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LINCOLN NATIONAL CORP
 Form 8-K
 August 05, 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: June 30, 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 215-448-1400

Item 5
 Statistical Report for the quarter ended June 30, 2002.

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

	For the Quarter Ended June 30				For the	
	2002 Amount	2001 Amount	Change	% Change	2002 Amount	A
	-----	-----	-----	-----	-----	-----
Income from Operations						
Lincoln Retirement*	47.8	90.8	(43.0)	(47.4%)	128.2	
Life Insurance	73.5	67.1	6.4	9.5%	144.6	
Investment Management	6.6	3.7	2.9	78.4%	14.6	
Lincoln UK	6.7	16.2	(9.5)	(58.6%)	21.1	
Corporate & Other**	(7.3)	(9.7)	2.4		(19.3)	
	-----	-----	-----	-----	-----	-----
Total Income from Operations	127.2	168.1	(40.9)	(24.3%)	289.2	

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Realized gains (losses) on investments	(52.7)	(11.4)	(41.3)		(120.3)
Gains (losses) on derivatives	0.3	0.2	0.1		0.4
Reserve increase on business sold through reinsurance	(14.4)	0.0	(14.4)		(14.4)
Restructuring charges	(1.0)	(3.9)	2.9		(1.0)
	-----	-----	-----		-----
Income before Accounting Changes	59.4	153.0	(93.6)		153.9
Cumulative effect of accounting changes***	0.0	(11.3)	11.3		0.0
	-----	-----	-----	-----	-----
Net Income	59.4	141.7	(82.3)	(58.1%)	153.9
	=====	=====	=====	=====	=====
Earnings per share (diluted)					
Income from Operations	\$0.67	\$0.88	(\$0.21)	(23.9%)	\$1.52
Realized gain (losses) on investments	(\$0.27)	(\$0.06)	(\$0.21)		(\$0.62)
Gains (losses) on derivatives	\$0.00	\$0.00	\$0.00		\$0.00
Reserve increase on business sold through reinsurance	(\$0.08)	\$0.00	(\$0.08)		(\$0.08)
Restructuring charges	(\$0.01)	(\$0.02)	\$0.01		(\$0.01)
	-----	-----	-----		-----
Income before Accounting Changes	\$0.31	\$0.80	(\$0.49)		\$0.81
Cumulative effect of accounting changes***	\$0.00	(\$0.06)	\$0.06		\$0.00
	-----	-----	-----		-----
Net Income	\$0.31	\$0.74	(\$0.43)	(58.1%)	\$0.81
	=====	=====	=====	=====	=====
Inc. from Oper.- before Goodwill Amort.					
Lincoln Retirement*	47.8	91.1	(43.3)	(47.5%)	128.2
Life Insurance	73.5	73.0	0.5	0.6%	144.6
Investment Management	6.6	7.7	(1.1)	(14.4%)	14.6
Lincoln UK	6.7	16.4	(9.7)	(59.3%)	21.1
Corporate & Other**	(7.3)	(9.2)	1.9		(19.3)
	-----	-----	-----	-----	-----
Total	127.2	179.0	(51.7)	(28.9%)	289.2
	=====	=====	=====	=====	=====
Earnings per share (diluted)					
Inc. from Oper.- before Goodwill Amort.	\$0.67	\$0.93	(\$0.26)	(28.0%)	\$1.52
	-----	-----	-----	-----	-----
Net Income - before Goodwill Amort.					
Lincoln Retirement*	10.2	80.2	(70.0)	(87.3%)	57.8
Life Insurance	57.4	59.5	(2.1)	(3.5%)	101.6
Investment Management	6.2	6.9	(0.8)	(11.0%)	13.2
Lincoln UK	9.8	17.8	(8.0)	(44.7%)	20.7
Corporate & Other**	(24.2)	(11.8)	(12.4)		(39.4)
	-----	-----	-----	-----	-----
Total	59.4	152.6	(93.2)	(61.1%)	153.9
	=====	=====	=====	=====	=====
Earnings per share (diluted)					
Net Income - before Goodwill Amort.	\$0.31	\$0.79	(\$0.48)	(60.8%)	\$0.81
	-----	-----	-----	-----	-----
Operating Revenue					
Lincoln Retirement*	498.8	522.1	(23.3)	(4.5%)	1002.3
Life Insurance	464.6	465.5	(0.9)	(0.2%)	929.9
Investment Management	103.1	111.4	(8.3)	(7.5%)	208.1

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Lincoln UK	63.4	66.9	(3.4)	(5.1%)	122.2	
Corporate & Other**	96.1	450.7	(354.6)	(78.7%)	193.2	
	-----	-----	-----	-----	-----	-----
Total Operating Revenue	1226.0	1616.5	(390.5)	(24.2%)	2455.8	3
	=====	=====	=====	=====	=====	=====

Total Revenue						
Lincoln Retirement*	442.6	512.1	(69.6)	(13.6%)	895.6	1
Life Insurance	439.8	455.7	(15.8)	(3.5%)	863.8	
Investment Management	102.4	110.3	(7.9)	(7.2%)	205.9	
Lincoln UK	68.0	68.9	(0.9)	(1.3%)	121.6	
Corporate & Other**	92.2	452.0	(359.8)	(79.6%)	184.5	
	-----	-----	-----	-----	-----	-----
Total Revenue	1145.0	1599.0	(454.0)	(28.4%)	2271.4	3
	=====	=====	=====	=====	=====	=====

Operational Data by Segment:
(Billions except where noted)

Lincoln Retirement*						
Gross Deposits	1.640	1.371	0.269	19.6%	3.354	
Net Cash Flows	0.223	(0.196)	0.419	213.8%	0.311	(
Account Values (Gross)	49.886	53.658	(3.772)	(7.0%)	49.886	5
Account Values (Net of Reinsurance)	48.116	52.512	(4.396)	(8.4%)	48.116	5
Life Insurance Segment						
First Year Premium- Retail (in millions)	155.801	134.596	21.205	15.8%	295.178	25
First Year Premium- COLI (in millions)	46.631	20.976	25.655	122.3%	53.504	2
First Year Premium- Total (in millions)	202.432	155.572	46.860	30.1%	348.682	28
In-force	244.750	223.272	21.478	9.6%	244.750	22
Account Values	11.759	11.066	0.693	6.3%	11.759	1
Investment Management Segment						
Retail Deposits	1.356	0.884	0.472	53.4%	2.558	
Retail Net Cash Flows	0.167	(0.148)	0.315	212.8%	0.257	(
Institutional In-flows	1.232	1.056	0.176	16.7%	2.708	
Institutional Net Cash Flows	0.455	0.445	0.010	2.2%	1.185	
Total Net Cash Flows	0.622	0.297	0.325	109.4%	1.442	(
Assets Under Management- Retail and Inst'l	48.738	50.737	(1.998)	(3.9%)	48.738	5
Assets Under Management - Insurance Assets	38.476	36.018	2.458	6.8%	38.476	3
Assets Under Management - Total Segment	87.214	86.755	0.460	0.5%	87.214	8
Consolidated						
Consolidated Domestic Retail Deposits	3.203	2.534	0.669	26.4%	6.250	
Consolidated Domestic Retail Account Balances	77.644	83.250	(5.606)	(6.7%)	77.644	8
Total Retail Net Cash Flows	0.688	(0.073)	0.761	1038.5%	1.066	(
Total Net Cash Flows	1.143	0.372	0.771	207.4%	2.252	(
Total Assets Under Management	123.036	128.507	(5.471)	(4.3%)	123.036	12

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

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** Upon the closing of Swiss Re's acquisition of LNC's reinsurance business on December 7, 2001, all historical financial data for the former Reinsurance segment was moved into "Other Operations." In addition, ongoing 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 of FAS #133 in the 1st qtr. 2001.

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

	For the Quarter Ended June 30				For the	
	2002 Amount	2001 Amount	Change	% Change	2002 Amount	
Consolidated Operational Data: (Millions)						
Balance Sheet Assets - End of Period	95069.2	96431.2	(1362.0)	(1.4%)	95069.2	9
Shareholders' Equity						
Beg of Period (Securities at Market)	5131.1	5096.4	34.7		5263.5	
End of Period (Securities at Market)	5311.4	5055.9	255.5		5311.4	
End of Period (Securities at Cost)	4963.1	4952.8	10.3		4963.1	
Average Equity (Securities at Cost)	5081.3	4920.2	161.1		5082.3	
Return on Equity						
Inc from Operations/Average Equity	10.0%	13.7%	(3.7%)		11.4%	
Net Income/Average Equity	4.7%	11.5%	(6.8%)		6.1%	
Return on Capital						
Inc from Operations/Average Capital	8.4%	11.3%	(2.9%)		9.4%	
Common Stock Outstanding						
Average for the Period - Diluted	189.7	192.0	(2.3)	(1.2%)	190.7	
End of Period - Assuming Conv of Pref.	184.5	188.2	(3.7)	(2.0%)	184.5	
End of Period - Diluted	186.9	192.9	(6.0)	(3.1%)	186.9	
Book Value (Securities at Market)	\$28.79	\$26.87	1.92	7.1%	\$28.79	
Book Value (Securities at Cost)	\$26.90	\$26.32	0.58	2.2%	\$26.90	

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Cash Returned to Shareholders					
Share Repurchase - dollar amount	175.7	35.1	140.6		226.7
Dividends Declared to Shareholders	59.6	56.2	3.4		119.6
	-----	-----	-----		-----
Total Cash Returned to Shareholders	235.3	91.3	144.0		346.3
	=====	=====	=====		=====
Share Repurchase - number of shares	3.885	0.750	3.135		4.885
Dividend Declared on Common Stock - per share	\$0.320	\$0.305	\$0.015	4.9%	\$0.640

Comprehensive Income (millions)	For the Quarter Ended June 30		2002 Amount	2001 Amount
	2002 Amount	2001 Amount		
Net Income	59.4	141.7	153.9	
Foreign Currency Translation	42.8	(19.5)	30.0	
Net Unrealized Gains (Losses) on Securities	293.9	(114.2)	130.0	
Gains (Losses) on Derivatives	0.1	3.7	1.2	
Cumulative Effect of Accounting Change	0.0	0.0	0.0	
Minimum Pension Liability Adjustment	(2.6)	0.0	(1.9)	
	-----	-----	-----	
Comprehensive Income	393.6	11.7	313.2	
	=====	=====	=====	

Financial Highlights
Unaudited [Amounts in Millions]

Consolidated Condensed Statements of Income	For the Quarter Ended June 30				2002 Amount	2001 Amount
	2002 Amount	2001 Amount	Change	% Change		
Revenue:						
Insurance Premiums and Fees	443.2	833.5	(390.3)	(46.8%)	881.4	1,000.0
Investment Advisory Fees	47.8	49.6	(1.9)	(3.7%)	95.8	100.0

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Net Investment Income	651.0	673.1	(22.0)	(3.3%)	1,299.1	1,
Realized Gains (Losses) on						
Investments	(81.5)	(17.9)	(63.6)		(185.0)	
Gains (Losses) on Derivatives	0.4	0.2	0.2		0.6	
Other	84.0	60.4	23.7	39.2%	179.5	
	-----	-----	-----	-----	-----	-----
Total Revenue	1,145.0	1,599.0	(454.0)	(28.4%)	2,271.4	3,
Benefits and Expenses:						
Benefits	626.1	855.0	(228.9)	(26.8%)	1,229.5	1,
Underwriting, Acquisition, Insurance and Other Expenses	457.7	540.3	(82.5)	(15.3%)	874.7	1,
	-----	-----	-----	-----	-----	-----
Total Benefits and Expenses	1,083.9	1,395.3	(311.4)	(22.3%)	2,104.3	2,
	-----	-----	-----	-----	-----	-----
Net Income						
before Federal Taxes	61.1	203.7	(142.6)		167.2	
Federal Income Taxes	1.7	50.7	(49.0)		13.3	
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	59.4	153.0	(93.6)		153.9	
Cumulative Effect of Accounting Changes	--	(11.3)	11.3		--	
	-----	-----	-----	-----	-----	-----
Net Income	59.4	141.7	(82.3)	(58.1%)	153.9	
	=====	=====	=====	=====	=====	=====
Income before Tax and Cumulative Effect of Accounting Changes By Segment						
Lincoln Retirement	(0.6)	102.6	(103.2)		46.1	
Life Insurance	80.5	90.9	(10.4)		144.3	
Investment Management	7.4	4.6	2.8		15.6	
Lincoln UK	9.6	21.2	(11.6)		20.1	
Corporate and Other	(35.9)	(15.6)	(20.3)		(59.0)	
	-----	-----	-----		-----	-----
Income before Tax and Cumulative Effect of Accounting Changes	61.1	203.7	(142.6)		167.2	
Pre-Tax Realized Gains (Losses) by Segment*						
Lincoln Retirement	(56.3)	(10.0)	(46.3)		(106.7)	
Life Insurance	(24.7)	(9.8)	(14.9)		(66.2)	
Investment Management	(0.7)	(1.1)	0.4		(2.2)	
Lincoln UK	4.5	2.0	2.5		(0.6)	
Corporate and Other	(3.9)	1.4	(5.3)		(8.8)	
	-----	-----	-----		-----	-----
Pre-Tax Realized Gains (Losses) on Investments and Derivatives	(81.1)	(17.5)	(63.6)		(184.4)	
After-Tax Realized Gains (Losses) by Segment*						
Lincoln Retirement	(36.6)	(6.5)	(30.1)		(69.4)	
Life Insurance	(16.0)	(6.3)	(9.7)		(43.1)	
Investment Management	(0.4)	(0.7)	0.3		(1.4)	
Lincoln UK	3.2	1.4	1.8		(0.4)	
Corporate and Other	(2.7)	0.9	(3.5)		(5.6)	
	-----	-----	-----		-----	-----
After-Tax Realized Gains (Losses) on Investments and Derivatives	(52.4)	(11.2)	(41.2)		(119.9)	

* Includes both realized gains (losses) on investments and

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gains (losses) on derivatives.

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

	As of		
	June 2002 Amount	December 2001 Amount	Change
Consolidated Condensed Balance Sheets			
Assets:			
Investments:			
Securities Available for Sale:			
Fixed Maturities	29,724.6	28,345.7	1,378.9
Equities	419.5	470.5	(51.0)
Mortgage Loans on Real Estate	4,395.4	4,535.5	(140.2)
Real Estate	258.7	267.9	(9.2)
Policy Loans	1,906.1	1,939.7	(33.6)
Other Long-Term Investments	456.0	553.8	(97.9)
Total Investments	37,160.1	36,113.1	1,047.0
Other Assets:			
Assets Held in Separate Accounts	40,579.6	44,833.4	(4,253.8)
Other Assets	17,329.5	17,054.8	274.7
Total Assets	95,069.2	98,001.3	(2,932.1)
Liabilities and Shareholders' Equity			
Liabilities:			
Insurance and Investment Contract Liabilities	41,862.1	40,857.2	1,005.0
Liabilities Related to Separate Accounts	40,579.6	44,833.4	(4,253.8)
Other Liabilities	7,316.1	7,047.2	268.8
Total Liabilities	89,757.8	92,737.8	(2,980.0)
Shareholders' Equity:			
Net Unrealized Gains (Losses) on Securities and Derivatives	348.4	217.2	131.1
Other Shareholders' Equity	4,963.1	5,046.3	(83.2)
Total Shareholders' Equity	5,311.4	5,263.5	47.9
Total Liabilities and Shareholders' Equity	95,069.2	98,001.3	(2,932.1)

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(\$ billions)	As of June 30		
	2002 Amount	2001 Amount	Change
Domestic Retail Account Balances:			
Lincoln Retirement - Fixed Annuities	16.909	15.551	1.358
Lincoln Retirement - Variable Annuities	31.206	36.961	(5.755)
Lincoln Retirement - Life Insurance	--	0.157	(0.157)
Life Insurance Segment - Life Insurance	11.759	11.066	0.693
Investment Management - Annuities	10.896	12.532	(1.636)
Investment Management - Mutual Funds	11.033	12.215	(1.182)
Investment Management - Wrap Fee & Other	1.847	1.774	0.073
Consolidating Adjustments	(6.007)	(7.007)	1.000
Total Domestic Account Balance	77.644	83.250	(5.606)
Assets Managed by Advisor:			
Investment Management Segment	87.214	86.755	0.459
Lincoln UK	6.753	7.027	(0.274)
Policy Loans (within business units)	1.906	1.947	(0.041)
Non-LNC Affiliates	27.162	32.778	(5.615)
Total Assets Managed	123.036	128.507	(5.471)

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

For the Year Ended December 31	2001	2000	1999	1998	1997
Revenue					
Lincoln Retirement	1968.3	2133.7	2115.8	2068.1	2023.1
Life Insurance	1840.6	1819.0	1760.4	1378.5	544.1
Investment Management	433.7	490.3	495.5	491.9	459.1
Lincoln UK	293.3	438.2	446.6	439.7	427.1
Corporate & Other	1844.7	1970.4	1985.4	1708.9	1444.1
Total Revenue	6380.6	6851.5	6803.7	6087.1	4898.1

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	=====	=====	=====	=====	=====
Income from Operations*					
Lincoln Retirement	320.3	362.0	299.4	262.4	223.0
Life Insurance	279.0	259.9	212.0	149.2	39.0
Investment Management	14.6	44.1	61.0	43.9	18.0
Lincoln UK	60.2	61.0	(13.9)	70.9	(108.0)
Corporate & Other	14.8	(8.0)	(83.1)	4.0	(223.0)
	-----	-----	-----	-----	-----
Total Income from Cont Oper	689.0	719.1	475.5	530.4	(50.0)
Discontinued Operations					110.0
	-----	-----	-----	-----	-----
Income from Operations	689.0	719.1	475.5	530.4	59.0
	=====	=====	=====	=====	=====
Net Income					
Lincoln Retirement	269.2	358.6	291.5	273.8	263.0
Life Insurance	233.1	249.3	211.5	127.5	39.0
Investment Management	11.8	37.0	51.6	44.4	25.0
Lincoln UK	68.9	(13.2)	(18.2)	71.7	(106.0)
Corporate & Other	7.2	(10.2)	(76.1)	(7.6)	(198.0)
	-----	-----	-----	-----	-----
Total Net Inc from Cont Oper	590.2	621.4	460.4	509.8	22.0
Discontinued Operations					911.0
	-----	-----	-----	-----	-----
Total Net Income	590.2	621.4	460.4	509.8	934.0
	-----	-----	-----	-----	-----
OTHER DATA					
Assets	98001.3	99844.1	103095.7	93836.3	77174.0
Shareholders' Equity:					
Securities and Derivatives at					
Market	5263.5	4954.1	4263.9	5387.9	4982.0
Securities and Derivatives at					
Cost	5046.3	4942.0	4729.6	4835.6	4546.0
Average Equity (Sec & Deriv at					
Cost)	5022.6	4831.9	4818.7	4685.6	4214.0
Common Shares Outstanding:					
(millions)					
End of Period - Diluted	191.1	195.2	197.0	203.4	204.0
Average for the Period - Diluted	193.3	194.9	200.4	203.3	208.0
Per Share Data (Diluted)					
Income (Loss) from Continuing					
Operations	\$3.56	\$3.69	\$2.37	\$2.61	(\$0.0)
Income from Operations *	\$3.56	\$3.69	\$2.37	\$2.61	\$0.0
Net Income from Continuing					
Operations	\$3.05	\$3.19	\$2.30	\$2.51	\$0.0
Net Income	\$3.05	\$3.19	\$2.30	\$2.51	\$4.0
Shareholders' Equity:					
Shareholders' Equity (Sec & Deriv					
at Market)	\$28.10	\$25.92	\$21.76	\$26.59	\$24.0
Shareholders' Equity (Sec & Deriv					
at Cost)	\$26.94	\$25.85	\$24.14	\$23.86	\$22.0
Dividends Declared (Common Stock)	\$1.235	\$1.175	\$1.115	\$1.055	\$0.9

