Operating Revenue	1402.2	1708.3	1974.0
	-----	-----	-----
Realized gains (losses) on investments	42.1	0.5	1.1
Gains (losses) on derivatives			
Gain on sale of reinsurance subsidiaries			
	-----	-----	-----
Total Revenue	1444.3	1708.9	1985.2
	=====	=====	=====

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Income (Loss)

Lincoln Financial Advisors	(5.3)	(23.7)	(2)
Lincoln Financial Distributors	(11.2)	(8.2)	(1)
	-----	-----	-----
Total Distribution	(16.5)	(31.9)	(3)
Reinsurance	(150.1)	104.9	4
Amortization of deferred gain on indemnity reinsurance*			
LNC Financing	(31.6)	(51.5)	(8)
Other Corporate	(25.1)	(17.5)	()
	-----	-----	-----
Inc (Loss) from Operations	(223.3)	4.0	(8)
	-----	-----	-----
Realized gains (losses) on investments	24.9	2.7	1
Gains (losses) on derivatives			
Gain on sale of reinsurance subsidiaries			
Restructuring charges	0.0	(14.3)	()
	-----	-----	-----
Income before Accounting Changes	(198.4)	(7.6)	(7)
Cumulative effect of accounting changes			
	-----	-----	-----
Total Net Income (Loss)	(198.4)	(7.6)	(7)
	=====	=====	=====

For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	2
	-----	-----	-----	-----
Revenue				
Lincoln Financial Advisors	71.8	75.7	104.0	8
Lincoln Financial Distributors	26.2	26.4	34.2	2
	-----	-----	-----	-----
Total Distribution	98.0	102.1	138.2	11
Reinsurance	425.8	403.7	575.1	39
Amortization of deferred gain on indemnity reinsurance*				
Other [Including Consolidating Adjustments]	(39.8)	(64.8)	(147.0)	(6)
	-----	-----	-----	-----
Operating Revenue	484.1	441.0	566.4	44
	-----	-----	-----	-----
Realized gains (losses) on investments	(1.3)	14.2	0.0	()
Gains (losses) on derivatives				
Gain on sale of reinsurance subsidiaries				
	-----	-----	-----	-----
Total Revenue	482.8	455.2	566.4	44
	=====	=====	=====	=====

Income (Loss)

Lincoln Financial Advisors	(9.7)	(5.3)	2.7	()
Lincoln Financial Distributors	(5.3)	(2.1)	(3.7)	()
	-----	-----	-----	-----
Total Distribution	(15.0)	(7.4)	(1.0)	(1)
Reinsurance	23.7	2.2	(19.5)	3
Amortization of deferred gain on indemnity reinsurance*				
LNC Financing	(21.4)	(19.9)	(21.6)	(2)

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Other Corporate	0.9	(2.4)	(1.4)	(
	-----	-----	-----	---
Inc (Loss) from Oper	(11.9)	(27.5)	(43.5)	(
	-----	-----	-----	---
Realized gains (losses) on investments	(1.7)	9.8	1.3	(
Gains (losses) on derivatives				
Gain on sale of reinsurance subsidiaries				
Restructuring charges	0.0	(3.2)	0.0	
	-----	-----	-----	---
Income before Accounting Changes	(13.6)	(20.9)	(42.2)	(
Cumulative effect of accounting changes				
	=====	=====	=====	====
Total Net Income (Loss)	(13.6)	(20.9)	(42.2)	(
	-----	-----	-----	---
	Dec	Mar	Jun	S
For the Quarter Ended	2000	2001	2001	20
	-----	-----	-----	---
Revenue				
Lincoln Financial Advisors	109.8	81.2	83.8	78
Lincoln Financial Distributors	35.0	25.7	32.1	30
	-----	-----	-----	---
Total Distribution	144.8	106.9	115.9	109
Reinsurance	461.0	515.1	451.4	467
Amortization of deferred gain on indemnity reinsurance*				
Other [Including Consolidating Adjustments]	(59.2)	(80.5)	(116.6)	(74
	-----	-----	-----	---
Operating Revenue	546.6	541.5	450.7	502
	-----	-----	-----	---
Realized gains (losses) on investments	0.4	(10.0)	1.4	(12
Gains (losses) on derivatives		0.1	(0.1)	(0
Gain on sale of reinsurance subsidiaries				
	-----	-----	-----	---
Total Revenue	547.0	531.6	452.0	489
	=====	=====	=====	====
Income (Loss)				
Lincoln Financial Advisors	1.6	(6.8)	(12.3)	(4
Lincoln Financial Distributors	(5.1)	(6.9)	(11.5)	(7
	-----	-----	-----	---
Total Distribution	(3.4)	(13.8)	(23.8)	(12
Reinsurance	36.6	46.8	34.1	17
Amortization of deferred gain on indemnity reinsurance*				
LNC Financing	(19.8)	(21.7)	(22.0)	(19
Other Corporate	(9.8)	(0.5)	2.0	1
	-----	-----	-----	---
Inc (Loss) from Oper	3.5	10.9	(9.7)	(12
	-----	-----	-----	---
Realized gains (losses) on investments	1.2	(6.5)	1.0	(8
Gains (losses) on derivatives		0.1	(0.1)	(0
Gain on sale of reinsurance subsidiaries		0.0	0.0	0
Restructuring charges	1.0	0.0	(1.2)	0
	-----	-----	-----	---