Return on Equity (see page 30)

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Net Income/Average Equity	11.8%	12.9%	9.6%	10.9%	22.0%
Inc from Operations/Average Equity	13.7%	14.9%	9.9%	11.3%	1.0%
Market Value of Common Stock					
High for the Year	\$52.750	\$56.375	\$57.500	\$49.438	\$39.000
Low for the Year	\$38.000	\$22.625	\$36.000	\$33.500	\$24.500
Close for the Year	\$48.570	\$47.313	\$40.000	\$40.907	\$39.000

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

For the Year Ended December 31	1995	1994	1993	1992	1991
	-----	-----	-----	-----	-----
Revenue					
Lincoln Retirement	1877.1	1506.2	1603.8	1336.2	1216.0
Life Insurance	514.9	466.2	477.5	444.4	417.0
Investment Management	290.5				
Lincoln UK	351.5	216.0	174.9	180.6	169.0
Corporate & Other	1552.5	1744.1	2680.9	2780.9	3721.0
	-----	-----	-----	-----	-----
Total Revenue	4586.5	3932.5	4937.1	4742.1	5524.0
	=====	=====	=====	=====	=====
Income from Operations*					
Lincoln Retirement	175.2	142.4	127.1	89.4	58.0
Life Insurance	35.4	34.2	37.8	46.8	31.0
Investment Management	20.6				
Lincoln UK	45.9	17.2	11.9	9.2	14.0
Corporate & Other	(136.2)	24.8	20.8	6.5	4.0
	-----	-----	-----	-----	-----
Total Income from Cont Oper	140.8	218.6	197.6	151.9	108.0
Discontinued Operations	165.6	171.1	145.9	88.7	69.0
	-----	-----	-----	-----	-----
Income from Operations	306.5	389.7	343.5	240.6	177.0
	=====	=====	=====	=====	=====
Net Income					
Lincoln Retirement	248.8	142.4	127.1	89.4	58.0
Life Insurance	40.6	34.2	37.8	46.8	31.0
Investment Management	27.4				
Lincoln UK	45.7	18.5	12.6	9.2	14.0
Corporate & Other	(61.1)	(29.6)	(101.1)	125.1	28.0
	-----	-----	-----	-----	-----
Total Net Inc from Cont Oper	301.4	165.5	76.4	270.5	132.0
Discontinued Operations	180.8	184.4	242.5	88.7	69.0
	-----	-----	-----	-----	-----
Total Net Income	482.2	349.9	318.9	359.2	201.0
	-----	-----	-----	-----	-----
OTHER DATA					
Assets	63257.7	48864.8	47825.1	39042.2	33660.0

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Shareholders' Equity:					
Securities and Derivatives at Market	4378.1	3042.1	4072.3	2826.8	2655.0
Securities and Derivatives at Cost	3679.9	3353.1	3157.6	2664.1	2445.0
Average Equity (Sec & Deriv at Cost)	3550.5	3288.6	3009.0	2575.0	2335.0
Common Shares Outstanding:					
(millions)					
End of Period - Diluted	210.3	208.3	208.3	187.7	185.0
Average for the Period - Diluted	209.5	208.7	206.1	186.8	189.0
Per Share Data (Diluted)					
Income (Loss) from Continuing Operations	\$0.67	\$1.05	\$0.96	\$0.81	\$0.75
Income from Operations *	\$1.46	\$1.87	\$1.67	\$1.29	\$0.95
Net Income from Continuing Operations	\$1.44	\$0.79	\$0.37	\$1.45	\$0.75
Net Income	\$2.30	\$1.68	\$1.55	\$1.92	\$1.45
Shareholders' Equity:					
Shareholders' Equity (Sec & Deriv at Market)	\$20.95	\$14.67	\$19.69	\$15.13	\$14.67
Shareholders' Equity (Sec & Deriv at Cost)	\$17.61	\$16.17	\$15.27	\$14.26	\$13.81
Dividends Declared (Common Stock)	\$0.875	\$0.830	\$0.775	\$0.738	\$0.688
Return on Equity (see page 30)					
Net Income/Average Equity	13.6%	10.6%	10.6%	13.9%	8.6%
Inc from Operations/Average Equity	8.6%	11.8%	11.4%	9.3%	7.1%
Market Value of Common Stock					
High for the Year	\$26.875	\$22.188	\$24.125	\$19.032	\$13.81
Low for the Year	\$17.313	\$17.313	\$17.344	\$12.625	\$9.50
Close for the Year	\$26.875	\$17.500	\$21.750	\$18.500	\$13.60

* "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 sold through indemnity reinsurance.

PAGE 6

Quarterly Summary
Unaudited [Millions of D
except Per Share Dat

Sep Dec Mar Jun

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For the Quarter Ended	1999	1999	2000	2000
	-----	-----	-----	-----
Revenue				
Lincoln Retirement	520.5	538.0	548.7	530.5
Life Insurance	437.1	473.1	441.7	444.2
Investment Management	118.8	126.6	125.8	120.7
Lincoln UK	110.5	103.8	112.8	108.2
Corporate & Other	455.2	566.4	440.2	489.0
	-----	-----	-----	-----
Total Revenue	1642.1	1807.9	1669.2	1692.7
	=====	=====	=====	=====
Income from Operations*				
Lincoln Retirement	75.4	73.7	88.5	84.1
Life Insurance	52.6	57.0	60.4	62.4
Investment Management	14.7	16.5	12.4	13.1
Lincoln UK	16.2	(67.1)	15.7	19.3
Corporate & Other	(27.5)	(43.5)	(6.5)	(5.9)
	-----	-----	-----	-----
Income from Operations	131.4	36.6	170.6	173.0
	=====	=====	=====	=====
Net Income				
Lincoln Retirement	68.4	69.9	91.2	84.4
Life Insurance	54.0	59.7	58.1	58.4
Investment Management	14.4	19.8	12.3	8.4
Lincoln UK	16.4	(72.6)	15.5	19.1
Corporate & Other	(20.9)	(42.2)	(6.8)	(6.8)
	-----	-----	-----	-----
Total Net Income	132.3	34.6	170.2	163.6
	=====	=====	=====	=====
OTHER DATA				
Assets	96500.7	103095.7	106340.0	103847.6
Shareholders' Equity				
Beg of Period (Sec & Deriv at Market)	4817.4	4662.2	4263.9	4340.4
End of Period (Sec & Deriv at Market)	4662.2	4263.9	4340.4	4223.7
End of Period (Sec & Deriv at Cost)	4766.0	4729.6	4751.6	4780.3
Average Equity (Sec & Deriv at Cost)	4793.9	4774.2	4791.5	4753.0
Common Shares Outstanding				
Average for the Period - Diluted	199.0	197.1	195.8	194.0
End of Period - Diluted	196.9	197.0	195.1	193.7
Per Share Data (Diluted)				
Income from Operations *	\$0.66	\$0.19	\$0.87	\$0.89
Net Income	\$0.66	\$0.18	\$0.87	\$0.84
Shareholders' Equity				
Shareholders' Equity (Sec & Deriv at Market)	\$23.76	\$21.76	\$22.45	\$22.10
Shareholders' Equity (Sec & Deriv at Cost)	\$24.28	\$24.14	\$24.58	\$25.01
Dividends Declared (Com Stk)	\$0.275	\$0.290	\$0.290	\$0.290
Return on Equity (see page 30)				
Net Income/Average Equity	11.0%	2.9%	14.2%	13.8%
Inc from Operations/Average				

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Equity	11.0%	3.1%	14.2%	14.6%
Market Value of Common Stock				
Highest Price	\$57.500	\$48.313	\$41.375	\$40.063
Lowest Price	\$36.000	\$36.500	\$22.625	\$29.000
Closing Price	\$37.563	\$40.000	\$33.500	\$36.125

Quarterly Summary (Continued)
Unaudited [Millions of Dollars
except Per Share Data]

For the Quarter Ended	Mar 2001	Jun 2001	Sep 2001	Dec 2001
	-----	-----	-----	-----
Revenue				
Lincoln Retirement	510.4	512.1	478.2	467.5
Life Insurance	459.6	455.7	460.6	464.7
Investment Management	112.3	110.3	104.7	106.5
Lincoln UK	84.9	68.9	76.3	63.2
Corporate & Other	531.6	452.0	489.5	371.7
	-----	-----	-----	-----
Total Revenue	1698.8	1599.0	1609.3	1473.6
	=====	=====	=====	=====
Income from Operations*				
Lincoln Retirement	82.3	90.8	72.4	74.8
Life Insurance	68.6	67.1	70.1	73.2
Investment Management	2.4	3.7	3.5	5.1
Lincoln UK	14.4	16.2	10.1	19.5
Corporate & Other	10.9	(9.7)	(12.9)	26.5
	-----	-----	-----	-----
Income from Operations	178.6	168.1	143.2	199.1
	=====	=====	=====	=====
Net Income				
Lincoln Retirement	76.6	79.9	58.6	54.2
Life Insurance	62.9	53.5	64.7	51.9
Investment Management	2.0	2.9	2.9	4.0
Lincoln UK	14.8	17.6	14.0	22.5
Corporate & Other	4.0	(12.2)	(21.2)	36.7
	-----	-----	-----	-----
Total Net Income	160.2	141.7	119.1	169.2
	=====	=====	=====	=====
OTHER DATA				
Assets	94122.4	96431.2	90206.0	98001.3
Shareholders' Equity				
Beg of Period (Sec & Deriv at Market)	4954.1	5096.4	5055.9	5368.6
End of Period (Sec & Deriv at Market)	5096.4	5055.9	5368.6	5263.5
End of Period (Sec & Deriv at Cost)	4882.7	4952.8	5100.4	5046.3
Average Equity (Sec & Deriv at Cost)	4953.7	4920.2	5085.0	5131.4
Common Shares Outstanding				
Average for the Period - Diluted	193.7	192.0	194.8	192.8
End of Period - Diluted	191.3	192.9	193.3	191.1

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Per Share Data (Diluted)				
Income from Operations *	\$0.92	\$0.88	\$0.74	\$1.03
Net Income	\$0.83	\$0.74	\$0.61	\$0.88
Shareholders' Equity				
Shareholders' Equity (Sec & Deriv at Market)	\$27.09	\$26.87	\$28.29	\$28.10
Shareholders' Equity (Sec & Deriv at Cost)	\$25.96	\$26.32	\$26.87	\$26.94
Dividends Declared (Com Stk)	\$0.305	\$0.305	\$0.305	\$0.320
Return on Equity (see page 30)				
Net Income/Average Equity	12.9%	11.5%	9.4%	13.2%
Inc from Operations/Average Equity	14.4%	13.7%	11.3%	15.5%
Market Value of Common Stock				
Highest Price	\$48.250	\$52.300	\$52.750	\$49.450
Lowest Price	\$38.000	\$41.280	\$41.000	\$40.000
Closing Price	\$42.470	\$51.750	\$46.630	\$48.570

* "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 sold through indemnity reinsurance.

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

For the Quarter Ended June 30	Lincoln Retirement		Life Insurance		Investment Management
	Jun 2002	Jun 2001	Jun 2002	Jun 2001	Jun 2002
Operating Revenue					
Life and annuity premiums	13.1	32.5	47.5	50.7	
Surrender charges	7.2	8.5	13.5	13.5	
Mortality assessments			123.9	124.8	
Expense assessments	127.1	138.0	47.2	45.3	
Health premiums			0.1	0.0	
Investment advisory fees					68.4
Other revenue and fees	(1.3)	3.9	6.7	3.8	22.0
Net investment income	352.7	339.3	225.7	227.4	12.7
Earnings in Unconsolidated Affiliates					

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Operating Revenue	498.8	522.1	464.6	465.5	103.1
Operating Benefits and Expenses					
Ins. benefits paid or provided:					
Life and annuity policy benefits	72.5	72.6	103.6	103.5	
Div accum & div to policyholders			18.2	19.0	
Interest credited to policy bal.	221.8	209.7	148.9	141.2	
Health policy benefits			0.0	0.0	
Underwriting, acquisition, insurance and other expenses	147.2	126.0	88.5	92.0	95.0
Goodwill amortization		0.3		5.9	
Interest			0.0		
Operating Benefits and Expenses	441.5	408.6	359.3	361.7	95.0
Income from Operations Before Tax	57.3	113.6	105.3	103.8	8.1
Federal income taxes	9.5	22.8	31.8	36.7	1.5
Income from Operations	47.8	90.8	73.5	67.1	6.6
Restructuring charges	(1.0)	(0.6)		(2.0)	
Realized gains (losses) on investments	(36.6)	(6.7)	(16.4)	(6.4)	(0.4)
Gains (losses) on derivatives	0.1	0.1	0.3	0.1	
Reserve increase on business sold through reinsurance					
Gain on sale of subsidiaries					
Income before Accounting Changes	10.2	83.6	57.4	58.8	6.2
Cumulative effect of accounting changes		(3.7)		(5.3)	
Net Income	10.2	79.9	57.4	53.5	6.2
Inc. from Oper.-before Goodwill					
Amort.	47.8	91.1	73.5	73.0	6.6
Net Income-before Goodwill Amort.	10.2	80.2	57.4	59.5	6.2

	Corporate and Other Operations		Consolidating Adjustments	
	Jun 2002	Jun 2001	Jun 2002	Jun 2001
Operating Revenue				
Life and annuity premiums	(3.4)	261.9		
Surrender charges		0.4	0.6	0.5
Mortality assessments	(1.7)	0.0		
Expense assessments	1.7	(0.0)	10.7	12.8
Health premiums	7.6	94.9		
Investment advisory fees			(20.7)	(23.1)
Other revenue and fees	98.5	83.2	(41.3)	(56.3)
Net investment income	66.5	102.0	(21.8)	(25.6)
Earnings in Unconsolidated Affiliates	(0.6)	0.0		

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Operating Revenue	168.6	542.4	(72.5)	(91.7)
	-----	-----	-----	-----
Operating Benefits and Expenses				
Ins. benefits paid or provided:				
Life and annuity policy benefits	(0.1)	181.6		
Div accum & div to policyholders	0.0	1.2		
Interest credited to policy bal.	3.7	8.7	8.0	10.0
Health policy benefits	30.4	89.5		
Underwriting, acquisition, insurance and other expenses	97.9	218.3	(58.6)	(76.1)
Goodwill amortization		0.4		(0.0)
Interest	46.5	57.7	(21.8)	(25.6)
	-----	-----	-----	-----
Operating Benefits and Expenses	178.4	557.4	(72.5)	(91.7)
	-----	-----	-----	-----
Income from Operations Before Tax	(9.8)	(15.0)		0.0
Federal income taxes	(2.5)	(5.3)		
	-----	-----	-----	-----
Income from Operations	(7.3)	(9.7)		0.0
Restructuring charges		(1.2)		
Realized gains (losses) on investments	(2.3)	0.2	(0.0)	0.8
Gains (losses) on derivatives	(0.1)	(0.1)		
Reserve increase on business sold through reinsurance	(14.4)			
Gain on sale of subsidiaries				
	-----	-----	-----	-----
Income before Accounting Changes	(24.2)	(10.8)	(0.0)	0.8
Cumulative effect of accounting changes		(2.2)		
	-----	-----	-----	-----
Net Income	(24.2)	(13.0)	(0.0)	0.8
	=====	=====	=====	=====
Inc. from Oper.-before Goodwill Amort.	(7.3)	(9.2)		
	-----	-----	-----	-----
Net Income-before Goodwill Amort.	(24.2)	(12.6)	(0.0)	0.8
	-----	-----	-----	-----

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

For the Six Months Ended June 30	Lincoln Retirement		Life Insurance		Inves Manag
	Jun 2002	Jun 2001	Jun 2002	Jun 2001	Jun 2002
	-----	-----	-----	-----	-----

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Mortality assessments	(1.7)	0.0		
Expense assessments	1.7	(0.0)	21.3	25.0
Health premiums	9.3	199.1		
Investment advisory fees			(41.9)	(46.2)
Other revenue and fees	199.9	169.4	(82.0)	(94.2)
Net investment income	133.0	203.0	(43.5)	(49.3)
Earnings in Unconsolidated Affiliates	(0.6)	0.9		
	-----	-----	-----	-----
Operating Revenue	338.2	1155.6	(144.9)	(163.5)
	-----	-----	-----	-----
Operating Benefits and Expenses				
Ins. benefits paid or provided:				
Life and annuity policy benefits	1.5	411.1		
Div accum & div to policyholders	0.0	2.5		
Interest credited to policy bal.	29.5	17.9	16.1	20.2
Health policy benefits	30.4	187.1		
Underwriting, acquisition, insurance and other expenses	211.7	426.4	(117.5)	(138.8)
Goodwill amortization		0.9		(0.0)
Interest	92.9	115.8	(43.5)	(49.3)
	-----	-----	-----	-----
Operating Benefits and Expenses	366.1	1161.6	(144.9)	(167.8)
	-----	-----	-----	-----
Income from Operations Before Tax	(27.9)	(6.0)		4.3
Federal income taxes	(8.6)	(4.1)		1.3
	-----	-----	-----	-----
Income from Operations	(19.3)	(1.8)		3.0
Restructuring charges		(1.2)		
Realized gains (losses) on investments	(5.6)	(6.3)	(0.0)	0.8
Gains (losses) on derivatives	(0.0)	(0.0)		
Reserve increase on business sold through reinsurance	(14.4)			
Gain on sale of subsidiaries				
	-----	-----	-----	-----
Income before Accounting Changes	(39.4)	(9.4)	(0.0)	3.8
Cumulative effect of accounting changes		(2.7)		
	-----	-----	-----	-----
Net Income	(39.4)	(12.1)	(0.0)	3.8
	=====	=====	=====	=====
Inc. from Oper.-before Goodwill Amort.	(19.3)	(1.0)		3.0
	-----	-----	-----	-----
Net Income-before Goodwill Amort.	(39.4)	(11.2)	(0.0)	3.8
	-----	-----	-----	-----

Statement of Consolidated Income
Unaudited [Millions of Dollars]