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Income before Accounting Changes	5.7	4.4	(10.0)	(21)
Cumulative effect of accounting changes		(0.4)	(2.2)	0
	=====	=====	=====	=====
Total Net Income (Loss)	5.7	4.0	(12.2)	(21)

* The amortization of deferred gain on sale of reinsurance business represents the amortization of deferred gain recognized on the indemnity reinsurance portion of the transaction with Swiss Re along with the recognition of amortization of gain on reinsurance business to Swiss Re that was novated after December 7, 2001. Included in the amount for the fourth quarter of 2001 and first quarter of 2002 was \$7.9 million after-tax and \$1.3 million after-tax, respectively, of amortization of gain on reinsurance business to Swiss Re that was novated after December 7, 2001.

Consolidated Domestic Retail Deposits/Account Balances
Unaudited [Billions of Dollars]

	1997	1998	1999	2000
	-----	-----	-----	-----
Deposits - For the Year				
Lincoln Retirement - Fixed Annuities	1.632	1.452	2.563	2.07
Lincoln Retirement - Variable Annuities	2.695	2.791	2.553	3.16
Lincoln Retirement - Life Insurance	0.000	0.000	0.017	0.01
Life Insurance Segment - Life Insurance	0.384	1.207	1.698	1.88
Inv Mgmt - Annuities	2.163	2.238	1.561	1.72
Inv Mgmt - Mutual Funds	1.218	1.913	2.153	2.45
Inv Mgmt - Wrap Fee & Other	0.533	0.596	0.550	0.58
Consolidating Adjustments	(0.966)	(1.041)	(0.499)	(0.40)
	-----	-----	-----	-----
Gross Deposits	7.658	9.157	10.597	11.49
Account Balances - End of Year				
Lincoln Retirement - Fixed Annuities	15.458	16.505	16.791	15.39
Lincoln Retirement - Variable Annuities	27.346	33.358	41.493	39.42
Lincoln Retirement - Life Insurance			0.155	0.16
Life Insurance Segment - Life Insurance	3.038	9.243	10.217	10.84
Inv Mgmt - Annuities	10.991	14.257	15.526	13.49
Inv Mgmt - Mutual Funds	12.484	13.528	13.632	12.80
Inv Mgmt - Wrap Fee & Other	2.403	2.512	1.649	1.37
Consolidating Adjustments	(6.806)	(8.891)	(9.175)	(7.75)
	-----	-----	-----	-----
Account Balances	64.914	80.512	90.288	85.74
	Jun	Sep	Dec	Mar
	1999	1999	1999	2000
	-----	-----	-----	-----
Deposits - For the Quarter				
Lincoln Retirement - Fixed Annuities	0.654	0.678	0.741	0.589
				0.49