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For the Year Ended December 31	1997	1998	1999	2000	2001	Jun 2001
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Life and annuity premiums	756.2	985.6	1183.0	1403.3	1363.4	756.0
Surrender charges	45.4	91.5	110.2	114.7	101.5	50.6
Mortality assessments	186.4	380.1	496.4	496.5	533.3	267.4
Expense assessments	600.3	803.0	930.9	1050.2	909.2	472.4
Health premiums	572.6	635.1	698.5	409.8	340.6	200.5
Investment advisory fees	204.9	227.1	223.8	213.1	197.2	99.0
Other revenue and fees	157.3	261.0	344.5	445.4	351.8	142.3
Net investment income	2250.8	2681.4	2807.5	2747.1	2679.6	1346.8
Earnings in Unconsolidated Affiliates	2.1	3.3	5.8	(0.4)	5.7	0.9
Operating Revenue	4775.9	6068.0	6800.7	6879.8	6482.2	3336.0
Operating Benefits and Expenses						
Ins. benefits paid or provided:						
Life and annuity policy benefits	1090.2	1237.7	1546.6	1546.4	1517.9	792.5
Div accum & div to policyholders	29.7	78.0	88.4	87.6	83.7	39.1
Interest credited to policy bal.	1238.7	1446.2	1510.4	1474.2	1506.0	736.7
Health policy benefits	833.1	566.9	659.7	449.0	302.1	193.3
Underwriting, acquisition, insurance and other expenses	1557.3	1844.2	2218.5	2168.4	2004.5	1016.2
Goodwill amortization	15.6	44.5	49.2	45.1	43.4	21.7
Interest	92.5	117.1	133.7	139.5	121.0	66.5
Operating Benefits and Expenses	4857.2	5334.6	6206.4	5910.3	5578.6	2866.1
Income from Operations Before Tax	(81.3)	733.4	594.4	969.6	903.6	469.9
Federal income taxes	(30.6)	203.0	118.9	250.5	214.7	123.2
Income from Continuing Operations	(50.6)	530.4	475.5	719.1	689.0	346.7
Discontinued Operations	911.8					
Restructuring charges		(34.3)	(18.9)	(80.2)	(24.7)	(4.5)
Realized gains (losses) on investments	72.9	13.7	3.8	(17.5)	(68.7)	(24.8)
Gains (losses) on derivatives					(4.9)	0.1
Reserve increase on business sold through reinsurance						
Gain on sale of subsidiaries					15.0	
Income before Accounting Changes	934.0	509.8	460.4	621.4	605.8	317.5
Cumulative Effect of Accounting Changes					(15.6)	(15.6)
Net Income	934.0	509.8	460.4	621.4	590.2	301.9

Statement of Consolidated Income (Continued)
Unaudited [Millions of Dollars]

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

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Operating Revenue						
Life and annuity premiums	263.8	361.1	331.2	337.1	339.0	396.1
Surrender charges	28.4	29.2	28.7	29.8	25.9	30.3
Mortality assessments	118.2	118.7	118.5	122.5	125.9	129.6
Expense assessments	245.9	238.3	261.1	258.6	273.4	257.1
Health premiums	149.6	233.6	58.4	144.0	117.9	89.4
Investment advisory fees	54.6	54.1	54.0	52.2	53.3	53.6
Other revenue and fees	77.9	71.2	106.1	88.7	106.0	144.6
Net investment income	697.1	700.1	711.1	673.8	690.0	672.1
Earnings in Unconsolidated Affiliates	1.2	1.8	1.0	(3.6)	1.6	0.6
Operating Revenue	1636.7	1808.2	670.2	1703.0	733.1	1773.5
Operating Benefits and Expenses						
Ins. benefits paid or provided:						
Life and annuity policy benefits	294.0	572.5	356.1	370.1	390.2	430.0
Div accum & div to policyholders	21.2	23.3	21.7	20.2	18.2	27.4
Interest credited to policy bal.	369.7	388.5	373.9	366.8	362.0	371.5
Health policy benefits	189.8	157.8	114.3	119.9	123.0	91.8
Underwriting, acquisition, insurance and other expenses	533.4	630.5	525.7	537.5	532.4	572.9
Goodwill amortization	12.9	14.6	10.2	12.0	12.0	10.9
Interest	33.3	34.7	36.3	35.4	34.4	33.4
Operating Benefits and Expenses	1454.1	1821.8	438.2	1461.9	472.2	1537.9
Income from Operations before Tax/Min Int.	182.6	(13.6)	232.0	241.1	260.8	235.6
Federal income taxes	51.2	(50.2)	61.6	67.9	70.1	50.9
Inc from Operations before Min Int	131.4	36.6	170.4	173.2	190.7	184.7
Minority Interest			(0.2)	0.2	(0.0)	0.0
Income from Operations	131.4	36.6	170.6	173.0	190.7	184.7
Restructuring charges	(3.2)	(3.6)		(2.7)	(40.5)	(37.0)
Realized gains (losses) on investments	4.1	1.6	(0.4)	(6.7)	(11.6)	1.2
Gains (losses) on derivatives						
Reserve increase on business sold through reinsurance						
Gain on sale of subsidiaries						
Income before Accounting Changes	132.3	34.6	170.2	163.6	138.6	148.9
Cumulative Effect of Accounting Changes						
Net Income	132.3	34.6	170.2	163.6	138.6	148.9

Statement of Consolidated Income (Continued)
Unaudited [Millions of Dollars]

For the Quarter Ended	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	Jun 2002
	-----	-----	-----	-----	-----	-----

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Operating Revenue						
Life and annuity premiums	402.1	353.9	336.8	270.7	74.7	68.7
Surrender charges	27.8	22.8	23.2	27.7	20.2	21.3
Mortality assessments	133.7	133.7	133.3	132.6	130.4	130.5
Expense assessments	244.9	227.5	224.4	212.4	210.5	214.4
Health premiums	104.8	95.7	103.9	36.1	2.4	8.3
Investment advisory fees	49.4	49.6	47.2	50.9	48.0	47.8
Other revenue and fees	82.0	60.3	91.5	118.0	95.5	84.7
Net investment income	673.7	673.1	686.2	646.6	648.1	651.0
Earnings in Unconsolidated Affiliates	0.9	0.0	0.4	4.3		(0.6)
	-----	-----	-----	-----	-----	-----
Operating Revenue	1719.5	1616.5	1646.9	1499.3	1229.8	1226.0
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Ins. benefits paid or provided:						
Life and annuity policy benefits	418.9	373.6	422.6	302.8	176.1	191.5
Div accum & div to policyholders	18.9	20.2	18.0	26.6	17.8	18.2
Interest credited to policy bal.	367.1	369.7	378.7	390.6	406.2	382.5
Health policy benefits	101.8	91.5	83.8	25.0	3.3	33.9
Underwriting, acquisition, insurance and other expenses	524.8	491.4	516.0	472.3	392.2	409.3
Goodwill amortization	10.9	10.9	10.9	10.7		
Interest	34.4	32.0	29.6	25.0	24.8	24.6
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	1476.7	1389.3	1459.6	1252.9	1020.4	1060.1
	-----	-----	-----	-----	-----	-----
Income from Operations before Tax/Min Int.	242.7	227.2	187.3	246.5	209.4	166.0
Federal income taxes	64.1	59.1	44.1	47.4	47.4	38.7
	-----	-----	-----	-----	-----	-----
Inc from Operations before Min Int	178.6	168.1	143.2	199.1	162.0	127.2
	-----	-----	-----	-----	-----	-----
Minority Interest	(0.0)	(0.0)	(0.0)	(0.0)		
	-----	-----	-----	-----	-----	-----
Income from Operations	178.6	168.1	143.2	199.1	162.0	127.2
	-----	-----	-----	-----	-----	-----
Restructuring charges	(0.7)	(3.9)	0.0	(20.2)		(1.0)
Realized gains (losses) on investments	(13.4)	(11.5)	(23.8)	(20.0)	(67.6)	(52.7)
Gains (losses) on derivatives	(0.1)	0.2	(0.4)	(4.6)	0.1	0.3
Reserve increase on business sold through reinsurance						(14.4)
Gain on sale of subsidiaries				15.0		
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	164.5	153.0	119.1	169.2	94.5	59.4
Cumulative Effect of Accounting Changes	(4.3)	(11.3)		(0.0)		
	-----	-----	-----	-----	-----	-----
Net Income	160.2	141.7	119.1	169.2	94.5	59.4
	=====	=====	=====	=====	=====	=====

Reconciliation of Business Segments to Consolidated Balance Sheets

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Unaudited [Millions of Dollars]

ASSETS	Lincoln Retirement		Life Insurance		Inv Mana
	Jun 2002	Dec 2001	Jun 2002	Dec 2001	Jun 2002
Investments					
Corporate bonds	11681.1	10956.5	7273.7	7088.2	439.9
U.S. government bonds	13.3	13.2	74.2	78.2	0.1
Foreign government bonds	192.8	145.8	121.5	114.6	1.4
Asset/Mortgage backed securities	2318.4	1945.8	769.8	779.1	38.0
State and municipal bonds	24.6	24.3	25.0	17.4	
Preferred stocks-redeemable	55.7	62.7	12.5	13.0	8.8
Common stocks	20.5		6.4	7.6	
Preferred stocks-equity	32.8	38.5	0.7	5.6	2.6
Mortgage loans	2297.2	2378.1	1653.2	1701.6	88.5
Real estate					
Policy loans	474.6	491.4	1423.3	1439.7	
Other long-term investments	15.2	11.7	19.3	20.9	
Total Investments	17126.3	16068.0	11379.6	11265.9	579.3
Allocated investments	3877.4	3481.0	1338.8	1154.7	111.2
Notes receivable from LNC	581.1	333.3	136.4	27.6	30.2
Invest in unconsol affiliates					
Cash and invested cash	(107.3)	(24.7)	(23.1)	(36.4)	68.9
Property and equipment			8.0	8.5	44.7
Premium and fees receivable	0.4	0.0	22.4	8.2	35.6
Accrued investment income	249.6	245.0	184.2	187.6	9.6
Assets held in separate accounts	30741.3	34324.6	1341.8	1491.0	
Federal income tax recoverable					
Amount recoverable from					
reinsurers	1149.0	1211.6	879.6	859.5	
Deferred acquisition costs	967.8	912.8	1404.9	1265.6	
Other intangible assets	146.8	154.5	930.7	964.0	45.8
Goodwill	43.9	43.9	855.1	855.1	300.7
Other	167.4	138.1	393.7	358.4	202.9
Total Assets	54943.7	56888.2	18852.2	18409.7	1429.1

ASSETS	Corporate and Other Operations		Consolidating Adjustments	
	Jun 2002	Dec 2001	Jun 2002	Dec 2001
Investments				
Corporate bonds	4024.7	4123.9		
U.S. government bonds	353.9	318.9		
Foreign government bonds	526.1	586.2		
Asset/Mortgage backed securities	904.8	757.3		
State and municipal bonds	9.1	3.0		
Preferred stocks-redeemable	2.5	1.4		

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Common stocks	98.9	100.5		
Preferred stocks-equity	115.8	104.5		
Mortgage loans	356.1	363.0		
Real estate	259.7	269.0	(1.3)	(1.3)
Policy loans				
Other long-term investments	1671.6	1771.3	(1250.0)	(1250.0)
	-----	-----	-----	-----
Total Investments	8323.3	8399.1	(1251.3)	(1251.3)
	-----	-----	-----	-----
Allocated investments	(1122.3)	50.0	(4205.1)	(4788.2)
Notes receivable from LNC	(747.2)	(443.7)	(0.5)	(0.1)
Invest in unconsol affiliates	7.5	8.1		
Cash and invested cash	2096.9	3130.5		(210.5)
Property and equipment	179.6	173.2		
Premium and fees receivable	417.1	365.6	(14.2)	(12.2)
Accrued investment income	111.9	101.0	(19.5)	
Assets held in separate accounts			2976.5	3410.5
Federal income tax recoverable			438.4	15.1
Amount recoverable from reinsurers	4660.0	4150.6	(178.7)	(191.4)
Deferred acquisition costs	2.3	33.9	90.6	85.6
Other intangible assets				
Goodwill	(0.0)	(0.0)		
Other	1028.9	1032.7	(628.0)	(604.7)
	-----	-----	-----	-----
Total Assets	14958.0	17001.1	(2791.8)	(3547.1)
	=====	=====	=====	=====

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

	Lincoln Retirement		Life Insurance		Investment Management
	Jun 2002	Dec 2001	Jun 2002	Dec 2001	Jun 2002
LIABILITIES and SHAREHOLDERS' EQUITY					
Liabilities					
Insurance and Inv Contract Liabilities:					
Life and annuity reserves	2664.9	2622.7	13339.2	12955.8	
Health reserves			0.4	0.3	
Unpaid claims - life and health	40.2	31.3	100.3	92.9	
Unearned premiums			0.0	0.0	
Premium deposit funds	18503.4	17838.9	10.0	13.9	
Participating policyholders' funds			91.9	100.2	
Other policyholders' funds			577.3	555.2	
Liab related to separate accounts	30741.3	34324.6	1341.8	1491.0	

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Total Insurance and Inv Contract Liabilities	51949.8	54817.5	15460.9	15209.5	
Federal income taxes	80.0	(5.7)	(7.3)	(13.5)	41.7
Short-term debt				10.0	
Long-term debt					
Minority Interest in pref. securities of sub.					
Notes payable to LNC					
Other liabilities	363.1	168.4	460.5	436.3	819.8
Deferred gain on indemnity reinsurance					
Total Liabilities	52392.9	54980.3	15914.2	15642.2	861.6
Net unrealized gains (losses) on securities	137.6	79.9	48.5	13.6	2.4
Gains (losses) on derivatives	7.5	0.3	15.5	4.5	
Other shareholders' equity	2405.7	1824.9	2874.1	2738.5	565.1
S/Hs' equity-minimum pension liability adjustment					
Cumulative effect of accounting change		2.8		10.9	
Shareholders' Equity	2550.8	1907.9	2938.0	2767.5	567.6
Total Liabilities and S/Hs' Equity	54943.7	56888.2	18852.2	18409.7	1429.1

	Corporate and Other Operations		Consolidating Adjustments	
LIABILITIES and SHAREHOLDERS' EQUITY	Jun 2002	Dec 2001	Jun 2002	Dec 2001
Liabilities				
Insurance and Inv Contract Liabilities:				
Life and annuity reserves	1397.5	1122.8	(117.8)	(122.4)
Health reserves	2128.4	2491.5		
Unpaid claims - life and health	905.4	920.9		
Unearned premiums	154.3	66.9		
Premium deposit funds	29.3	105.5	585.0	597.5
Participating policyholders' funds				
Other policyholders' funds	7.4	7.4		
Liab related to separate accounts			2976.5	3410.5
Total Insurance and Inv Contract Liabilities	4622.3	4715.0	3443.7	3885.6
Federal income taxes	(550.3)	(26.3)	437.6	14.3

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Short-term debt	211.0	550.7		(210.5)
Long-term debt	2362.3	2111.8	(1250.0)	(1250.0)
Minority Interest in pref. securities of sub.	380.0	474.7		
Notes payable to LNC	361.8	335.0	(361.8)	(344.3)
Other liabilities	3499.6	3392.6	(848.9)	(839.5)
Deferred gain on indemnity reinsurance	1115.2	1144.5		
	-----	-----	-----	-----
Total Liabilities	12002.1	12698.0	1420.6	1255.7
	-----	-----	-----	-----
Net unrealized gains (losses) on securities	103.8	77.2	8.3	8.2
Gains (losses) on derivatives	(0.3)	(0.8)		
Other shareholders' equity	2852.4	4222.9	(4220.7)	(4811.0)
S/Hs' equity-minimum pension liability adjustment				
Cumulative effect of accounting change		3.9		
	-----	-----	-----	-----
Shareholders' Equity	2955.9	4303.1	(4212.4)	(4802.8)
	-----	-----	-----	-----
Total Liabilities and S/Hs' Equity	14958.0	17001.1	(2791.8)	(3547.1)
	=====	=====	=====	=====

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
	-----	-----	-----

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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
	=====	=====	=====

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
	-----	-----	-----

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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

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

	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
	-----	-----	-----	-----	-----	-----
ASSETS						
Investments						
Corporate bonds	21560.5	21119.5	21188.0	20719.1	21064.7	21
U.S. government bonds	991.0	538.3	572.4	566.2	575.5	
Foreign government bonds	1369.6	1447.5	1416.4	1377.4	1277.7	1
Mortgage backed securities	4601.2	4404.0	4393.4	4242.4	4172.5	4
State and municipal bonds	14.8	14.7	14.7	14.1	14.3	
Preferred stocks - redeemable	171.3	164.7	159.7	159.2	159.5	
Common stocks	423.9	514.5	496.4	467.8	479.9	
Preferred stocks-equity	82.7	89.5	91.3	92.2	90.3	
Mortgage loans	4772.7	4735.4	4833.9	4783.8	4767.3	4
Real estate	280.3	256.2	283.4	282.1	297.6	
Policy loans	1863.2	1892.4	1896.3	1914.7	1935.6	1
Other long-term investments	401.2	401.8	428.8	438.2	470.5	
Total Investments	36532.4	35578.4	35774.6	35057.2	35305.4	35
Invest in unconsol affiliates	23.4	25.8		(0.9)	5.8	
Cash and invested cash	2342.9	1895.9	1510.1	1619.3	1435.9	1
Property and equipment	191.9	203.8	207.7	205.5	213.8	
Premiums and fees receivable	296.0	259.6	190.2	247.8	240.8	
Accrued investment income	602.9	533.2	575.0	544.0	569.2	
Assets held in separate accounts	46228.8	53654.2	56907.6	54924.2	54410.9	50
Federal income taxes recoverable	457.3	345.0	300.4	246.1	267.3	
Amount recoverable from reinsurers	3315.6	3954.3	3851.0	3775.3	3774.7	3
Deferred acquisition costs	2614.5	2800.3	2870.4	2968.0	3048.0	3
Other intangible assets	1760.6	1746.5	1705.5	1646.7	1598.4	1
Goodwill	1435.0	1423.0	1349.6	1335.4	1296.6	1
Other	699.3	675.7	1097.8	1279.1	1076.4	1
Total Assets	96500.7	103095.7	106340.0	103847.6	103243.1	99

LIABILITIES and SHAREHOLDERS'

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EQUITY

Liabilities						
Insurance and Inv Contract						
Liabilities:						
Life and annuity reserves	16760.5	17071.4	17172.1	17247.3	17500.0	17
Health reserves	2511.3	2507.8	2547.4	2494.2	2520.2	2
Unpaid claims-life and health	1162.6	1269.8	1177.3	1204.1	1202.8	1
Unearned premiums	62.5	75.8	57.1	52.8	51.8	
Premium deposit funds	19988.9	19624.1	18899.3	18407.2	18072.1	17
Participating policyholders' funds	120.2	132.0	130.7	130.4	135.4	
Other policyholders' funds	445.9	472.6	478.9	490.6	500.7	
Liab related to separate accounts	46228.8	53654.2	56907.6	54924.2	54410.9	50
	-----	-----	-----	-----	-----	-----
Total Ins and Inv Contr Liabilities	87280.8	94807.7	97370.5	94950.8	94394.0	90
Federal income taxes						
Short-term debt	367.7	460.2	474.2	355.7	330.3	
Long-term debt	712.0	712.0	712.0	712.1	712.2	
Minority Interest - pref sec of a sub	745.0	745.0	745.0	745.0	745.0	
Notes payable to LNC						
Other liabilities	2733.0	2107.0	2697.9	2860.3	2522.9	2
Deferred gain on indemnity reinsurance						
	-----	-----	-----	-----	-----	-----
Total Liabilities	91838.5	98831.9	101999.6	99623.9	98704.5	94
	-----	-----	-----	-----	-----	-----
S/Hs' equity-unrealized gns (losses)- inv.	(103.8)	(465.7)	(411.2)	(556.6)	(337.7)	
S/Hs' equity- gains (losses)-derivatives						
S/Hs' equity-foreign currency	40.2	30.0	22.8	21.8	19.9	
S/Hs' equity-minimum pension liability adj						
S/Hs' equity-other	4725.8	4699.6	4728.9	4758.5	4856.4	4
Cumulative effect of accounting change						
	-----	-----	-----	-----	-----	-----
Total Shareholders' Equity	4662.2	4263.9	4340.4	4223.7	4538.6	4
	-----	-----	-----	-----	-----	-----
Total Liabilities and Shareholders' Equity	96500.7	103095.7	106340.0	103847.6	103243.1	99
	=====	=====	=====	=====	=====	=====
Shareholders' Equity Per Share [Book Value, Securities at Cost]	\$24.28	\$24.14	\$24.58	\$25.01	\$25.43	\$
Common shares outstanding	196.3	196.0	193.3	191.1	191.8	

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

Mar Jun Sep Dec Mar

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	2001	2001	2001	2001	2002	
	-----	-----	-----	-----	-----	-----
ASSETS						
Investments						
Corporate bonds	21855.2	22116.6	23424.3	23105.1	23470.4	23
U.S. government bonds	536.6	510.0	467.7	410.5	429.1	
Foreign government bonds	1240.8	1236.3	1160.3	1174.7	1180.1	1
Mortgage backed securities	4009.8	3844.6	3765.6	3524.7	3613.9	4
State and municipal bonds	14.7	14.1	14.4	44.7	62.6	
Preferred stocks - redeemable	154.1	152.2	99.3	85.9	84.6	
Common stocks	388.6	373.3	311.2	319.3	284.4	
Preferred stocks-equity	170.9	160.8	166.5	151.2	154.2	
Mortgage loans	4641.2	4652.8	4663.1	4535.5	4448.2	4
Real estate	308.1	306.9	288.8	267.9	258.2	
Policy loans	1947.0	1947.4	1943.4	1939.7	1918.0	1
Other long-term investments	477.4	480.9	483.4	553.8	459.6	
	-----	-----	-----	-----	-----	-----
Total Investments	35744.5	35796.0	36788.0	36113.1	36363.1	37
	-----	-----	-----	-----	-----	-----
Invest in unconsol affiliates	7.3	6.1	6.5	8.1	8.1	
Cash and invested cash	2015.2	1501.9	1996.3	3095.5	1699.5	2
Property and equipment	242.1	251.4	261.0	257.5	266.4	
Premiums and fees receivable	282.8	303.7	264.5	400.1	376.3	
Accrued investment income	581.9	573.2	615.1	563.5	577.1	
Assets held in separate accounts	44506.2	47140.2	39479.8	44833.4	44916.7	40
Federal income taxes recoverable	106.6	177.5	35.3	15.1	551.3	
Amount recoverable from reinsurers	3706.4	3662.0	3818.3	6030.4	6096.3	6
Deferred acquisition costs	2963.4	3129.1	3087.2	2885.3	3114.9	3
Other intangible assets	1505.3	1479.0	1451.5	1412.6	1384.0	1
Goodwill	1274.5	1263.6	1253.2	1211.8	1211.5	1
Other	1186.3	1147.7	1149.4	1174.9	1280.9	1
	-----	-----	-----	-----	-----	-----
Total Assets	94122.4	96431.2	90206.0	98001.3	97846.4	95
	=====	=====	=====	=====	=====	=====
LIABILITIES and SHAREHOLDERS' EQUITY						
Liabilities						
Insurance and Inv Contract						
Liabilities:						
Life and annuity reserves	17733.0	17865.3	17990.8	17917.0	18014.6	18
Health reserves	2534.8	2533.9	2573.2	2537.9	2492.4	2
Unpaid claims-life and health	1255.3	1136.5	1206.6	1087.5	1153.6	1
Unearned premiums	45.9	19.0	8.1	66.9	66.5	
Premium deposit funds	17667.1	17715.9	18509.7	18585.0	18669.6	19
Participating policyholders' funds	145.0	135.2	118.3	100.2	98.6	
Other policyholders' funds	532.1	541.4	554.3	562.7	571.9	
Liab related to separate accounts	44506.2	47140.2	39479.8	44833.4	44916.7	40
	-----	-----	-----	-----	-----	-----
Total Ins and Inv Contr	84419.3	87087.2	80440.8	85690.6	85983.9	82
	-----	-----	-----	-----	-----	-----
Federal income taxes						
Short-term debt	415.3	351.3	539.0	350.2	510.2	
Long-term debt	712.3	712.4	712.4	861.8	861.8	1
Minority Interest - pref sec of a sub	745.0	745.0	305.0	474.7	376.2	

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Notes payable to LNC					(0.0)	
Other liabilities	2734.2	2479.4	2840.2	4216.1	3864.6	4
Deferred gain on indemnity reinsurance				1144.5	1118.6	1
	-----	-----	-----	-----	-----	-----
Total Liabilities	89026.0	91375.3	84837.4	92737.8	92715.3	89
	-----	-----	-----	-----	-----	-----
S/Hs' equity-unrealized gns (losses)- inv.	190.4	76.2	247.9	195.7	31.8	
S/Hs' equity- gains (losses)-derivatives	5.7	9.4	2.9	3.9	22.6	
S/Hs' equity-foreign currency	4.1	(15.3)	6.9	(8.1)	(20.9)	
S/Hs' equity-minimum pension liability adj				(36.0)	(35.2)	
S/Hs' equity-other	4878.5	4968.2	5093.4	5090.4	5132.7	4
Cumulative effect of accounting change	17.6	17.6	17.6	17.6		
	-----	-----	-----	-----	-----	-----
Total Shareholders' Equity	5096.4	5055.9	5368.6	5263.5	5131.1	5
	-----	-----	-----	-----	-----	-----
Total Liabilities and Shareholders' Equity	94122.4	96431.2	90206.0	98001.3	97846.4	95
	=====	=====	=====	=====	=====	=====
Shareholders' Equity Per Share [Book Value, Securities at Cost]	\$25.96	\$26.32	\$26.87	\$26.94	\$27.02	\$
Common shares outstanding	188.1	188.2	189.8	187.3	187.9	

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

For the Year Ended December 31	1997	1998	1999	2000	2001	
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	84.2	53.9	65.2	64.3	77.5	
Surrender charges	29.8	33.5	37.9	41.8	31.2	
Expense assessments	367.2	459.9	536.2	628.4	537.7	2
Other revenue and fees	1.2	1.7	14.5	11.0	16.7	
Net investment income	1477.1	1501.6	1474.2	1393.5	1370.0	6
	-----	-----	-----	-----	-----	-----
Operating Revenue	1959.5	2050.6	2128.0	2138.9	2033.1	10
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	292.6	271.6	259.1	254.7	263.9	1
Interest credited to policy bal.	974.4	955.2	925.2	866.1	863.8	4
Underwriting, acquisition, insurance and other expenses	415.0	498.8	560.8	575.5	524.5	2
Goodwill amortization	0.0	2.2	2.0	(0.6)	1.2	
	-----	-----	-----	-----	-----	-----

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Operating Benefits and Expenses	1682.0	1727.8	1747.1	1695.7	1653.5	8
Income from Operations Before Tax	277.5	322.8	380.9	443.2	379.6	2
Federal income taxes	54.5	60.4	81.4	81.2	59.3	
Income from Operations	223.0	262.4	299.4	362.0	320.3	1
Realized gains (losses) on investments	40.3	11.4	(7.9)	(3.4)	(42.3)	
Gains (losses) on derivatives					(0.2)	
Restructuring charges					(1.3)	
Income before Accounting Changes	263.3	273.8	291.5	358.6	276.5	1
Cumulative effect of accounting changes					(7.3)	
Net Income	263.3	273.8	291.5	358.6	269.2	1
Inc from Oper -before Goodwill Amort.	223.0	264.6	301.5	361.4	321.5	1
Net Income -before Goodwill Amort.	263.3	276.0	293.6	358.0	270.5	1
Effective tax rate	19.6%	18.7%	21.4%	18.3%	15.6%	1
Operating Revenue	1959.5	2050.6	2128.0	2138.9	2033.1	10
Realized gains (losses) on investments	63.5	17.5	(12.1)	(5.2)	(64.5)	(
Gains (losses) on derivatives					(0.3)	
Total Revenue	2023.0	2068.1	2115.8	2133.7	1968.3	10
Average capital	1373.0	1592.6	1562.0	1601.8	1828.2	17
Return on average capital	16.2%	16.5%	19.2%	22.6%	17.5%	1

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

	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	De 2000
Operating Revenue						
Premiums	13.1	21.0	13.3	16.8	18.0	16.
Surrender charges	10.1	9.8	11.1	11.2	10.4	9.
Expense assessments	142.6	140.5	155.1	155.7	163.4	154.
Other revenue and fees	0.9	6.4	2.2	0.6	4.6	3.
Net investment income	364.5	366.0	362.9	345.8	349.8	335.
Operating Revenue	531.2	543.7	544.6	530.1	546.2	518.

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Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	55.0	77.2	61.6	65.7	68.4	59.0
Interest credited to policy balances	230.1	234.1	228.2	219.4	205.4	213.0
Underwriting, acquisition, insurance and other expenses	146.5	134.7	144.5	139.8	147.9	143.0
Goodwill amortization	0.6	0.5	(1.5)	0.3	0.3	0.0
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	432.2	446.5	432.8	425.2	421.9	415.0
	-----	-----	-----	-----	-----	-----
Income from Operations Before Tax	99.0	97.2	111.8	104.8	124.2	102.0
Federal income taxes	23.6	23.5	23.3	20.7	21.3	15.0
	-----	-----	-----	-----	-----	-----
Income from Operations	75.4	73.7	88.5	84.1	102.9	86.0
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	(7.0)	(3.7)	2.7	0.3	(9.1)	2.0
Gains (losses) on derivatives						
Restructuring charges						
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	68.4	69.9	91.2	84.4	93.8	89.0
Cumulative effect of accounting changes						
	-----	-----	-----	-----	-----	-----
Net Income	68.4	69.9	91.2	84.4	93.8	89.0
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	76.0	74.2	87.0	84.4	103.2	86.0
Net Income -before Goodwill Amort.	69.1	70.4	89.7	84.7	94.1	89.0
Effective tax rate	23.8%	24.2%	20.8%	19.7%	17.1%	15.6%
Operating Revenue	531.2	543.7	544.6	530.1	546.2	518.0
Realized gains (losses) on investments	(10.7)	(5.8)	4.2	0.4	(14.1)	4.0
Gains (losses) on derivatives						
	-----	-----	-----	-----	-----	-----
Total Revenue	520.5	538.0	548.7	530.5	532.1	522.0
	=====	=====	=====	=====	=====	=====
Average capital	1471.2	1559.0	1438.4	1647.7	1635.2	1686.0
Return on average capital	20.5%	18.9%	24.6%	20.4%	25.2%	20.5%

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

	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	Ju 2002
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	19.1	32.5	13.2	12.7	12.2	13.0
Surrender charges	9.1	8.5	6.5	7.2	7.9	7.0
Expense assessments	141.6	138.0	132.0	126.2	127.7	127.0
Other revenue and fees	1.7	3.9	1.2	10.0	5.8	(1.0)
Net investment income	341.3	339.3	346.6	342.6	349.9	352.0

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Operating Revenue	512.8	522.1	499.5	498.7	503.5	498.
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	69.8	72.6	66.3	55.3	55.4	72.
Interest credited to policy balances	209.4	209.7	217.2	227.5	226.1	221.
Underwriting, acquisition, insurance and other expenses	134.6	126.0	132.8	131.1	124.9	147.
Goodwill amortization	0.3	0.3	0.3	0.3		
Operating Benefits and Expenses	414.1	408.6	416.6	414.2	406.4	441.
Income from Operations Before Tax	98.7	113.6	82.9	84.5	97.1	57.
Federal income taxes	16.3	22.8	10.4	9.7	16.7	9.
Income from Operations	82.3	90.8	72.4	74.8	80.4	47.
Realized gains (losses) on investments	(1.4)	(6.7)	(13.5)	(20.7)	(32.8)	(36.)
Gains (losses) on derivatives	(0.1)	0.1	(0.3)	0.1	0.0	0.
Restructuring charges	(0.7)	(0.6)	0.0	0.0	0.0	(1.)
Income before Accounting Changes	80.2	83.6	58.6	54.2	47.6	10.
Cumulative effect of accounting changes	(3.6)	(3.7)	0.0	0.0	0.0	0.
Net Income	76.6	79.9	58.6	54.2	47.6	10.
Inc from Oper -before Goodwill Amort.	82.6	91.1	72.7	75.1	80.4	47.
Net Income -before Goodwill Amort.	76.9	80.2	58.9	54.5	47.6	10.
Effective tax rate	16.6%	20.1%	12.6%	11.5%	17.2%	16.5%
Operating Revenue	512.8	522.1	499.5	498.7	503.5	498.
Realized gains (losses) on investments	(2.2)	(10.3)	(20.8)	(31.3)	(50.5)	(56.)
Gains (losses) on derivatives	(0.2)	0.2	(0.5)	0.2	0.0	(0.)
Total Revenue	510.4	512.1	478.2	467.5	453.0	442.
Average capital	1797.9	1787.1	1902.9	1824.9	2041.6	2391.
Return on average capital	18.3%	20.3%	15.2%	16.4%	15.8%	8.0%

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

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	1997	1998	1999	2000	
	-----	-----	-----	-----	-----
Fixed Annuities- Bal Beg-of-Year	17.634	17.214	18.111	18.210	16
Gross Deposits	1.632	1.452	2.563	2.074	3
Withdrawals (incl charges) & deaths	(2.220)	(2.468)	(2.521)	(3.283)	(2)
Net cash flows	(0.588)	(1.016)	0.042	(1.209)	0
Transfer from (to) var annuities	(1.336)	(0.356)	(0.783)	(1.329)	(0)
Interest credited	0.978	0.994	0.840	0.944	0
Acq of new business/companies	0.527	1.274			
Fixed Annuities-Gross	17.214	18.111	18.210	16.615	18
Reinsurance Ceded	(1.757)	(1.606)	(1.419)	(1.221)	(1)
Fixed Annuities-Bal End -of-Year	15.458	16.505	16.791	15.394	16
Fixed Annuities Incremental Deposits *	1.412	1.265	2.310	1.918	3
Variable Annuities-Bal Beg-of-Year	20.383	27.346	33.358	41.493	39
Gross Deposits	2.695	2.791	2.553	3.165	3
Withdrawals (incl charges) & deaths	(2.038)	(3.019)	(3.760)	(4.830)	(3)
Net cash flows	0.657	(0.228)	(1.207)	(1.665)	(0)
Transfer from (to) fixed annuities	1.335	0.389	0.787	1.320	0
Invest inc & change in mkt value	4.971	5.414	8.555	(1.721)	(4)
Acq(sale) of new business/companies		0.437			
Var Annuities-Bal End-of-Year	27.346	33.358	41.493	39.427	34
Variable Annuities Incremental Deposits *	2.585	2.641	2.409	2.667	2
Total Annuities - Bal Beg-of-Year	38.017	44.561	51.469	59.704	56
Gross Deposits	4.327	4.244	5.116	5.239	6
Withdrawals (incl charges) & deaths	(4.258)	(5.487)	(6.281)	(8.113)	(6)
Net cash flows	0.069	(1.244)	(1.165)	(2.874)	0
Transfers	(0.001)	0.033	0.004	(0.009)	0
Interest credited & change in mkt value	5.949	6.408	9.395	(0.777)	(3)
Acq of new business/companies	0.527	1.711			
Total Gross Annuities-Bal End-of-Year	44.561	51.469	59.704	56.043	52
Reinsurance Ceded	(1.757)	(1.606)	(1.419)	(1.221)	(1)
Total Annuities (Net of Ceded) -					

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Bal End-of-Year	42.804	49.863	58.284	54.821	51.100
	=====	=====	=====	=====	=====
Total Annuities Incremental Deposits *	3.997	3.906	4.719	4.585	5.100
Var Ann Under Agree - Included above		0.649	0.719	0.941	1.100
Fixed Annuities - excluding fixed portion of variable contracts					
Deposits			0.709	0.459	1.100
Withdrawals			(1.367)	(2.271)	(1.100)
Net Flows			(0.658)	(1.812)	0.000
Variable Annuities - including fixed portion of variable contracts					
Deposits			4.407	4.780	4.100
Withdrawals			(4.915)	(5.842)	(4.100)
Net Flows			(0.508)	(1.062)	0.000
Fixed Portion of Variable Contracts					
Deposits			1.853	1.615	1.100
Withdrawals			(1.154)	(1.012)	(0.000)
Net Flows			0.699	0.603	0.000

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

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

	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	De 2000
	-----	-----	-----	-----	-----	-----
Fixed Annuities-Bal Beg-of-Quarter	18.303	18.406	18.210	17.615	17.200	16.930
Gross Deposits	0.678	0.741	0.589	0.490	0.513	0.480
Withdrawals (incl charges) & deaths	(0.567)	(0.782)	(0.875)	(0.796)	(0.802)	(0.810)
Net cash flows	0.111	(0.040)	(0.287)	(0.307)	(0.288)	(0.320)
Transfer from (to) var annuities	(0.238)	(0.300)	(0.550)	(0.346)	(0.217)	(0.210)
Interest credited	0.231	0.144	0.241	0.238	0.235	0.230
Acq of new business/companies						
Fixed Annuities-Gross	18.406	18.210	17.615	17.200	16.930	16.610
Reinsurance Ceded	(1.473)	(1.419)	(1.371)	(1.316)	(1.270)	(1.220)

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Fixed Annuities-Bal End-of-Quarter	16.934	16.791	16.244	15.884	15.660	15.39
Fixed Annuities Incremental Deposits *	0.644	0.582	0.560	0.447	0.464	0.44
Variable Annuities-Bal Beg-of-Quarter	37.233	35.613	41.493	44.640	43.097	42.74
Gross Deposits	0.634	0.634	0.797	0.793	0.729	0.84
Withdrawals (incl charges) & deaths	(0.938)	(1.084)	(1.210)	(1.168)	(1.253)	(1.19)
Net cash flows	(0.304)	(0.450)	(0.413)	(0.375)	(0.524)	(0.35)
Transfer from (to) fixed annuities	0.237	0.303	0.549	0.343	0.216	0.21
Invest inc & change in mkt value Acq(sale) of new business/companies	(1.553)	6.027	3.011	(1.511)	(0.046)	(3.17)
Var Annuities-Bal End-of-Quarter	35.613	41.493	44.640	43.097	42.743	39.42
Variable Annuities Incremental Deposits	0.589	0.592	0.732	0.699	0.586	0.65
Total Annuities -Bal Beg-of-Quarter	55.536	54.020	59.704	62.255	60.297	59.67
Gross Deposits	1.312	1.375	1.386	1.283	1.242	1.32
Withdrawals (incl charges) & deaths	(1.505)	(1.865)	(2.085)	(1.964)	(2.055)	(2.00)
Net cash flows	(0.193)	(0.490)	(0.700)	(0.682)	(0.812)	(0.68)
Transfers	(0.001)	0.003	(0.001)	(0.003)	(0.001)	(0.00)
Interest credited & change in mkt value	(1.322)	6.171	3.252	(1.273)	0.189	(2.94)
Acq of new business/companies						
Total Gross Annuities-Bal End-of-Quarter	54.020	59.704	62.255	60.297	59.673	56.04
Reinsurance Ceded	(1.473)	(1.419)	(1.371)	(1.316)	(1.270)	(1.22)
Total Annuities (Net of Ceded) - Bal End-of-Qtr	52.547	58.284	60.884	58.981	58.403	54.82
Total Annuities Incremental Deposits *	1.233	1.174	1.292	1.145	1.050	1.09
Var Ann Under Agree - Included above	0.639	0.719	0.866	0.868	0.962	0.94
* Incremental Deposits represent gross deposits reduced by transfers from other Lincoln Retirement products.						