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Lincoln Retirement - Variable Annuities	0.651	0.634	0.634	0.797	0.79
Lincoln Retirement - Life Insurance	0.005	0.004	0.005	0.003	0.00
Life Insurance Segment - Life Insurance	0.379	0.399	0.526	0.424	0.41
Inv Mgmt - Annuities	0.393	0.332	0.409	0.379	0.35
Inv Mgmt - Mutual Funds	0.487	0.514	0.587	0.840	0.55
Inv Mgmt - Wrap Fee & Other	0.173	0.116	0.079	0.148	0.10
Consolidating Adjustments	(0.143)	(0.096)	(0.118)	(0.099)	(0.06)
	-----	-----	-----	-----	-----
Gross Deposits	2.599	2.581	2.864	3.081	2.65
	-----	-----	-----	-----	-----
Account Balances - End of Quarter					
Lincoln Retirement - Fixed Annuities	16.779	16.934	16.791	16.244	15.88
Lincoln Retirement - Variable Annuities	37.233	35.613	41.493	44.640	43.09
Lincoln Retirement - Life Insurance	0.130	0.128	0.155	0.169	0.16
Life Insurance Segment - Life Insurance	9.628	9.726	10.217	10.470	10.53
Inv Mgmt - Annuities	14.981	14.004	15.526	15.531	14.86
Inv Mgmt - Mutual Funds	13.654	12.938	13.632	14.201	13.60
Inv Mgmt - Wrap Fee & Other	1.650	1.611	1.649	1.335	1.33
Consolidating Adjustments	(9.050)	(8.387)	(9.175)	(8.768)	(8.41)
	-----	-----	-----	-----	-----
Account Balances	85.004	82.567	90.288	93.822	91.06
	-----	-----	-----	-----	-----
	Dec	Mar	Jun	Sep	De
	2000	2001	2001	2001	200
	-----	-----	-----	-----	-----
Deposits - For the Quarter					
Lincoln Retirement - Fixed Annuities	0.482	0.560	0.668	0.896	1.21
Lincoln Retirement - Variable Annuities	0.846	0.887	0.703	0.684	0.79
Lincoln Retirement - Life Insurance	0.004	0.003	0.004	0.003	0.00
Life Insurance Segment - Life Insurance	0.622	0.418	0.477	0.434	0.60
Inv Mgmt - Annuities	0.536	0.455	0.373	0.340	0.28
Inv Mgmt - Mutual Funds	0.535	0.442	0.324	0.292	0.29
Inv Mgmt - Wrap Fee & Other	0.184	0.227	0.157	0.168	0.16
Consolidating Adjustments	(0.145)	(0.262)	(0.202)	(0.295)	(0.27)
	-----	-----	-----	-----	-----
Gross Deposits	3.064	2.729	2.504	2.522	3.08
	-----	-----	-----	-----	-----
Account Balances - End of Quarter					
Lincoln Retirement - Fixed Annuities	15.394	15.430	15.551	16.051	16.49
Lincoln Retirement - Variable Annuities	39.427	34.733	36.961	30.506	34.63
Lincoln Retirement - Life Insurance	0.160	0.147	0.157	0.134	0.14
Life Insurance Segment - Life Insurance	10.847	10.764	11.066	10.939	11.37
Inv Mgmt - Annuities	13.494	11.787	12.483	10.665	11.77
Inv Mgmt - Mutual Funds	12.805	11.091	11.748	10.301	11.06
Inv Mgmt - Wrap Fee & Other	1.375	1.688	1.823	1.684	1.78
Consolidating Adjustments	(7.753)	(6.834)	(7.007)	(6.023)	(6.71)
	-----	-----	-----	-----	-----
Account Balances	85.749	78.806	82.783	74.257	80.55
	-----	-----	-----	-----	-----

Total Domestic Net Flows
Unaudited [Billions of Dollars]

For the Year 1998 1999 2000

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

	-----	-----	-----
Lincoln Retirement	(1.244)	(1.165)	(2.87)
Life Insurance Segment	0.113	0.985	1.15
Investment Management Segment- Retail	1.772	(2.209)	(1.51)
Consolidating Adjustments	(0.158)	1.276	1.40
	-----	-----	-----
Total Retail Net Flows	0.483	(1.114)	(1.82)
Investment Management Segment- Institutional	(2.702)	(2.240)	(5.69)
	-----	-----	-----
Total Net Flows	(2.219)	(3.354)	(7.52)
	-----	-----	-----

For the Quarter	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Ju 200
	-----	-----	-----	-----	-----
Lincoln Retirement	(0.200)	(0.193)	(0.490)	(0.700)	(0.68)
Life Insurance Segment	0.185	0.197	0.327	0.242	0.23
Investment Management Segment- Retail	(1.309)	(0.301)	(0.410)	(0.886)	(0.36)
Consolidating Adjustments	0.295	0.313	0.463	0.717	0.34
	-----	-----	-----	-----	-----
Total Retail Net Flows	(1.030)	0.015	(0.111)	(0.627)	(0.46)
Investment Management Segment- Instit.	(0.584)	0.816	(1.480)	(2.611)	(1.05)
	-----	-----	-----	-----	-----
Total Net Flows	(1.614)	0.831	(1.591)	(3.238)	(1.52)
	-----	-----	-----	-----	-----

For the Quarter	Dec 2000	Mar 2001	Jun 2001	Sep 2001	De 200
	-----	-----	-----	-----	-----
Lincoln Retirement	(0.681)	(0.590)	(0.196)	0.261	0.63
Life Insurance Segment	0.404	0.237	0.304	0.239	0.38
Investment Management Segment- Retail	0.058	(0.047)	(0.160)	(0.126)	(0.12)
Consolidating Adjustments	0.152	0.019	(0.034)	(0.081)	(0.05)
	-----	-----	-----	-----	-----
Total Retail Net Flows	(0.066)	(0.382)	(0.086)	0.293	0.83
Investment Management Segment- Instit.	(1.043)	(0.418)	0.445	(0.155)	(0.10)
	-----	-----	-----	-----	-----
Total Net Flows	(1.110)	(0.800)	0.359	0.138	0.73
	-----	-----	-----	-----	-----

NOTE: Excludes amounts reported as Assets Under Management - Insurance Assets

3/31/2002

PAGE 2

Consolidated Investment Data - Assets Managed

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Unaudited [Billions of Dollars]

December 31	1997	1998	1999	2000	2000	
Assets Managed by Source						
LNC's Investments and Cash:						
Fixed maturity securities	24.066	30.233	27.689	27.450	28.34	
Equity securities	0.660	0.543	0.604	0.550	0.47	
Other investments	5.092	7.154	7.286	7.369	7.29	
Total LNC Investments	29.819	37.929	35.578	35.369	36.11	
Separate accounts	37.139	43.409	53.654	50.580	44.83	
Cash and Invested Cash	3.795	2.433	1.896	1.927	3.09	
Discontinued Operations						
Total LNC	70.752	83.772	91.128	87.876	84.04	
Non-affiliate assets managed	48.331	50.061	49.314	43.397	42.19	
Total Assets Managed	119.083	133.833	140.443	131.273	126.24	
Assets Managed by Advisor						
Investment Management segment	56.457	61.488	61.374	52.895	47.92	
(See page 22 for additional detail)						
DLIA-Corp	35.684	39.432	35.934	35.686	38.11	
(Assets managed internally-see page 22)						
Lincoln (UK)	6.775	7.573	8.589	7.873	6.84	
Policy Loans (within business units)	0.763	1.840	1.892	1.961	1.94	
Non-LNC Affiliates	19.404	23.500	32.654	32.858	31.41	
Total Assets Managed	119.083	133.833	140.443	131.273	126.24	
End of Quarter	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Se 2000
Assets Managed by Source						
LNC's Investments and Cash:						
Fixed maturity securities	29.579	28.708	27.689	27.745	27.078	27.26
Equity securities	0.506	0.507	0.604	0.588	0.560	0.57
Other investments	7.278	7.317	7.286	7.442	7.419	7.47
Total LNC Investments	37.363	36.532	35.578	35.775	35.057	35.30
Separate accounts	47.864	46.229	53.654	56.908	54.924	54.41
Cash and invested cash	2.151	2.343	1.896	1.510	1.619	1.43
Total LNC	87.378	85.104	91.128	94.192	91.601	91.15
Non-affiliate assets managed	49.827	48.068	49.314	47.150	45.945	45.11
Total Assets Managed	137.205	133.172	140.443	141.342	137.546	136.27

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Assets Managed by Advisor						
Investment Management segment (See page 23 for additional detail)	61.511	58.869	61.374	58.241	56.518	55.52
DLIA-Corp (Assets managed internally-see page 23)	37.391	36.820	35.934	35.541	34.891	34.98
Lincoln (UK)	7.746	7.849	8.589	8.423	8.058	7.83
Policy Loans (within business units)	1.847	1.863	1.892	1.896	1.915	1.93
Non-LNC Affiliates	28.710	27.771	32.654	37.241	36.164	35.98
	-----	-----	-----	-----	-----	-----
Total Assets Managed	137.205	133.172	140.443	141.342	137.546	136.27
	=====	=====	=====	=====	=====	=====

	Dec	Mar	Jun	Sep	Dec	Ma
End of Quarter	2000	2001	2001	2001	2001	200
	-----	-----	-----	-----	-----	-----

Assets Managed by Source						
LNC's Investments and Cash:						
Fixed maturity securities	27.450	27.811	27.874	28.932	28.346	28.84
Equity securities	0.550	0.560	0.534	0.478	0.470	0.43
Other investments	7.369	7.374	7.388	7.379	7.297	7.08
	-----	-----	-----	-----	-----	-----
Total LNC Investments	35.369	35.744	35.796	36.788	36.113	36.36
Separate accounts	50.580	44.506	47.140	39.480	44.833	44.91
Cash and invested cash	1.927	2.015	1.502	1.996	3.095	1.70
	-----	-----	-----	-----	-----	-----
Total LNC	87.876	82.266	84.438	78.264	84.042	82.97
	-----	-----	-----	-----	-----	-----
Non-affiliate assets managed	43.397	41.904	44.069	39.198	42.199	43.70
	-----	-----	-----	-----	-----	-----
Total Assets Managed	131.273	124.170	128.507	117.462	126.241	126.68
	=====	=====	=====	=====	=====	=====