Fixed Annuities - excluding fixed portion of variable contracts						
Deposits	0.147	0.275	0.134	0.126	0.114	0.08
Withdrawals	(0.329)	(0.428)	(0.612)	(0.557)	(0.532)	(0.57)
Net Flows	(0.182)	(0.152)	(0.479)	(0.431)	(0.417)	(0.48)

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Variable Annuities - including
fixed portion of variable
contracts

Deposits	1.165	1.100	1.252	1.157	1.128	1.24
Withdrawals	(1.176)	(1.438)	(1.473)	(1.408)	(1.523)	(1.43)
Net Flows	(0.011)	(0.338)	(0.221)	(0.251)	(0.395)	(0.19)

Fixed Portion of Variable
Contracts

Deposits	0.531	0.466	0.455	0.364	0.399	0.39
Withdrawals	(0.238)	(0.354)	(0.263)	(0.240)	(0.270)	(0.24)
Net Flows	0.293	0.112	0.192	0.124	0.129	0.15

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

	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	Ju 200
	-----	-----	-----	-----	-----	-----
Fixed Annuities-Bal Beg-of-Quarter	16.615	16.599	16.697	17.317	18.004	18.17
Gross Deposits	0.560	0.668	0.896	1.218	0.906	0.85
Withdrawals (incl charges) & deaths	(0.787)	(0.574)	(0.525)	(0.562)	(0.730)	(0.55)
Net cash flows	(0.227)	0.094	0.372	0.656	0.176	0.30
Transfer from (to) var annuities	(0.014)	(0.222)	0.021	(0.213)	(0.232)	(0.03)
Interest credited	0.225	0.226	0.228	0.244	0.230	0.23
Acq of new business/companies	-----	-----	-----	-----	-----	-----
Fixed Annuities-Gross	16.599	16.697	17.317	18.004	18.178	18.67
Reinsurance Ceded	(1.169)	(1.146)	(1.266)	(1.514)	(1.645)	(1.77)
Fixed Annuities-Bal End-of-Quarter	15.430	15.551	16.051	16.491	16.533	16.90
Fixed Annuities Incremental Deposits *	0.536	0.611	0.873	1.193	0.881	0.83
Variable Annuities-Bal Beg-of-Quarter	39.427	34.733	36.961	30.506	34.638	35.15
Gross Deposits	0.887	0.703	0.684	0.793	0.808	0.78
Withdrawals (incl charges) & deaths	(1.250)	(0.993)	(0.795)	(0.818)	(0.896)	(0.86)
Net cash flows	(0.363)	(0.290)	(0.111)	(0.025)	(0.088)	(0.07)
Transfer from (to) fixed annuities	0.011	0.227	(0.023)	0.213	0.234	0.03
Invest inc & change in mkt value	(4.342)	2.291	(6.321)	3.944	0.366	(3.89)
Acq(sale) of new business/companies	-----	-----	-----	-----	-----	-----
Var Annuities-Bal End-of-Quarter	34.733	36.961	30.506	34.638	35.150	31.20
	-----	-----	-----	-----	-----	-----

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Variable Annuities Incremental Deposits	0.683	0.612	0.604	0.725	0.725	0.74
Total Annuities -Bal Beg-of-Quarter	56.043	51.332	53.658	47.824	52.643	53.32
Gross Deposits	1.447	1.371	1.580	2.011	1.714	1.64
Withdrawals (incl charges) & deaths	(2.037)	(1.567)	(1.320)	(1.380)	(1.626)	(1.41)
Net cash flows	(0.590)	(0.196)	0.261	0.631	0.088	0.22
Transfers	(0.003)	0.005	(0.002)		0.002	0.00
Interest credited & change in mkt value	(4.117)	2.517	(6.093)	4.188	0.596	(3.66)
Acq of new business/companies						
Total Gross Annuities-Bal End-of-Quarter	51.332	53.658	47.824	52.643	53.329	49.88
Reinsurance Ceded	(1.169)	(1.146)	(1.266)	(1.514)	(1.645)	(1.77)
Total Annuities (Net of Ceded) - Bal End-of-Qtr	50.163	52.512	46.558	51.129	51.684	48.11
Total Annuities Incremental Deposits *	1.219	1.223	1.477	1.918	1.606	1.58
Var Ann Under Agree - Included above	0.904	0.975	0.907	1.077	1.207	1.17

* Incremental Deposits represent gross deposits reduced by transfers from other Lincoln Retirement products.

Fixed Annuities - excluding fixed portion of variable contracts						
Deposits	0.160	0.329	0.489	0.734	0.505	0.43
Withdrawals	(0.556)	(0.356)	(0.340)	(0.352)	(0.463)	(0.26)
Net Flows	(0.396)	(0.027)	0.149	0.382	0.042	0.16
Variable Annuities - including fixed portion of variable contracts						
Deposits	1.287	1.042	1.091	1.277	1.209	1.21
Withdrawals	(1.481)	(1.211)	(0.979)	(1.028)	(1.163)	(1.15)
Net Flows	(0.194)	(0.169)	0.112	0.249	0.046	0.06
Fixed Portion of Variable Contracts						
Deposits	0.400	0.339	0.407	0.484	0.401	0.42
Withdrawals	(0.231)	(0.218)	(0.184)	(0.210)	(0.267)	(0.28)
Net Flows	0.169	0.121	0.223	0.274	0.134	0.13

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

	1997	1998	1999	2000	2001	YTD Jun 2001
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	64.8	185.9	235.8	227.3	212.4	101.6
Surrender charges	9.8	52.1	66.3	66.4	66.1	30.6
Mortality assessments	161.2	350.1	444.6	465.2	499.4	249.1
Expense assessments	28.6	146.2	165.8	191.8	191.4	92.7
Other revenue and fees	9.0	2.6	9.8	14.2	17.9	8.9
Net investment income	268.2	642.6	840.1	871.5	910.2	450.4
	-----	-----	-----	-----	-----	-----
Operating Revenue	541.5	379.5	1762.6	1836.4	1897.5	933.4
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	143.6	371.2	430.5	411.5	418.5	203.4
Div accum & div to policyholders	20.4	70.7	81.5	80.8	78.5	36.6
Interest credited to policy bal.	153.0	393.1	493.8	525.4	569.9	279.5
Underwriting, acquisition, insurance and other expenses	172.1	293.1	399.1	384.8	374.7	190.8
Goodwill amortization	0.1	19.7	23.4	23.7	23.7	11.8
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	489.3	1147.8	1428.2	1426.3	1465.4	722.1
	-----	-----	-----	-----	-----	-----
Income from Operations Before Tax	52.3	231.6	334.3	410.1	432.1	211.2
	-----	-----	-----	-----	-----	-----
Federal income taxes	12.4	82.4	122.3	150.1	153.0	75.5
	-----	-----	-----	-----	-----	-----
Income from Operations	39.9	149.2	212.0	259.9	279.0	135.7
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	(0.8)	(1.7)	(0.5)	(10.7)	(38.5)	(11.8)
Gains (losses) on derivatives					1.6	0.1
Restructuring charges	0.0	(20.0)	0.0	0.0	(3.5)	(2.0)
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	39.1	127.5	211.5	249.3	238.6	122.0
Cumulative effect of accounting changes					(5.5)	(5.5)
	-----	-----	-----	-----	-----	-----
Net Income	39.1	127.5	211.5	249.3	233.1	116.5
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	40.0	168.9	235.4	283.6	302.7	147.6
Net Income -before Goodwill Amort.	39.2	147.1	234.9	273.0	256.7	128.3
Effective tax rate	23.7%	35.6%	36.6%	36.6%	35.4%	35.7%
Operating Revenue	541.5	1,379.5	1,762.6	1836.4	1897.5	933.4
Realized gains (losses) on investments	3.2	(1.0)	(2.2)	(17.4)	(57.6)	(18.2)
Gains (losses) on derivatives					0.7	0.1
	-----	-----	-----	-----	-----	-----
Total Revenue	544.8	1378.5	1760.4	1819.0	1840.6	915.3
	=====	=====	=====	=====	=====	=====

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Average capital	384.9	1948.0	2712.3	2640.2	2731.5	2722.7
Return on average capital	10.4%	7.7%	7.8%	9.8%	10.2%	10.0%

 First Year Premiums by Product
 (Millions)

Universal Life	114.0	233.0	342.9	289.3	292.7	127.7
Variable Universal Life	52.9	101.3	142.2	218.7	228.6	108.3
Whole Life	5.4	20.0	23.9	22.4	26.3	9.2
Term	33.0	48.0	45.9	41.9	30.8	13.7
	-----	-----	-----	-----	-----	-----
Total Retail	205.3	402.3	555.0	572.3	578.4	258.8
Corporate Owned Life Insurance (COLI)	0.0	4.0	14.7	87.0	47.3	28.0
	-----	-----	-----	-----	-----	-----
Total	205.3	406.3	569.7	659.3	625.6	286.9
	=====	=====	=====	=====	=====	=====

First Year Premiums by
 Distribution (Millions)

Lincoln Financial Advisors	71.0	35.0	188.3	200.6	196.1	86.2
Lincoln Financial Distributors	134.3	356.3	367.9	444.7	413.0	193.1
Other*	0.0	15.0	13.5	14.0	16.6	7.6
	-----	-----	-----	-----	-----	-----
Total by Distribution	205.3	406.3	569.7	659.3	625.6	286.9
	=====	=====	=====	=====	=====	=====

Life Insurance In-Force
 (Billions)

Universal Life & Other	32.827	105.837	109.288	115.872	121.168	118.007
Term Insurance	30.337	67.076	85.701	100.130	113.226	105.265
	-----	-----	-----	-----	-----	-----
Total Life Segment In-Force	63.164	172.914	194.988	216.002	234.394	223.272
	=====	=====	=====	=====	=====	=====

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

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PAGE 1

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

For the Quarter Ended	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	De 2000
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	52.4	71.1	53.0	56.3	50.9	67.0
Surrender charges	17.1	18.0	16.2	16.5	13.8	19.0
Mortality assessments	110.5	113.9	112.2	114.5	116.3	122.0
Expense assessments	42.8	48.0	45.3	44.1	46.9	55.0
Other revenue and fees	2.4	3.9	3.2	3.6	3.8	3.0
Net investment income	209.6	214.8	215.6	215.5	220.6	219.0

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Operating Revenue	434.9	469.6	445.5	450.5	452.4	488.0
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	105.4	112.8	98.4	96.3	95.8	121.0
Div accum & div to policyholders	19.2	21.0	20.4	18.7	16.4	25.0
Interest credited to policy bal.	122.8	122.3	126.3	128.7	134.0	136.0
Underwriting, acquisition, insurance and other expenses	99.1	117.8	99.4	100.9	94.9	89.0
Goodwill amortization	6.4	6.0	5.9	5.9	5.9	5.0
Operating Benefits and Expenses	353.0	379.9	350.3	350.6	347.0	378.0
Income from Operations Before Tax	82.0	89.8	95.2	99.9	105.4	109.0
Federal income taxes	29.4	32.8	34.8	37.4	38.9	39.0
Income from Operations	52.6	57.0	60.4	62.4	66.5	70.0
Realized gains (losses) on investments	1.4	2.8	(2.4)	(4.0)	1.0	(5.0)
Gains (losses) on derivatives						
Restructuring charges						
Income before Accounting Changes	54.0	59.7	58.1	58.4	67.4	65.0
Cumulative effect of accounting changes						
Net Income	54.0	59.7	58.1	58.4	67.4	65.0
Inc from Oper -before Goodwill Amort.	59.0	63.0	66.3	68.4	72.4	76.0
Net Income -before Goodwill Amort.	60.4	65.8	64.0	64.4	73.4	71.0
Effective tax rate	35.9%	36.5%	36.5%	37.5%	36.9%	35.6%
Operating Revenue	434.9	469.6	445.5	450.5	452.4	488.0
Realized gains (losses) on investments	2.1	3.4	(3.8)	(6.3)	0.8	(8.0)
Gains (losses) on derivatives						
Total Revenue	437.1	473.1	441.7	444.2	453.2	479.0
Average capital	2707.4	2686.0	2655.3	2615.0	2650.5	2640.0
Return on average capital	7.8%	8.5%	9.1%	9.6%	10.0%	10.7%
First Year Premiums by Product (Millions)						
Universal Life	75.6	113.2	72.3	63.7	72.4	80.0
Variable Universal Life	30.0	55.6	44.0	44.5	55.1	75.0
Whole Life	6.4	8.0	3.9	4.5	6.0	8.0
Term	10.5	11.0	13.1	12.1	9.1	7.0

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Total Retail	122.5	187.8	133.3	124.8	142.6	171.0
Corporate Owned Life Insurance (COLI)	2.3	4.0	12.7	19.5	5.8	49.0
Total	124.8	191.9	146.0	144.3	148.4	220.0
First Year Premiums by Distribution (Millions)						
Lincoln Financial Advisors	39.4	72.8	46.1	37.0	51.3	66.0
Lincoln Financial Distributors	82.0	115.0	96.8	104.4	92.9	150.0
Other*	3.4	4.1	3.0	2.9	4.2	3.0
Total by Distribution	124.8	191.9	146.0	144.3	148.4	220.0
Insurance In-Force (Billions)						
Universal Life & Other	106.945	109.288	108.817	110.448	112.884	115.870
Term Insurance	81.963	85.701	92.857	97.039	98.424	100.130
Total Segment In-Force	188.908	194.988	201.674	207.487	211.308	216.000
For the Quarter Ended	Mar	Jun	Sep	Dec	Mar	Jun
	2001	2001	2001	2001	2002	2002
Operating Revenue						
Premiums	50.9	50.7	46.4	64.4	51.1	47.0
Surrender charges	17.2	13.5	15.6	19.9	11.7	13.0
Mortality assessments	124.3	124.8	124.7	125.5	123.9	123.0
Expense assessments	47.4	45.3	46.0	52.8	46.9	47.0
Other revenue and fees	5.1	3.8	3.0	6.0	5.7	6.0
Net investment income	223.0	227.4	233.2	226.6	226.0	225.0
Operating Revenue	467.9	465.5	468.9	495.2	465.3	464.0
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	99.9	103.5	102.3	112.9	104.1	103.0
Div accum & div to policyholders	17.5	19.0	16.5	25.4	17.8	18.0
Interest credited to policy bal.	138.3	141.2	143.5	146.9	146.3	148.0
Underwriting, acquisition, insurance and other expenses	98.8	92.0	92.5	91.4	92.1	88.0
Goodwill amortization	5.9	5.9	5.9	5.9	0.0	
Operating Benefits and Expenses	360.5	361.7	360.8	382.5	360.2	359.0
Income from Operations Before Tax	107.4	103.8	108.1	112.7	105.1	105.0
Federal income taxes	38.8	36.7	38.1	39.5	34.0	31.0
Income from Operations	68.6	67.1	70.1	73.2	71.1	73.0
Realized gains (losses) on investments	(5.4)	(6.4)	(5.3)	(21.3)	(26.9)	(16.0)

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Gains (losses) on derivatives	(0.0)	0.1	(0.0)	1.5	0.0	0.
Restructuring charges		(2.0)		(1.5)		
Income before Accounting Changes	63.2	58.8	64.7	51.9	44.2	57.
Cumulative effect of accounting changes	(0.2)	(5.3)	0.0	(0.0)	0.0	0.
Net Income	62.9	53.5	64.7	51.9	44.2	57.
Inc from Oper -before Goodwill Amort.	74.5	73.0	76.0	79.1	71.1	73.
Net Income -before Goodwill Amort.	68.9	59.5	70.6	57.8	44.2	57.
Effective tax rate	36.1%	35.3%	35.2%	35.0%	32.3%	30.2%
Operating Revenue	467.9	465.5	468.9	495.2	465.3	464.
Realized gains (losses) on investments	(8.2)	(10.0)	(8.2)	(31.1)	(41.4)	(25.
Gains (losses) on derivatives	(0.0)	0.2	(0.1)	0.6	0.0	0.
Total Revenue	459.6	455.7	460.6	464.7	423.9	439.
Average capital	2729.8	2715.7	2736.3	2744.4	2801.9	2865.
Return on average capital	10.1%	9.9%	10.2%	10.7%	10.2%	10.3%
First Year Premiums by Product (Millions)						
Universal Life	57.7	70.0	67.4	97.5	86.4	98.
Variable Universal Life	56.0	52.2	50.1	70.2	39.0	42.
Whole Life	4.1	5.1	6.7	10.4	5.2	6.
Term	6.5	7.2	8.1	9.1	8.7	8.
Total Retail	124.2	134.6	132.4	187.2	139.4	155.
Corporate Owned Life Insurance (COLI)	7.1	21.0	5.1	14.2	6.9	46.
Total	131.3	155.6	137.4	201.3	146.3	202.
First Year Premiums by Distribution (Millions)						
Lincoln Financial Advisors	38.1	48.2	41.8	68.0	41.5	48.
Lincoln Financial Distributors	89.1	104.0	90.4	129.5	100.9	151.
Other*	4.2	3.4	5.2	3.8	3.8	2.
Total by Distribution	131.3	155.6	137.4	201.3	146.3	202.
Insurance In-Force (Billions)						
Universal Life & Other	116.747	118.007	119.029	121.168	122.316	123.67
Term Insurance	102.467	105.265	108.723	113.226	117.752	121.07
Total Segment In-Force	219.214	223.272	227.751	234.394	240.068	244.75

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

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6/30/2002

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

	1997	1998	1999	2000	2001
Universal Life-Bal Beg-of-Year	2.530	2.558	6.259	6.650	6.976
Deposits	0.278	0.675	1.017	0.955	1.043
Withdrawals & deaths	(0.399)	(0.701)	(0.452)	(0.426)	(0.319)
Net cash flows	(0.121)	(0.026)	0.564	0.528	0.724
Policyholder assessments			(0.544)	(0.584)	(0.598)
Interest credited	0.149	0.350	0.370	0.382	0.405
Acq of new business/transfers between segments	0.000	3.378	0.000	0.000	0.000
Universal Life-Bal End of Year(1)	2.558	6.259	6.650	6.976	7.508
Variable Universal Life-Bal Beg-of-Year	0.339	0.480	1.200	1.605	1.808
Deposits	0.106	0.193	0.326	0.607	0.584
Withdrawals & deaths	(0.040)	(0.100)	(0.099)	(0.132)	(0.251)
Net cash flows	0.065	0.093	0.228	0.475	0.332
Policyholder assessments		0.000	(0.084)	(0.141)	(0.170)
Invest inc & chg in mkt value	0.076	0.105	0.370	(0.130)	(0.225)
Acq of new business/transfers between segments	0.000	0.522	(0.110)	0.000	0.000
Variable Universal Life -Bal End-of-Year	0.480	1.200	1.605	1.808	1.746
Interest Sensitive Whole Life -Bal Beg-of-Year			1.784	1.963	2.062
Deposits		0.340	0.355	0.322	0.307
Withdrawals & deaths		(0.294)	(0.162)	(0.168)	(0.200)
Net cash flows		0.046	0.193	0.154	0.107
Policyholder assessments			(0.168)	(0.168)	(0.164)
Interest credited		0.096	0.109	0.113	0.118
Acq of new business/transfers between segments		1.642	0.045		
Int Sensitive Whole Life-Bal End -of -Year		1.784	1.963	2.062	2.123

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Total Segment- Life Insurance Account Values					
Bal Beg-of-Year	2.869	3.038	9.243	10.217	10.847
Deposits	0.384	1.207	1.698	1.884	1.934
Withdrawals & deaths	(0.439)	(1.095)	(0.713)	(0.727)	(0.771)
Net cash flows	(0.056)	0.113	0.985	1.158	1.163
Policyholder assessments			(0.795)	(0.893)	(0.931)
Invest inc & change in market value	0.225	0.551	0.849	0.364	0.299
Acq of new business/transfers between segments		5.542	(0.065)		
Total Segment -Bal End-of-Year	3.038	9.243	10.217	10.847	11.377

(1) Includes fixed investment option of VUL products.