Assets Managed by Advisor						
Investment Management segment (See page 23 for additional detail)	52.895	47.766	50.268	44.530	47.922	49.41
DLIA-Corp (Assets managed internally-see page 23)	35.686	36.324	36.018	37.337	38.119	37.17
Lincoln (UK)	7.873	7.012	7.027	6.474	6.847	6.77
Policy Loans (within business units)	1.961	1.947	1.947	1.943	1.940	1.91
Non-LNC Affiliates	32.858	31.122	33.246	27.177	31.413	31.41
	-----	-----	-----	-----	-----	-----
Total Assets Managed	131.273	124.170	128.507	117.462	126.241	126.68
	=====	=====	=====	=====	=====	=====

3/31/2002

Consolidated Investment Data
Unaudited [Millions of Dollars except as noted]

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

For the Year Ended December 31	1997	1998	1999	2000
	-----	-----	-----	-----
Net Investment Income				
Fixed Maturity Securities	1832.1	2065.8	2232.9	2148.7
Equity Securities	19.1	22.8	20.1	19.5
Mortgage loans on real estate	279.2	383.6	369.2	373.8
Real estate	99.4	86.8	64.1	51.8
Policy loans	44.5	99.5	116.5	125.0
Invested cash	102.4	156.8	110.3	87.2
Other investments	20.6	88.4	51.8	66.8
	-----	-----	-----	-----
Investment revenue	2397.3	2903.7	2964.8	2872.8
Investment expense	146.6	222.3	157.3	125.7
	-----	-----	-----	-----
Net Investment Income	2250.8	2681.4	2807.5	2747.1
	-----	-----	-----	-----
Gross-up of Tax Exempt Income	12.7	11.6	8.1	7.8
	-----	-----	-----	-----
Adjusted Net Invest Income	2263.5	2693.0	2815.6	2754.9
	=====	=====	=====	=====
Mean Invested Assets (Cost Basis)	30337.3	36573.8	39027.5	37471.3
Ratio of Adjusted Net Invest Inc Over Mean Invested Assets	7.46%	7.36%	7.21%	7.35%
Investment Gains				
Realized Gains (Losses) on Investments	72.9	13.7	3.8	(17.5)
Gains(Losses) on Derivatives	0.0	0.0	0.0	0.0
Incr (Decr) in Unreal Gains on Sec Avail-for-Sale (after DAC/Tax)	159.6	116.4	(1018.1)	477.7
Incr (Decr) on Derivatives				
Incr (Decr) in Foreign Exchange	(20.3)	3.8	(19.9)	(8.1)
Incr (Decr) in minimum pension liability				
Securities Available-for-Sale [Billions of Dollars at End of Year]				
Fixed Maturity Sec (Market)	24.066	30.233	27.689	27.450
Fixed Maturity Sec (Adjusted Cost)	22.624	28.640	28.357	27.373
Equity Securities (Market)	0.660	0.543	0.604	0.550
Equity Securities (Adjusted Cost)	0.518	0.437	0.482	0.458
% of Fixed Maturity Securities (Based on Market)				
Treasuries and AAA	27.6%	25.6%	22.8%	22.1%
AA or better	35.1%	32.6%	29.8%	29.2%
BB or less	7.3%	7.0%	8.0%	6.7%
	-----	-----	-----	-----
For the Quarter Ended	Jun 1999	Sep 1999	Dec 1999	Mar 2000
	-----	-----	-----	-----

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Net Investment Income

Fixed Maturity Securities	575.8	551.2	548.0	541.3	544.4
Equity Securities	4.9	3.9	6.9	3.7	5.7
Mortgage loans on real estate	85.5	94.7	94.5	92.0	95.1
Real estate	18.4	13.7	12.5	11.2	12.5
Policy loans	28.6	29.4	29.9	30.7	30.9
Invested cash	23.4	32.4	22.0	27.2	15.1
Other investments	13.4	9.9	20.9	35.1	2.0
	-----	-----	-----	-----	-----
Investment revenue	750.1	735.2	734.9	741.1	705.7
Investment expense	49.3	38.1	34.8	30.0	31.8
	-----	-----	-----	-----	-----
Net Investment Income	700.8	697.1	700.1	711.1	673.8
	-----	-----	-----	-----	-----
Gross-up of Tax Exempt Income	2.0	1.7	2.6	1.5	2.3
	-----	-----	-----	-----	-----
Adjusted Net Invest Income	702.8	698.7	702.7	712.6	676.1
	=====	=====	=====	=====	=====