PAG

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

For the Quarter Ended	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
Universal Life-Bal Beg-of-Quarter	6.434	6.519	6.650	6.729	6.782	6
Deposits	0.239	0.306	0.252	0.212	0.227	0
Withdrawals & deaths	(0.109)	(0.124)	(0.121)	(0.111)	(0.080)	(0)
Net cash flows	0.129	0.182	0.131	0.101	0.146	0
Policyholder assessments	(0.136)	(0.145)	(0.145)	(0.143)	(0.146)	(0)
Interest credited	0.091	0.093	0.093	0.095	0.096	0
Acq of new business/transfers between segments	0.000		0.000			
Universal Life-Bal End-of-Quarter (1)	6.519	6.650	6.729	6.782	6.878	6
Variable Universal Life-Bal Beg of Quarter	1.298	1.285	1.605	1.771	1.764	1
Deposits	0.074	0.107	0.112	0.128	0.123	0
Withdrawals & deaths	(0.049)	(0.025)	(0.019)	(0.028)	(0.037)	(0)
Net cash flows	0.025	0.082	0.093	0.100	0.085	0
Policyholder assessments	(0.020)	(0.024)	(0.032)	(0.033)	(0.036)	(0)
Invest inc & chg in mkt value	(0.018)	0.262	0.105	(0.074)	(0.001)	(0)
Acq of new business/transfers between segments				0.000		
Variable Universal Life -Bal End-of-Quarter	1.285	1.605	1.771	1.764	1.812	1
Interest Sensitive Whole Life -Bal Beg-of-Quarter	1.895	1.922	1.963	1.970	1.993	2

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Deposits	0.086	0.113	0.060	0.071	0.079	0
Withdrawals & deaths	(0.044)	(0.050)	(0.042)	(0.037)	(0.033)	(0)
Net cash flows	0.043	0.062	0.018	0.034	0.045	0
Policyholder assessments	(0.042)	(0.048)	(0.039)	(0.040)	(0.040)	(0)
Interest credited	0.027	0.026	0.028	0.028	0.027	0
Acq of new business/transfers between segments						
Int Sensitive Whole Life-Bal End-of-Quarter	1.922	1.963	1.970	1.993	2.026	2
Total Segment- Life Insurance Account Values Bal Beg-of-Quarter	9.628	9.726	10.217	10.470	10.538	10
Deposits	0.399	0.526	0.424	0.411	0.428	0
Withdrawals & deaths	(0.202)	(0.199)	(0.182)	(0.176)	(0.151)	(0)
Net cash flows	0.197	0.327	0.242	0.235	0.277	0
Policyholder assessments	(0.198)	(0.216)	(0.215)	(0.216)	(0.221)	(0)
Invest inc & change in market value	0.100	0.381	0.227	0.048	0.123	(0)
Acq of new business/transfers between segments	0.000	0.000	0.000	0.000	0.000	0
Total Segment -Bal End-of-Quarter	9.726	10.217	10.470	10.538	10.716	10
For the Quarter Ended	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	
Universal Life-Bal Beg-of-Quarter	6.976	7.063	7.216	7.315	7.508	7
Deposits	0.227	0.270	0.233	0.314	0.248	0
Withdrawals & deaths	(0.091)	(0.071)	(0.085)	(0.073)	(0.098)	(0)
Net cash flows	0.136	0.199	0.147	0.241	0.150	0
Policyholder assessments	(0.147)	(0.147)	(0.150)	(0.153)	(0.158)	(0)
Interest credited	0.098	0.100	0.102	0.105	0.104	0
Acq of new business/transfers between segments	0.000				0.018	
Universal Life-Bal End-of-Quarter (1)	7.063	7.216	7.315	7.508	7.622	7
Variable Universal Life-Bal Beg of Quarter	1.808	1.633	1.766	1.527	1.746	1
Deposits	0.136	0.138	0.124	0.186	0.129	0
Withdrawals & deaths	(0.049)	(0.060)	(0.055)	(0.088)	(0.055)	(0)
Net cash flows	0.087	0.078	0.069	0.098	0.074	0
Policyholder assessments	(0.041)	(0.041)	(0.042)	(0.045)	(0.047)	(0)
Invest inc & chg in mkt value	(0.221)	0.096	(0.266)	0.166	0.013	(0)
Acq of new business/transfers between segments	0.000	0.000			0.132	
Variable Universal Life -Bal End-of-Quarter	1.633	1.766	1.527	1.746	1.919	1
Interest Sensitive Whole Life -Bal Beg-of-Quarter	2.062	2.068	2.084	2.096	2.123	2

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Deposits	0.056	0.069	0.077	0.105	0.063	0
Withdrawals & deaths	(0.041)	(0.043)	(0.054)	(0.061)	(0.051)	(0)
Net cash flows	0.014	0.027	0.022	0.044	0.012	0
Policyholder assessments	(0.037)	(0.040)	(0.041)	(0.047)	(0.042)	(0)
Interest credited	0.028	0.030	0.030	0.030	0.033	0
Acq of new business/transfers between segments						
Int Sensitive Whole Life-Bal End-of-Quarter	2.068	2.084	2.096	2.123	2.126	2
Total Segment- Life Insurance Account Values Bal Beg-of-Quarter	10.847	10.764	11.066	10.939	11.377	11
Deposits	0.418	0.477	0.434	0.605	0.440	0
Withdrawals & deaths	(0.181)	(0.173)	(0.195)	(0.222)	(0.204)	(0)
Net cash flows	0.237	0.304	0.239	0.383	0.236	0
Policyholder assessments	(0.225)	(0.228)	(0.232)	(0.246)	(0.246)	(0)
Invest inc & change in market value	(0.094)	0.226	(0.134)	0.301	0.151	(0)
Acq of new business/transfers between segments	0.000	0.000	0.000	0.000	0.150	0
Total Segment -Bal End-of-Quarter	10.764	11.066	10.939	11.377	11.667	11

(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	2001
Operating Revenue					
Investment advisory fees - External	229.9	249.0	248.6	231.6	197.2
Investment advisory fees - Insurance Assets	68.5	82.5	83.6	88.9	87.5
Other revenue and fees	76.3	92.5	106.6	115.9	99.2
Net investment income	72.8	67.0	56.9	57.7	53.6
Operating Revenue	447.5	491.0	495.6	494.2	437.4
Operating Benefits and Expenses					
Underwriting, acquisition, insurance and other expenses	396.1	401.5	384.3	408.7	397.8
Goodwill amortization	15.5	16.3	16.2	16.2	16.2
Interest on notes payable	0.1	0.4	0.0	0.0	0.0
Operating Benefits and Expenses	411.8	418.2	400.5	425.0	414.1

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Income from Operations Before Tax	35.8	72.8	95.1	69.2	23.4
Federal income taxes	17.7	28.9	34.1	25.1	8.7
Income from Operations	18.1	43.9	61.0	44.1	14.6
Realized gains (losses) on investments	7.0	0.5	(0.1)	(2.5)	(2.4)
Gains (losses) on derivatives					0.0
Restructuring charges	0.0	0.0	(9.2)	(4.6)	(0.4)
Income before Accounting Changes	25.1	44.4	51.6	37.0	11.9
Cumulative effect of accounting changes					(0.1)
Net Income	25.1	44.4	51.6	37.0	11.8
Income from Operations- before Goodwill Amortization	33.6	60.3	77.2	60.3	30.9
Income from Operations - before Goodwill & Intang. Amort	45.2	72.6	88.7	70.9	37.9
Net Income -before Goodwill Amortization	40.6	60.8	67.9	53.2	28.0
Net Income -before Goodwill & Intang. Amort.	52.2	73.1	79.4	63.8	35.0
Operating Revenue	447.5	491.0	495.6	494.2	437.4
Realized gains (losses) on investments	11.6	0.9	(0.1)	(3.9)	(3.7)
Gains (losses) on derivatives					
Total Revenue	459.1	491.9	495.5	490.3	433.7
Average Capital (Securities at Cost)	653.3	642.3	593.9	575.2	543.7
Return on Capital	2.8%	6.8%	10.3%	7.7%	2.7%

For the Quarter Ended	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000
Operating Revenue					
Investment advisory fees - External	60.7	60.3	60.0	57.9	56.9
Investment advisory fees - Insurance Assets	19.9	22.1	21.0	22.3	22.5
Other revenue and fees	24.9	29.8	31.9	31.0	26.4
Net investment income	13.9	13.9	13.0	12.6	18.3
Operating Revenue	119.3	126.1	126.0	123.8	124.1
Operating Benefits and Expenses					
Underwriting, acquisition, insurance and other expenses	92.8	96.3	102.5	99.3	103.9
Goodwill amortization	4.1	4.1	4.1	4.1	4.1
Interest on notes payable	0.0	0.0	0.0	0.0	0.0

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Operating Benefits & Expenses	96.8	100.4	106.6	103.3	107.9	1
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Income from Operations Before Tax	22.5	25.7	19.4	20.5	16.2	
Federal income taxes	7.7	9.1	7.0	7.4	6.3	
	-----	-----	-----	-----	-----	---
Income from Operations	14.7	16.5	12.4	13.1	9.9	
	-----	-----	-----	-----	-----	---
Realized gains (losses) on investments	(0.3)	0.4	(0.1)	(2.0)	(0.2)	
Gains (losses) on derivatives					0.0	
Restructuring charges	0.0	2.9	0.0	(2.7)	0.0	
	-----	-----	-----	-----	-----	---
Income before Accounting Changes	14.4	19.8	12.3	8.4	9.7	
Cumulative effect of accounting changes					0.0	
	-----	-----	-----	-----	-----	---
Net Income	14.4	19.8	12.3	8.4	9.7	
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amortization	18.8	20.6	16.5	17.1	14.0	
Inc from Oper -before Goodwill & Intang. Amort	21.7	23.3	19.4	19.7	16.6	
Net Income -before Goodwill Amortization	18.5	23.9	16.4	12.4	13.7	
Net Income -before Goodwill & Intang. Amort	21.3	26.6	19.2	15.0	16.3	
Operating Revenue	119.3	126.1	126.0	123.8	124.1	1
Realized gains (losses) on investments	(0.5)	0.6	(0.2)	(3.1)	(0.4)	
Gains (losses) on derivatives						
	-----	-----	-----	-----	-----	---
Total Revenue	118.8	126.6	125.8	120.7	123.8	1
	=====	=====	=====	=====	=====	=====
Average Capital (Securities at Cost)	587.2	584.2	581.5	593.0	567.7	5
Return on Capital	10.0%	11.3%	8.6%	8.8%	7.0%	
For the Quarter Ended	Mar	Jun	Sep	Dec	Mar	
	2001	2001	2001	2001	2002	
	-----	-----	-----	-----	-----	---
Operating Revenue						
Investment advisory fees - External	50.5	51.1	46.2	49.3	48.0	
Investment advisory fees - Insurance Assets	22.1	21.6	21.8	22.0	21.2	
Other revenue and fees	26.3	25.7	23.9	23.4	23.0	
Net investment income	14.1	13.0	13.6	12.8	12.8	
	-----	-----	-----	-----	-----	---
Operating Revenue	113.0	111.4	105.5	107.6	105.1	1
	-----	-----	-----	-----	-----	---
Operating Benefits and Expenses						
Underwriting, acquisition, insurance and other expenses	104.7	101.6	95.1	96.4	95.4	
Goodwill amortization	4.1	4.1	4.1	4.1	0.0	
Interest on notes payable	0.0	0.0	0.0	0.0	0.0	
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Operating Benefits & Expenses	108.8	105.7	99.2	100.4	95.4	
Income from Operations Before Tax	4.2	5.7	6.3	7.1	9.7	
Federal income taxes	1.8	2.0	2.9	2.1	1.7	
Income from Operations	2.4	3.7	3.5	5.1	8.0	
Realized gains (losses) on investments	(0.5)	(0.7)	(0.5)	(0.7)	(1.0)	
Gains (losses) on derivatives		0.0	0.0	0.0	0.0	
Restructuring charges	0.0	0.0	0.0	(0.4)	0.0	
Income before Accounting Changes	2.0	3.0	2.9	4.0	7.0	
Cumulative effect of accounting changes		(0.1)	0.0	0.0	0.0	
Net Income	2.0	2.9	2.9	4.0	7.0	
Inc from Oper -before Goodwill Amortization	6.5	7.7	7.5	9.1	8.0	
Inc from Oper -before Goodwill & Intang. Amort	9.1	9.2	9.0	10.6	9.4	
Net Income -before Goodwill Amortization	6.0	6.9	7.0	8.1	7.0	
Net Income -before Goodwill & Intang. Amort	8.6	8.4	8.5	9.5	8.4	
Operating Revenue	113.0	111.4	105.5	107.6	105.1	1
Realized gains (losses) on investments	(0.7)	(1.1)	(0.8)	(1.1)	(1.5)	
Gains (losses) on derivatives						
Total Revenue	112.3	110.3	104.7	106.5	103.5	1
Average Capital (Securities at Cost)	548.3	542.8	543.1	540.6	546.1	5
Return on Capital	1.8%	2.7%	2.5%	3.8%	5.8%	

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

	1997	1998	1999	2000	2001	
Retail Fixed - Bal Beg-of-Year	5.853	8.125	8.217	7.423	6.608	6
Fund Sales	0.961	1.165	0.991	0.770	0.876	0
Redemptions	(1.271)	(1.235)	(1.424)	(1.401)	(1.050)	(0)
Net Money Market	(0.069)	(0.140)	(0.110)	(0.207)	(0.047)	(0)
Transfers	(0.220)	0.132	0.177	(0.168)	0.403	0

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Net Cash Flows(1)	(0.599)	(0.078)	(0.366)	(1.006)	0.183	(0.000)
Market	0.324	0.170	(0.428)	0.097	0.329	0.000
Acquisitions/addition of Assets under Administration(1)	2.547			0.094		
Balance End-of-Year	8.125	8.217	7.423	6.608	7.120	6.608
Retail Equity - Bal Beg-of-Year	13.152	17.754	22.080	23.384	21.523	21.523
Fund Sales	2.953	3.581	3.271	4.116	2.816	1.953
Redemptions	(1.926)	(2.460)	(4.971)	(4.431)	(2.839)	(1.926)
Net Money Market	0.000	(0.002)	(0.001)	0.001	0.000	0.000
Transfers	0.209	0.730	(0.143)	(0.178)	(0.538)	(0.209)
Net Cash Flows(1)	1.236	1.849	(1.844)	(0.493)	(0.561)	(0.236)
Market	3.323	2.476	3.148	(1.710)	(2.974)	(3.323)
Acquisitions/addition of Assets under Administration(1)	0.043			0.342		
Balance at End-of-Year	17.754	22.080	23.384	21.523	17.987	17.987
Total Retail - Bal Beg-of-Year	19.005	25.879	30.297	30.807	28.130	28.130
Retail Sales-Annuities	2.163	2.238	1.561	1.782	1.702	0.000
Retail Sales-Mutual Funds	1.218	1.913	2.153	2.578	1.522	0.000
Retail Sales-Managed Acct. & Other	0.533	0.596	0.550	0.525	0.468	0.000
Total Retail Sales	3.914	4.747	4.264	4.886	3.692	2.163
Redemptions	(3.197)	(3.695)	(6.395)	(5.833)	(3.889)	(3.197)
Net Money Market	(0.068)	(0.141)	(0.111)	(0.206)	(0.047)	(0.068)
Transfers	(0.011)	0.862	0.034	(0.346)	(0.135)	(0.011)
Net Cash Flows(1)	0.637	1.773	(2.208)	(1.499)	(0.379)	(0.637)
Market	3.647	2.647	2.720	(1.613)	(2.645)	(3.647)
Acquisitions/addition of Assets under Administration(1)	2.590			0.435		
Balance at End-of-Year	25.879	30.297	30.807	28.130	25.107	25.107
Institutional Fixed - Bal Beg-of-Year	3.580	5.708	6.955	6.936	6.111	6.111
Inflows	2.509	2.169	2.000	0.771	0.643	0.000
Withdrawals/Terminations	(0.787)	(1.242)	(1.699)	(1.973)	(1.228)	(0.787)
Transfers	0.013	(0.074)	(0.001)	(0.005)	0.017	0.013
Net Cash Flows	1.735	0.853	0.300	(1.207)	(0.568)	0.000
Market	0.343	0.394	(0.319)	0.382	(0.053)	0.343
Acquisitions	0.051					
Balance at End-of-Year	5.708	6.955	6.936	6.111	5.490	5.490
Institutional Equity - Bal Beg-of-Year	22.886	24.871	24.235	23.631	19.112	19.112
Inflows	2.465	3.840	5.248	2.730	3.182	1.912
Withdrawals/Terminations	(6.447)	(7.441)	(7.801)	(7.209)	(2.878)	(6.447)
Transfers	(0.068)	0.047	0.011	(0.008)	0.036	(0.068)
Net Cash Flows	(4.049)	(3.555)	(2.542)	(4.487)	0.340	(4.049)

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Market Acquisitions	6.035	2.919	1.938	(0.032)	(1.638)	(0)
Balance at End-of-Year	24.871	24.235	23.631	19.112	17.814	18
Total Institutional - Bal Beg-of-Year	26.465	30.579	31.191	30.568	25.223	25
Inflows	4.975	6.009	7.248	3.501	3.825	2
Withdrawals/Terminations	(7.234)	(8.683)	(9.500)	(9.182)	(4.106)	(2)
Transfers	(0.055)	(0.027)	0.010	(0.014)	0.053	0
Net Cash Flows	(2.314)	(2.702)	(2.242)	(5.694)	(0.228)	0
Market Acquisitions	6.377	3.313	1.619	0.350	(1.691)	(1)
Balance at End-of-Year	30.579	31.191	30.568	25.223	23.304	24
Total Retail/Institutional - At End-of-Year	56.458	61.488	61.375	53.354	48.411	50
Insurance Assets - At End-of-Year	35.684	39.432	35.934	35.686	38.119	36
Total Assets Under Management At End-of-Year	92.142	100.920	97.309	89.040	86.530	86

(1) Retail assets under management have been restated to include assets under administration beginning in January of 2000.