Mean Invested Assets (Cost Basis) 39385.3 39111.8 38438.6 38237.4 37306.1 3

Ratio of Adjusted Net Invest Inc
Over Mean Invested Assets 7.14% 7.15% 7.31% 7.45% 7.25%

Investment Gains

Realized Gains (Losses) on Investments	(3.5)	4.1	1.6	(0.4)	(6.7)
Gains (Losses) on Derivatives	0.0	0.0	0.0	0.0	0.0
Incr (Decr) in Unreal Gains on Sec Avail-for-Sale (after DAC/Tax)	(255.8)	(102.7)	(361.9)	54.5	(145.4)
Incr (Decr) on Derivatives					
Incr (Decr) in Foreign Exchange	(9.5)	19.6	(10.2)	(7.3)	(0.9)
Incr (Decr) in minimum pension liability					

Securities Available-for-Sale
[Billions of Dollars at End of Year]

Fixed Maturity Sec (Market) 29.579 28.708 27.689 27.745 27.078
Fixed Maturity Sec (Adjusted Cost) 29.494 28.974 28.357 28.295 27.788

Equity Securities (Market) 0.506 0.507 0.604 0.588 0.560
Equity Securities (Adjusted Cost) 0.385 0.414 0.482 0.475 0.446

% of Fixed Maturity Securities (Based on Market)

Treasuries and AAA 25.5% 24.2% 22.8% 22.7% 22.3%
AA or better 32.5% 31.1% 29.8% 29.5% 29.3%
BB or less 7.0% 7.5% 8.0% 7.4% 7.4%

For the Quarter Ended Dec Mar Jun Sep Dec
2000 2001 2001 2001 2001

Net Investment Income

Fixed Maturity Securities	537.7	526.9	527.0	536.9	530.1
Equity Securities	6.5	1.0	7.8	3.7	5.1
Mortgage loans on real estate	92.3	95.7	92.4	94.2	92.4

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Real estate	16.3	12.8	13.1	12.7	10.9
Policy loans	32.9	31.4	31.4	31.0	31.6
Invested cash	18.4	22.5	19.8	14.8	11.3
Other investments	2.9	19.6	18.2	28.2	3.5
	-----	-----	-----	-----	-----
Investment revenue	706.9	709.9	709.7	721.4	684.8
Investment expense	34.8	36.1	36.6	35.2	38.2
	-----	-----	-----	-----	-----
Net Investment Income	672.1	673.7	673.1	686.2	646.6
	-----	-----	-----	-----	-----
Gross-up of Tax Exempt Income	2.6	0.5	3.0	1.5	2.1
	-----	-----	-----	-----	-----
Adjusted Net Invest Income	674.7	674.2	676.1	687.7	648.7
	=====	=====	=====	=====	=====
Mean Invested Assets (Cost Basis)	37090.8	37238.0	37094.5	37685.8	38449.3
Ratio of Adjusted Net Invest Inc Over Mean Invested Assets	7.28%	7.24%	7.29%	7.30%	6.75%
Investment Gains					
Realized Gains (Losses) on Investments	1.2	(13.4)	(11.5)	(23.8)	(20.0)
Gains (Losses) on Derivatives	0.0	(0.1)	0.2	(0.4)	(4.6)
Incr (Decr) in Unreal Gains on Sec Avail-for-Sale (after DAC/Tax)	349.8	178.4	(114.2)	171.8	(52.2)
Incr (Decr) on Derivatives		23.3	3.7	(6.7)	1.2
Incr (Decr) in Foreign Exchange	2.0	(17.8)	(19.5)	22.2	(14.9)
Incr (Decr) in minimum pension liability					(36.0)
Securities Available-for-Sale [Billions of Dollars at End of Year]					
Fixed Maturity Sec (Market)	27.450	27.811	27.874	28.932	28.346
Fixed Maturity Sec (Adjusted Cost)	27.373	27.367	27.681	28.253	27.956
Equity Securities (Market)	0.550	0.560	0.534	0.478	0.470
Equity Securities (Adjusted Cost)	0.458	0.507	0.477	0.453	0.444
% of Fixed Maturity Securities (Based on Market)					
Treasuries and AAA	22.1%	20.3%	19.3%	17.9%	17.2%
AA or better	29.2%	27.1%	26.0%	24.3%	23.6%
BB or less	6.7%	7.2%	7.8%	7.2%	8.3%

3/31/2002

PAGE 30

Common Stock / Debt Information
Unaudited [Dollars per Share, except Percentages]

For the Year Ended December 31	1991	1992	1993	1994	1995
	----	----	----	----	----
Common Stock [1]					
Highest Price	13.813	19.032	24.125	22.188	26.875

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Lowest Price	9.500	12.625	17.344	17.313	17.313
Closing Price	13.688	18.500	21.750	17.500	26.875

Dividend Payout Ratio [2]	63.5%	38.9%	52.6%	51.0%	39.7%
Yield [3]	5.3%	4.1%	3.8%	4.9%	3.4%

Preferred Stock Dividend (Millions)	13.033	17.246	17.212	17.119	8.644
-------------------------------------	--------	--------	--------	--------	-------

Debt: (End of Period)

Senior Debt Ratings

A.M. Best					
Fitch		AA	AA-	AA-	AA-
Moody's		A2	A2	A1	A2
Standard and Poors		A+	A+	A+	A

Claims Paying Ratings:

Lincoln Life - A.M. Best		A+	A+	A+	A+
Lincoln Life - Fitch		AAA	AAA	AAA	AA+
Lincoln Life - Moody's		A1	A1	Aa3	Aa3
Lincoln Life - Standard & Poors		AA-	AA-	AA-	AA-
First Penn - A.M. Best*		A	A+	A+	A+
First Penn - Fitch					
First Penn - Moody's					
First Penn - Standard & Poors*		AA-	AA-	AA-	AA-
LLA of New York - A.M. Best*					
LLA of New York - Fitch*					
LLA of New York - Moody's					
LLA of New York - Standard & Poors*					

Ratios

Debt to Total Capitalization [4]		25.7%	21.1%	19.9%	22.8
Debt to Equity [4]		34.7%	26.7%	24.9%	29.5

	Jun 1999	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000
For the Quarter Ended	----	----	----	----	----	----

Common Stock:

Highest Price	53.438	57.500	48.313	41.375	40.063	56.375
Lowest Price	45.688	36.000	36.500	22.625	29.000	35.625
Closing Price	52.313	37.563	40.000	33.500	36.125	48.125

Yield [3]	2.1%	2.9%	2.9%	3.5%	3.2%	2.4%
-----------	------	------	------	------	------	------

Preferred Stock Dividend (Millions)	0.024	0.027	0.014	0.022	0.022	0.021
-------------------------------------	-------	-------	-------	-------	-------	-------

Debt: (End of Period)

Senior Debt Ratings

A.M. Best						a
Fitch	A+	A+	A+	A+	A+	A+
Moody's	A2	A2	A2	A2	A2	A2
Standard and Poors	A-	A-	A-	A-	A-	A-

Claims Paying Ratings:

Lincoln Life - A.M. Best	A	A	A	A	A	A
Lincoln Life - Fitch	AA+	AA+	AA+	AA+	AA+	AA+

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Lincoln Life - Moody's	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
Lincoln Life - Standard & Poors	AA-	AA-	AA-	AA-	AA-	AA-
First Penn - A.M. Best*	A	A	A	A	A	A
First Penn - Fitch	AA+	AA+	AA+	AA+	AA+	AA+
First Penn - Moody's	A1	A1	A1	A1	A1	A1
First Penn - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-
LLA of New York - A.M. Best*	A	A	A	A	A	A
LLA of New York - Fitch*	AA+	AA+	AA+	AA+	AA+	AA+
LLA of New York - Moody's	A1	A1	A1	A1	A1	A1
LLA of New York - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-
Ratios						
Debt to Total Capitalization [4]	22.0%	22.0%	23.2%	23.3%	21.8%	21.2%
Debt to Equity [4]	28.2%	28.3%	30.3%	30.4%	28.0%	27.0%
For the Year Ended December 31						
	1996	1997	1998	1999	2000	2001
	----	----	----	----	----	----
Common Stock [1]						
Highest Price	28.500	39.063	49.438	57.500	56.375	52.750
Lowest Price	20.375	24.500	33.500	36.000	22.625	38.000
Closing Price	26.250	39.063	40.907	40.000	47.313	48.570
Dividend Payout Ratio [2]	38.2%	22.8%	43.9%	50.5%	38.3%	41.9%
Yield [3]	3.7%	2.7%	2.7%	2.9%	2.6%	2.6%
Preferred Stock Dividend (Millions)	0.112	0.106	0.100	0.089	0.078	0.071
Debt: (End of Period)						
Senior Debt Ratings						
A.M. Best						
Fitch	AA-	AA-	A+	A+	A+	A+
Moody's	A2	A2	A2	A2	A3	A3
Standard and Poors	A	A	A-	A-	A-	A-
Claims Paying Ratings:						
Lincoln Life - A.M. Best	A+	A+	A	A	A	A
Lincoln Life - Fitch	AA+	AA+	AA+	AA+	AA	AA
Lincoln Life - Moody's	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
Lincoln Life - Standard & Poors	AA-	AA-	AA-	AA-	AA-	AA-
First Penn - A.M. Best*	A+	A+	A	A	A	A
First Penn - Fitch		AA+	AA+	AA+	AA	AA
First Penn - Moody's		A1	A1	A1	A1	A1
First Penn - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-
LLA of New York - A.M. Best*	A+	A+	A	A	A	A
LLA of New York - Fitch*		AA+	AA+	AA+	AA	AA
LLA of New York - Moody's	A1	A1	A1	A1	A1	A1
LLA of New York - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-
Ratios						
Debt to Total Capitalization [4]	18.8%	17.0%	21.2%	23.2%	20.8%	21.4%
Debt to Equity [4]	23.1%	20.5%	26.9%	30.3%	26.3%	27.2%
For the Quarter Ended						
	Dec	Mar	Jun	Sep	Dec	Mar
	2000	2001	2001	2001	2001	2002
	----	----	----	----	----	----