Net Cash Flows from Assets Under Administration are: 0.018 0.081 0

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

	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
Retail Fixed - Bal-Beg-of-Qtr	7.945	7.680	7.424	7.057	6.764	6
Fund Sales	0.231	0.181	0.168	0.166	0.223	0
Redemptions	(0.342)	(0.403)	(0.456)	(0.339)	(0.328)	(0)
Net Money Market	(0.029)	(0.030)	(0.067)	(0.058)	(0.031)	(0)
Transfers	0.034	0.154	(0.102)	(0.046)	(0.031)	0
Net Cash Flows(1)	(0.106)	(0.098)	(0.457)	(0.277)	(0.167)	(0)
Market Acquisitions/addition of Assets under Admin.(1)	(0.159)	(0.158)	(0.003)	(0.017)	0.035	0
	0.000	0.000	0.094	0.000	0.000	0

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Balance at End-of-Qtr	7.680	7.424	7.057	6.764	6.631	6
Retail Equity - Bal-Beg-of-Qtr	22.340	20.873	23.383	24.478	23.496	24
Fund Sales	0.730	0.894	1.234	0.884	0.927	1
Redemptions	(0.865)	(1.120)	(1.565)	(0.989)	(1.040)	(0)
Net Money Market	0.000	0.000	0.000	0.000	0.001	0
Transfers	(0.060)	(0.086)	(0.091)	0.018	(0.036)	(0)
Net Cash Flows(1)	(0.195)	(0.312)	(0.423)	(0.087)	(0.148)	0
Market	(1.272)	2.822	1.176	(0.895)	0.699	(2)
Acquisitions/addition of Assets under Admin.(1)	0.000	0.000	0.342	0.000	0.000	0
Balance at End-of-Qtr	20.873	23.383	24.478	23.496	24.047	21
Total Retail - Bal-Beg-of-Qtr	30.285	28.553	30.807	31.535	30.260	30
Retail Sales-Annuities	0.332	0.409	0.379	0.358	0.456	0
Retail Sales-Mutual Funds	0.514	0.587	0.876	0.586	0.554	0
Retail Sales-Managed Acct. & Other	0.116	0.079	0.148	0.106	0.140	0
Total Retail Sales	0.962	1.075	1.403	1.050	1.150	1
Redemptions	(1.207)	(1.523)	(2.021)	(1.329)	(1.368)	(1)
Net Money Market	(0.029)	(0.030)	(0.067)	(0.058)	(0.030)	(0)
Transfers	(0.026)	0.068	(0.193)	(0.027)	(0.067)	(0)
Net Cash Flows(1)	(0.300)	(0.410)	(0.879)	(0.364)	(0.315)	0
Market	(1.431)	2.664	1.173	(0.911)	0.734	(2)
Acquisitions/addition of Assets under Admin.(1)	0.000	0.000	0.435	0.000	0.000	0
Balance at End-of-Qtr	28.553	30.807	31.535	30.260	30.679	28

Institutional Fixed - Bal-Beg-of-Qtr	7.264	7.218	6.937	6.873	6.485	6
Inflows	0.446	0.420	0.180	0.148	0.308	0
Withdrawals/Terminations	(0.294)	(0.781)	(0.353)	(0.520)	(0.532)	(0)
Transfers	(0.002)	0.001	(0.005)	(0.001)	0.000	0
Net Cash Flows	0.150	(0.360)	(0.178)	(0.373)	(0.224)	(0)
Market	(0.196)	0.079	0.114	(0.015)	0.015	0
Balance at End-of-Qtr	7.218	6.937	6.873	6.485	6.276	6
Institutional Equity - Bal-Beg-of-Qtr	23.962	23.098	23.631	20.304	20.241	19
Inflows	1.839	0.934	0.904	0.669	0.407	0
Withdrawals/Terminations	(1.165)	(2.043)	(3.333)	(1.354)	(1.154)	(1)
Transfers	(0.008)	(0.010)	(0.004)	0.002	(0.013)	0
Net Cash Flows	0.666	(1.119)	(2.433)	(0.683)	(0.760)	(0)
Market	(1.530)	1.652	(0.894)	0.620	(0.438)	0
Balance at End-of-Qtr	23.098	23.631	20.304	20.241	19.044	19
Total Institutional -						

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Bal-Beg-of-Qtr	31.226	30.316	30.568	27.177	26.726	25.320
Inflows	2.285	1.354	1.084	0.817	0.715	0.605
Withdrawals/Terminations	(1.459)	(2.824)	(3.686)	(1.874)	(1.686)	(1.581)
Transfers	(0.010)	(0.009)	(0.009)	0.001	(0.012)	(0.012)
Net Cash Flows	0.816	(1.479)	(2.611)	(1.056)	(0.983)	(0.988)
Market	(1.726)	1.731	(0.780)	0.605	(0.423)	(0.423)
Balance at End-of-Qtr	30.316	30.568	27.177	26.726	25.320	25.320
Total Retail/Inst - At End-of-Qtr	58.869	61.375	58.712	56.986	55.998	53.840
Insurance Assets-End-of-Qtr	36.820	35.934	35.541	34.891	34.981	35.000
Total Assets Under Management	95.689	97.309	94.253	91.877	90.979	89.840
At End-of-Qtr	95.689	97.309	94.253	91.877	90.979	89.840

(1) Retail assets under management have been restated to include assets under administration beginning in January of 2000. Net Cash Flows from Assets Under Administration are:

0.006 0.000 0.011 0.000

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

	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	
Retail Fixed - Bal-Beg-of-Qtr	6.606	6.750	6.767	7.205	7.120	7.120
Fund Sales	0.248	0.204	0.206	0.218	0.292	0.292
Redemptions	(0.261)	(0.286)	(0.262)	(0.242)	(0.291)	(0.291)
Net Money Market	0.010	(0.030)	0.005	(0.031)	(0.003)	(0.003)
Transfers	0.047	(0.003)	0.388	(0.027)	(0.040)	(0.040)
Net Cash Flows(1)	0.044	(0.115)	0.337	(0.083)	(0.042)	(0.042)
Market	0.100	0.131	0.101	(0.002)	0.009	0.009
Acquisitions/addition of Assets under Admin.(1)	0.000	0.000	0.000	0.000	0.000	0.000
Balance at End-of-Qtr	6.750	6.767	7.205	7.120	7.087	7.087
Retail Equity - Bal-Beg-of-Qtr	21.524	18.254	19.754	15.871	17.988	17.988
Fund Sales	0.916	0.681	0.638	0.580	0.910	0.910
Redemptions	(0.911)	(0.667)	(0.654)	(0.607)	(0.791)	(0.791)
Net Money Market	0.000	0.000	0.000	0.000	0.000	0.000
Transfers	(0.070)	(0.046)	(0.441)	0.019	0.014	(0.014)
Net Cash Flows(1)	(0.064)	(0.032)	(0.456)	(0.008)	0.133	0.133
Market	(3.205)	1.532	(3.427)	2.125	0.134	(1.532)
Acquisitions/addition of Assets under Admin.(1)	0.000	0.000	0.000	0.000	0.000	0.000
Balance at End-of-Qtr	18.254	19.754	15.871	17.988	18.255	18.255
Total Retail - Bal-Beg-of-Qtr	28.130	25.005	26.521	23.076	25.108	25.108

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Retail Sales-Annuities	0.542	0.403	0.434	0.324	0.590	0
Retail Sales-Mutual Funds	0.484	0.354	0.335	0.348	0.452	0
Retail Sales-Managed Acct. & Other	0.140	0.127	0.074	0.126	0.160	0
Total Retail Sales	1.166	0.884	0.843	0.798	1.202	1
Redemptions	(1.172)	(0.952)	(0.915)	(0.850)	(1.082)	(1)
Net Money Market Transfers	0.010	(0.030)	0.005	(0.031)	(0.003)	(0)
	(0.023)	(0.049)	(0.053)	(0.008)	(0.027)	(0)
Net Cash Flows(1) Market	(0.019)	(0.148)	(0.120)	(0.091)	0.091	0
	(3.105)	1.663	(3.326)	2.123	0.143	(1)
Acquisitions/addition of Assets under Admin.(1)	0.000	0.000	0.000	0.000	0.000	0
Balance at End-of-Qtr	25.005	26.521	23.076	25.108	25.342	23

Institutional Fixed - Bal-Beg-of-Qtr	6.112	5.891	5.810	5.640	5.490	6
Inflows	0.310	0.233	0.020	0.080	0.804	0
Withdrawals/Terminations	(0.432)	(0.112)	(0.493)	(0.191)	(0.239)	(0)
Transfers	0.003	0.010	0.001	0.002	(0.001)	0
Net Cash Flows Market	(0.119)	0.131	(0.472)	(0.109)	0.564	0
	(0.102)	(0.212)	0.302	(0.041)	(0.036)	0
Balance at End-of-Qtr	5.891	5.810	5.640	5.490	6.018	6

Institutional Equity - Bal-Beg-of-Qtr	19.113	17.312	18.406	16.241	17.814	18
Inflows	0.881	0.823	0.863	0.615	0.672	0
Withdrawals/Terminations	(1.199)	(0.501)	(0.555)	(0.624)	(0.512)	(0)
Transfers	0.019	(0.008)	0.009	0.016	0.006	0
Net Cash Flows Market	(0.299)	0.314	0.317	0.007	0.166	(0)
	(1.502)	0.780	(2.482)	1.566	0.661	(0)
Balance at End-of-Qtr	17.312	18.406	16.241	17.814	18.641	18

Total Institutional - Bal-Beg-of-Qtr	25.225	23.203	24.216	21.881	23.304	24
Inflows	1.191	1.056	0.883	0.695	1.476	1
Withdrawals/Terminations	(1.631)	(0.613)	(1.048)	(0.815)	(0.751)	(0)
Transfers	0.022	0.002	0.010	0.018	0.005	0
Net Cash Flows Market	(0.418)	0.445	(0.155)	(0.102)	0.730	0
	(1.604)	0.568	(2.180)	1.525	0.625	(0)
Balance at End-of-Qtr	23.203	24.216	21.881	23.304	24.659	24

Total Retail/Inst - At End-of-Qtr	48.208	50.737	44.957	48.413	50.001	48
Insurance Assets-End-of-Qtr	36.324	36.018	37.337	38.119	37.171	38
Total Assets Under Management At End-of-Qtr	84.532	86.755	82.294	86.532	87.172	87

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	=====	=====	=====	=====	=====	=====
(1) Retail assets under management have been restated to include assets under administration beginning in January of 2000. Net Cash Flows from Assets Under Administration are:	0.027	0.013	0.007	0.034	0.090	0

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

For the Year Ended December 31	1997	1998	1999	2000	2001	
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	145.4	156.6	145.1	148.4	46.1	
Mortality assessments	25.2	29.3	27.1	31.4	33.9	
Expense assessments	166.1	153.6	182.3	178.1	134.8	
Other revenue and fees	3.3	11.2	13.8	6.9	1.3	
Net investment income	85.1	87.9	75.3	70.3	64.8	
	-----	-----	-----	-----	-----	-----
Operating Revenue	425.2	438.6	443.6	435.0	280.9	1
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	339.6	151.0	306.2	178.5	83.4	
Underwriting, acquisition, insurance and other expenses	184.5	175.6	223.5	180.0	147.6	
Goodwill amortization	0.0	6.3	7.0	4.0	0.6	
	-----	-----	-----	-----	-----	-----
Operating Benefits and Expenses	524.1	332.9	536.7	362.6	231.7	1
	-----	-----	-----	-----	-----	-----
Income from Operations Before Tax	(99.0)	105.8	(93.1)	72.4	49.2	
Federal income taxes	9.3	34.8	(79.2)	11.3	(11.1)	
	-----	-----	-----	-----	-----	-----
Income from Operations	(108.3)	70.9	(13.9)	61.0	60.2	
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	1.5	0.8	2.1	2.3	8.7	
Restructuring charges	0.0	0.0	(6.5)	(76.5)	0.0	
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	(106.8)	71.7	(18.2)	(13.2)	68.9	
Cumulative effect of accounting changes					0.0	
	-----	-----	-----	-----	-----	-----
Net Income	(106.8)	71.7	(18.2)	(13.2)	68.9	
	=====	=====	=====	=====	=====	=====
Inc from Oper -before Goodwill Amort.	(108.3)	77.2	(6.9)	65.1	60.9	
Net Income -before Goodwill Amort.	(106.8)	78.0	(11.3)	(9.2)	69.6	

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Effective tax rate	(9.4%)	32.9%	85.1%	15.7%	(22.5%)	2
Operating revenue	425.2	438.6	443.6	435.0	280.9	1
Realized gains (losses) on investments	2.1	1.1	3.0	3.2	12.4	
Gains (losses) on derivatives	0.0	0.0	0.0	0.0	0.0	
Total Revenue	427.3	439.7	446.6	438.2	293.3	1
Average capital	618.1	517.7	551.2	488.2	559.7	5
Return on average capital	(17.5%)	13.7%	(2.5%)	12.5%	10.8%	1

Unit Linked Assets - Beg-of-Year	5.074	5.643	6.265	7.220	6.441	6
Deposits	0.569	0.473	0.537	0.554	0.481	0
Withdrawals (incl. chgs) & Deaths	(0.503)	(0.547)	(0.566)	(0.644)	(0.529)	(0)
Net Cash Flows	0.066	(0.074)	(0.029)	0.090)	(0.048)	(0)
Inv Inc & Chg in Mkt Val	0.682	0.662	1.154	(0.154)	(0.617)	(0)
Acq of new business/companies	0.000	0.000	0.000	0.000	0.000	0
Foreign currency adjustment	(0.179)	0.035	(0.170)	(0.536)	(0.169)	(0)
Unit Linked Assets - End-of-Year	5.643	0.265	7.220	6.441	5.607	5
Individual Life In-force (Billions)	25.026	25.002	25.698	4.290	20.878	21
Exchange Rate - Dollars to Pounds For-the-Year	1.644	1.658	1.617	1.518	1.441	1
End-of-Year	1.651	1.660	1.615	1.493	1.456	1

PAG

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

For the Quarter Ended	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
	-----	-----	-----	-----	-----	-----
Operating Revenue						
Premiums	33.5	38.7	39.0	36.3	32.5	
Mortality assessments	7.7	5.0	6.3	8.0	9.6	
Expense assessments	49.3	37.2	46.5	44.3	52.6	
Other revenue and fees	3.6	3.8	2.4	1.3	2.0	
Net investment income	16.2	17.7	18.9	18.5	16.1	
Operating Revenue	110.3	102.4	113.2	108.4	112.8	1
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	27.2	211.8	35.0	37.4	51.9	
Underwriting, acquisition, insurance and other expenses	61.6	51.4	56.4	43.5	45.2	

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Goodwill amortization	1.2	3.3	1.3	1.3	1.2	
Operating Benefits and Expenses	90.1	266.6	92.8	82.2	98.3	
Income from Operations Before Tax	20.2	(164.2)	20.4	26.2	14.5	
Federal income taxes	4.0	(97.1)	4.7	6.9	3.9	
Income from Operations	16.2	(67.1)	15.7	19.3	10.6	
Realized gains (losses) on investments	0.2	1.0	(0.2)	(0.1)	(0.0)	
Restructuring charges	0.0	(6.5)	0.0	0.0	(40.5)	
Income before Accounting Changes	16.4	(72.6)	15.5	19.1	(29.9)	
Cumulative effect of accounting changes						
Net Income	16.4	(72.6)	15.5	19.1	(29.9)	
Inc from Oper -before Goodwill Amort.	17.4	(63.8)	17.1	20.5	11.8	
Net Income -before Goodwill Amort.	17.6	(69.3)	16.8	20.4	(28.7)	
Effective tax rate	20.0%	59.1%	22.9%	26.4%	27.2%	(3)
Operating revenue	110.3	102.4	113.2	108.4	112.8	1
Realized gains (losses) on investments	0.3	1.4	(0.4)	(0.2)	(0.0)	
Total Revenue	110.5	103.8	112.8	108.2	112.8	1
Average capital	573.5	585.0	516.4	500.8	486.5	4
Return on average capital	11.3%	(45.9%)	12.2%	15.4%	8.7%	1

Unit Linked Assets						
Balance-Beg-of-Quarter (Billions)	6.503	6.568	7.220	7.031	6.726	6
Deposits	0.130	0.156	0.159	0.134	0.145	0
Withdrawals (incl. chgs) & Deaths	(0.136)	(0.158)	(0.170)	(0.162)	(0.159)	(0)
Net Cash Flows	(0.005)	(0.002)	(0.011)	(0.028)	(0.014)	(0)
Inv Inc & Chg in Mkt Val	(0.214)	0.784	(0.077)	0.047	(0.025)	(0)
Acq of new business/companies						
Foreign currency adjustment	0.284	(0.130)	(0.101)	(0.324)	(0.189)	0
Unit Linked Assets - End-of-Quarter	6.568	7.220	7.031	6.726	6.499	6
Individual Life In-force (Billions)	26.235	25.698	26.514	25.225	24.535	24
Exchange Rate - Dollars to Pounds						
For-the-Quarter	1.614	1.625	1.599	1.536	1.482	1
End-of-Quarter	1.647	1.615	1.591	1.517	1.475	1

Lincoln UK

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Income Statements & Operational Data (Continued)
Unaudited [Millions of Dollars]

For the Quarter Ended	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	
Operating Revenue						
Premiums	12.8	9.6	11.8	11.9	12.1	
Mortality assessments	9.4	8.9	8.5	7.1	6.5	
Expense assessments	43.7	31.4	35.5	24.1	25.3	
Other revenue and fees	0.6	0.1	0.0	0.6	0.3	
Net investment income	17.9	16.9	14.8	15.2	14.7	
Operating Revenue	84.4	66.9	70.7	58.9	58.8	
Operating Benefits and Expenses						
Benefits paid or provided:						
Benefits	24.0	17.9	20.7	20.8	18.3	
Underwriting, acquisition, insurance and other expenses	41.1	29.7	40.3	36.5	24.9	
Goodwill amortization	0.2	0.2	0.2	0.2		
Operating Benefits and Expenses	65.3	47.7	61.1	57.5	43.2	
Income from Operations Before Tax	19.1	19.1	9.6	1.4	15.6	
Federal income taxes	4.7	2.9	(0.5)	(18.1)	1.1	
Income from Operations	14.4	16.2	10.1	19.5	14.4	
Realized gains (losses) on investments	0.4	1.4	3.9	3.0	(3.6)	
Restructuring charges	0.0	0.0	0.0	0.0	0.0	
Income before Accounting Changes Cumulative effect of accounting changes	14.8	17.6	14.0	22.5	10.8	
Net Income	14.8	17.6	14.0	22.5	10.8	
Inc from Oper -before Goodwill Amort.	14.5	16.4	10.3	19.7	14.4	
Net Income -before Goodwill Amort.	14.9	17.8	14.2	22.7	10.8	
Effective tax rate	24.6%	15.3%	(5.7%)	(1337.4%)	7.3%	(3)
Operating revenue	84.4	66.9	70.7	58.9	58.8	
Realized gains (losses) on investments	0.6	2.0	5.5	4.3	(5.1)	
Total Revenue	84.9	68.9	76.3	63.2	53.6	
Average capital	548.7	553.2	575.4	561.3	510.0	4
Return on average capital	10.5%	11.7%	7.0%	13.9%	11.3%	
Unit Linked Assets						
Balance-Beg-of-Quarter (Billions)	6.441	5.677	5.768	5.218	5.607	5