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

Common Stock:						
Highest Price	50.938	48.250	52.300	52.750	49.450	53.650
Lowest Price	40.875	38.000	41.280	41.000	40.000	47.200
Closing Price	47.313	42.470	51.750	46.630	48.570	50.730

Yield [3]	2.6%	2.9%	2.4%	2.6%	2.6%	2.5%
-----------	------	------	------	------	------	------

Preferred Stock Dividend (Millions)	0.013	0.019	0.018	0.017	0.017	0.017
--	-------	-------	-------	-------	-------	-------

Debt: (End of Period)

Senior Debt Ratings

A.M. Best	a	a	a	a	a	a
Fitch	A+	A+	A+	A+	A+	A+
Moody's	A3	A3	A3	A3	A3	A3
Standard and Poors	A-	A-	A-	A-	A-	A-

Claims Paying Ratings:

Lincoln Life - A.M. Best	A	A	A	A	A	A
Lincoln Life - Fitch	AA	AA	AA	AA	AA	AA
Lincoln Life - Moody's	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
Lincoln Life - Standard & Poors	AA-	AA-	AA-	AA-	AA-	AA-
First Penn - A.M. Best*	A	A	A	A	A	A
First Penn - Fitch	AA	AA	AA	AA	AA	AA
First Penn - Moody's	A1	A1	A1	A1	A1	A1
First Penn - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-
LLA of New York - A.M. Best*	A	A	A	A	A	A
LLA of New York - Fitch*	AA	AA	AA	AA	AA	AA
LLA of New York - Moody's	A1	A1	A1	A1	A1	A1
LLA of New York - Standard & Poors*	AA-	AA-	AA-	AA-	AA-	AA-

Ratios

Debt to Total Capitalization [4]	20.8%	22.2%	21.2%	21.1%	21.4%	22.7%
Debt to Equity [4]	26.3%	28.5%	27.0%	26.7%	27.2%	29.4%

* Rating based on affiliation with Lincoln Life

[1] Stock prices shown above include 2-for-1 splits in June 1993, and June 1999

[2] Indicated dividend divided by net income

[3] Indicated dividend divided by the closing price

[4] Equity used in calculation assumes securities at cost. Minority interest-preferred securities of subsidiary companies (hybrid securities) are considered 50% debt and 50% equity.

Return on Equity/Return on Capital:

In order to accommodate the various perspectives, LNC presents two separate Return on Equity numbers on pages 2 and 3 of this Statistical Report. "Net Income Divided by Average Shareholders' Equity" tends to fluctuate from period to period due to the realization of gains on the sale of investments or subsidiaries during one period and the planned generation of losses in another period for purposes of recovering Federal Taxes previously paid. "Income from Operations Divided by Average Shareholders' Equity" is less volatile but leaves out an important element of earnings for a company that has a long-term goal of enhancing shareholder value by realizing investment gains.

Return on capital measures the effectiveness of LNC's use of its total capital, which is made up of equity, debt and hybrid securities. Return on capital is calculated by dividing income from operations (after adding back after-tax interest expense) by average capital.

Edgar Filing: LINCOLN NATIONAL CORP - Form 8-K

The difference between return on capital and return on equity presents the effect of leveraging on LNC's consolidated results.