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Deposits	0.132	0.111	0.128	0.111	0.114	0
Withdrawals (incl. chgs) & Deaths	(0.147)	(0.131)	(0.136)	(0.115)	(0.127)	(0)
	-----	-----	-----	-----	-----	-----
Net Cash Flows	(0.015)	(0.020)	(0.009)	(0.004)	(0.013)	(0)
Inv Inc & Chg in Mkt Val	(0.421)	0.115	(0.768)	0.457	0.141	(0)
Acq of new business/companies						
Foreign currency adjustment	(0.328)	(0.004)	0.226	(0.063)	(0.117)	0
	-----	-----	-----	-----	-----	-----
Unit Linked Assets -						
End-of-Quarter	5.677	5.768	5.218	5.607	5.618	5
	=====	=====	=====	=====	=====	=====
Individual Life In-force						
(Billions)	21.894	21.519	21.299	20.878	20.010	20
Exchange Rate - Dollars to Pounds						
For-the-Quarter	1.455	1.421	1.442	1.448	1.423	1
End-of-Quarter	1.416	1.415	1.474	1.456	1.426	1

Other Operations
Unaudited [Millions of Dollars]

For the Year Ended December 31	1997	1998	1999	2000	2001	2002
	-----	-----	-----	-----	-----	-----
Revenue						
Lincoln Financial Advisors	125.3	286.4	317.0	377.5	360.7	16
Lincoln Financial Distributors	20.5	33.5	107.5	119.9	113.4	4
	-----	-----	-----	-----	-----	-----
Total Distribution	145.8	319.9	424.4	497.4	474.0	21
Reinsurance	1362.3	1581.2	1824.1	1770.6	1699.4	96
Amortization of deferred gain on indemnity reinsurance*					20.4	
Other [Including Consolidating Adjustments]	(105.9)	(192.7)	(277.5)	(292.6)	(360.4)	(18)
	-----	-----	-----	-----	-----	-----
Operating Revenue	1402.2	1708.3	1971.0	1975.4	1833.4	99
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	42.1	0.5	14.4	(5.0)	8.2	(
Gains (losses) on derivatives					(9.7)	(
Gain on sale of reinsurance subsidiaries					12.8	
	-----	-----	-----	-----	-----	-----
Total Revenue	1444.3	1708.9	1985.4	1970.4	1844.7	98
	=====	=====	=====	=====	=====	=====
Income (Loss)						
Lincoln Financial Advisors	(5.3)	(23.7)	(20.8)	(11.7)	(15.9)	(1
Lincoln Financial Distributors	(11.2)	(8.2)	(14.0)	(18.5)	(30.7)	(1
	-----	-----	-----	-----	-----	-----
Total Distribution	(16.5)	(31.9)	(34.8)	(30.2)	(46.6)	(3

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Reinsurance	(150.1)	104.9	40.1	122.5	128.8	8
Amortization of deferred gain on indemnity reinsurance*					12.9	
LNC Financing	(31.6)	(51.5)	(83.5)	(84.9)	(77.9)	(4
Other Corporate	(25.1)	(17.5)	(5.0)	(15.4)	(2.4)	
Inc (Loss) from Operations	(223.3)	4.0	(83.1)	(8.0)	14.8	
Realized gains (losses) on investments	24.9	2.7	10.2	(3.2)	5.9	(
Gains (losses) on derivatives					(6.3)	(
Gain on sale of reinsurance subsidiaries					15.0	
Reserve increase on business sold through reinsurance						
Restructuring charges	0.0	(14.3)	(3.2)	1.0	(19.5)	(
Income before Accounting Changes	(198.4)	(7.6)	(76.1)	(10.2)	9.9	(
Cumulative effect of accounting changes					(2.7)	(
Total Net Income (Loss)	(198.4)	(7.6)	(76.1)	(10.2)	7.2	(
	Sep	Dec	Mar	Jun	Sep	
For the Quarter Ended	1999	1999	2000	2000	2000	2
Revenue						
Lincoln Financial Advisors	75.7	104.0	86.4	90.0	91.3	10
Lincoln Financial Distributors	26.4	34.2	29.3	28.1	27.5	3
Total Distribution	102.1	138.2	115.8	118.1	118.8	14
Reinsurance	403.7	575.1	392.7	458.9	457.9	46
Amortization of deferred gain on indemnity reinsurance*						
Other [Including Consolidating Adjustments]	(64.8)	(147.0)	(67.6)	(86.7)	(79.2)	(5
Operating Revenue	441.0	566.4	440.9	490.3	497.5	54
Realized gains (losses) on investments	14.2	0.0	(0.8)	(1.3)	(3.4)	
Gains (losses) on derivatives						
Gain on sale of reinsurance subsidiaries						
Total Revenue	455.2	566.4	440.2	489.0	494.1	54
Income (Loss)						
Lincoln Financial Advisors	(5.3)	2.7	(7.4)	(2.9)	(3.1)	
Lincoln Financial Distributors	(2.1)	(3.7)	(3.3)	(5.2)	(5.0)	(
Total Distribution	(7.4)	(1.0)	(10.7)	(8.1)	(8.0)	(
Reinsurance	2.2	(19.5)	31.9	25.8	28.2	3
Amortization of deferred gain on indemnity reinsurance*						
LNC Financing	(19.9)	(21.6)	(21.9)	(22.2)	(20.9)	(1
Other Corporate	(2.4)	(1.4)	(5.7)	(1.5)	1.6	(
Inc (Loss) from Oper	(27.5)	(43.5)	(6.5)	(5.9)	0.9	

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Realized gains (losses) on investments	9.8	1.3	(0.4)	(0.8)	(3.2)	
Gains (losses) on derivatives						
Gain on sale of reinsurance subsidiaries						
Reserve increase on business sold through reinsurance						
Restructuring charges	(3.2)	0.0	0.0	0.0	0.0	
	-----	-----	-----	-----	-----	-----
Income before Accounting Changes	(20.9)	(42.2)	(6.8)	(6.8)	(2.3)	
Cumulative effect of accounting changes						
	-----	-----	-----	-----	-----	-----
Total Net Income (Loss)	(20.9)	(42.2)	(6.8)	(6.8)	(2.3)	
	=====	=====	=====	=====	=====	=====

	Mar	Jun	Sep	Dec	Mar	
For the Quarter Ended	2001	2001	2001	2001	2002	2002
	-----	-----	-----	-----	-----	-----
Revenue						
Lincoln Financial Advisors	81.2	83.8	78.9	116.7	75.9	75.9
Lincoln Financial Distributors	25.7	20.7	32.0	35.0	29.4	29.4
	-----	-----	-----	-----	-----	-----
Total Distribution	106.9	104.5	111.0	151.7	105.3	105.3
Reinsurance	515.1	451.4	467.4	265.6		
Amortization of deferred gain on indemnity reinsurance*				20.4	24.1	24.1
Other [Including Consolidating Adjustments]	(80.5)	(105.2)	(76.0)	(98.7)	(32.2)	(32.2)
	-----	-----	-----	-----	-----	-----
Operating Revenue	541.5	450.7	502.3	339.0	97.1	97.1
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	(10.0)	1.4	(12.8)	29.5	(4.9)	(4.9)
Gains (losses) on derivatives	0.1	(0.1)	(0.0)	(9.7)	0.1	0.1
Gain on sale of reinsurance subsidiaries				12.8		
	-----	-----	-----	-----	-----	-----
Total Revenue	531.6	452.0	489.5	371.7	92.3	92.3
	=====	=====	=====	=====	=====	=====
Income (Loss)						
Lincoln Financial Advisors	(6.8)	(12.3)	(4.2)	7.4	(9.1)	(9.1)
Lincoln Financial Distributors	(6.9)	(11.5)	(7.8)	(4.5)	(6.2)	(6.2)
	-----	-----	-----	-----	-----	-----
Total Distribution	(13.8)	(23.8)	(12.0)	3.0	(15.4)	(15.4)
Reinsurance	46.8	34.1	17.2	30.7	0.0	0.0
Amortization of deferred gain on indemnity reinsurance*				12.9	15.7	15.7
LNC Financing	(21.7)	(22.0)	(19.5)	(14.7)	(8.2)	(8.2)
Other Corporate	(0.5)	2.0	1.5	(5.3)	(4.1)	(4.1)
	-----	-----	-----	-----	-----	-----
Inc (Loss) from Oper	10.9	(9.7)	(12.9)	26.5	(12.0)	(12.0)
	-----	-----	-----	-----	-----	-----
Realized gains (losses) on investments	(6.5)	1.0	(8.3)	19.7	(3.3)	(3.3)
Gains (losses) on derivatives	0.1	(0.1)	(0.0)	(6.3)	0.1	0.1
Gain on sale of reinsurance subsidiaries	0.0	0.0	0.0	15.0	0.0	0.0

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Reserve increase on business sold through reinsurance						(1)
Restructuring charges	0.0	(1.2)	0.0	(18.3)	0.0	
Income before Accounting Changes	4.4	(10.0)	(21.2)	36.7	(15.2)	(2)
Cumulative effect of accounting changes	(0.4)	(2.2)	0.0	(0.0)	0.0	
Total Net Income (Loss)	4.0	(12.2)	(21.2)	36.7	(15.2)	(2)

* The amortization of deferred gain on sale of reinsurance business represents the amortization of deferred gain recognized on the business sold through indemnity reinsurance to Swiss Re.

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

	1997	1998	1999	2000	2001	
Deposits - For the Year						
Lincoln Retirement - Fixed Annuities	1.632	1.452	2.563	2.074	3.342	1
Lincoln Retirement - Variable Annuities	2.695	2.791	2.553	3.165	3.067	1
Lincoln Retirement - Life Insurance	0.000	0.000	0.017	0.014	0.012	0
Life Insurance Segment - Life Insurance	0.384	1.207	1.698	1.884	1.934	0
Inv Mgmt - Annuities	2.163	2.238	1.561	1.782	1.702	0
Inv Mgmt - Mutual Funds(1)	1.218	1.913	2.153	2.578	1.522	0
Inv Mgmt - Wrap Fee & Other	0.533	0.596	0.550	0.525	0.468	0
Consolidating Adjustments	(0.966)	(1.041)	(0.499)	(0.406)	(1.039)	(0)
Gross Deposits	7.658	9.157	10.597	11.617	11.008	5
Account Balances - End of Year						
Lincoln Retirement - Fixed Annuities	15.458	16.505	16.791	15.394	16.491	
Lincoln Retirement - Variable Annuities	27.346	33.358	41.493	39.427	34.638	
Lincoln Retirement - Life Insurance			0.155	0.160	0.149	
Life Insurance Segment - Life Insurance	3.038	9.243	10.217	10.847	11.377	
Inv Mgmt - Annuities	10.991	14.257	15.557	13.527	11.835	
Inv Mgmt - Mutual Funds(1)	12.484	13.528	13.632	13.261	11.552	
Inv Mgmt - Wrap Fee & Other	2.403	2.512	1.618	1.342	1.719	
Consolidating Adjustments	(6.806)	(8.891)	(9.175)	(7.753)	(6.717)	

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Account Balances	64.914	80.512	90.288	86.205	81.044	
	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
	-----	-----	-----	-----	-----	-----
Deposits - For the Quarter						
Lincoln Retirement - Fixed Annuities	0.678	0.741	0.589	0.490	0.513	0
Lincoln Retirement - Variable Annuities	0.634	0.634	0.797	0.793	0.729	0
Lincoln Retirement - Life Insurance	0.004	0.005	0.003	0.003	0.004	0
Life Insurance Segment - Life Insurance	0.399	0.526	0.424	0.411	0.428	0
Inv Mgmt - Annuities	0.332	0.409	0.379	0.358	0.456	0
Inv Mgmt - Mutual Funds(1)	0.514	0.587	0.876	0.586	0.554	0
Inv Mgmt - Managed Acct. & Other	0.116	0.079	0.148	0.106	0.140	0
Consolidating Adjustments	(0.096)	(0.118)	(0.099)	(0.062)	(0.100)	(0)
	-----	-----	-----	-----	-----	-----
Gross Deposits	2.581	2.864	3.116	2.685	2.724	3
	-----	-----	-----	-----	-----	-----
Account Balances - End of Quarter						
Lincoln Retirement - Fixed Annuities	16.934	16.791	16.244	15.884	15.660	15
Lincoln Retirement - Variable Annuities	35.613	41.493	44.640	43.097	42.743	39
Lincoln Retirement - Life Insurance	0.128	0.155	0.169	0.165	0.166	0
Life Insurance Segment - Life Insurance	9.726	10.217	10.470	10.538	10.716	10
Inv Mgmt - Annuities	14.036	15.557	15.557	14.888	14.853	13
Inv Mgmt - Mutual Funds(1)	12.938	13.632	14.671	14.069	14.571	13
Inv Mgmt - Managed Acct. & Other	1.579	1.618	1.309	1.304	1.256	1
Consolidating Adjustments	(8.387)	(9.175)	(8.768)	(8.419)	(8.644)	(7)
	-----	-----	-----	-----	-----	-----
Account Balances	82.567	90.288	94.292	91.526	91.322	86
	-----	-----	-----	-----	-----	-----
	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	
	-----	-----	-----	-----	-----	-----
Deposits - For the Quarter						
Lincoln Retirement - Fixed Annuities	0.560	0.668	0.896	1.218	0.906	0
Lincoln Retirement - Variable Annuities	0.887	0.703	0.684	0.793	0.808	0
Lincoln Retirement - Life Insurance	0.003	0.004	0.003	0.002		
Life Insurance Segment - Life Insurance	0.418	0.477	0.434	0.605	0.440	0
Inv Mgmt - Annuities	0.542	0.403	0.434	0.324	0.590	0
Inv Mgmt - Mutual Funds(1)	0.484	0.354	0.335	0.348	0.452	0
Inv Mgmt - Managed Acct. & Other	0.140	0.127	0.074	0.126	0.160	0
Consolidating Adjustments	(0.262)	(0.202)	(0.295)	(0.279)	(0.309)	(0)
	-----	-----	-----	-----	-----	-----
Gross Deposits	2.771	2.534	2.566	3.137	3.047	3
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Account Balances - End of Quarter						
Lincoln Retirement - Fixed						
Annuities	15.430	15.551	16.051	16.491	16.533	16.533
Lincoln Retirement - Variable						
Annuities	34.733	36.961	30.506	34.638	35.150	35.150
Lincoln Retirement - Life						
Insurance	0.147	0.157	0.134	0.149		
Life Insurance Segment - Life						
Insurance	10.764	11.066	10.939	11.377	11.667	11.667
Inv Mgmt - Annuities	11.822	12.532	10.714	11.835	11.920	11.920
Inv Mgmt - Mutual Funds(1)	11.530	12.215	10.726	11.552	11.597	11.597
Inv Mgmt - Managed Acct. & Other	1.653	1.774	1.635	1.719	1.821	1.821
Consolidating Adjustments	(6.834)	(7.007)	(6.023)	(6.717)	(6.684)	(6.684)
Account Balances	79.245	83.250	74.682	81.044	82.005	82.005

Total Domestic Net Flows
Unaudited [Billions of Dollars]

For the Year	1998	1999	2000	2001	YTD Jun 2001	
Lincoln Retirement	(1.244)	(1.165)	(2.874)	0.105	(0.787)	0
Life Insurance Segment	0.113	0.985	1.158	1.163	0.541	0
Investment Management Segment- Retail(1)	1.772	(2.209)	(1.499)	(0.379)	(0.167)	0
Consolidating Adjustments	(0.158)	1.276	1.406	(0.150)	(0.016)	(0)
Total Retail Net Flows	0.483	(1.114)	(1.810)	0.739	(0.427)	1
Investment Management Segment- Institutional	(2.702)	(2.240)	(5.694)	(0.228)	0.027	1
Total Net Flows	(2.219)	(3.354)	(7.504)	0.511	(0.400)	2

For the Quarter	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000	
Lincoln Retirement	(0.193)	(0.490)	(0.700)	(0.682)	(0.812)	(0)
Life Insurance Segment	0.197	0.327	0.242	0.235	0.277	0
Investment Management Segment- Retail(1)	(0.300)	(0.410)	(0.879)	(0.364)	(0.315)	0
Consolidating Adjustments	0.313	0.463	0.717	0.342	0.194	0
Total Retail Net Flows	0.016	(0.111)	(0.620)	(0.470)	(0.656)	(0)
Investment Management Segment- Instit.	0.816	(1.479)	(2.611)	(1.056)	(0.983)	(1)
Total Net Flows	0.832	(1.590)	(3.231)	(1.526)	(1.639)	(1)

Total Domestic Net Flows (Continued)
Unaudited [Billions of Dollars]

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For the Quarter	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002	
Lincoln Retirement	(0.590)	(0.196)	0.261	0.631	0.088	0
Life Insurance Segment	0.237	0.304	0.239	0.383	0.236	0
Investment Management Segment- Retail(1)	(0.019)	(0.148)	(0.120)	(0.091)	0.091	0
Consolidating Adjustments	0.019	(0.034)	(0.081)	(0.053)	(0.037)	(0)
Total Retail Net Flows	(0.354)	(0.073)	0.299	0.870	0.378	0
Investment Management Segment- Instit.	(0.418)	0.445	(0.155)	(0.102)	0.730	0
Total Net Flows	(0.772)	0.372	0.144	0.768	1.108	1

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

(1) Retail assets under management have been restated to include assets under administration beginning in January of 2000. See details on pages 22 and 23.

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Consolidated Investment Data -
Assets Managed
Unaudited [Billions of Dollars]

December 31	1997	1998	1999	2000	2001
Assets Managed by Source					
LNC's Investments and Cash:					
Fixed maturity securities	24.066	30.233	27.689	27.450	28.346
Equity securities	0.660	0.543	0.604	0.550	0.470
Other investments	5.092	7.154	7.286	7.369	7.297
Total LNC Investments(1)	29.819	37.929	35.578	35.369	36.113
Separate accounts	37.139	43.409	53.654	50.580	44.833
Cash and Invested Cash	3.795	2.433	1.896	1.927	3.095
Discontinued Operations					
Total LNC	70.752	83.772	91.128	87.876	84.042
Non-affiliate assets managed	48.331	50.061	49.314	43.397	42.199
Total Assets Managed	119.083	133.833	140.443	131.273	126.241
Assets Managed by Advisor					
Investment Management segment(1) (See page 22 for additional detail)	56.457	61.488	61.374	53.354	48.411
DLIA-Corp	35.684	39.432	35.934	35.686	38.119

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(Assets managed internally-see page 22)

Lincoln (UK)	6.775	7.573	8.589	7.873	6.847
Policy Loans (within business units)	0.763	1.840	1.892	1.961	1.940
Non-LNC Affiliates	19.404	23.500	32.654	32.399	30.924
Total Assets Managed	119.083	133.833	140.443	131.273	126.241

End of Quarter	Sep 1999	Dec 1999	Mar 2000	Jun 2000	Sep 2000
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Assets Managed by Source

LNC's Investments and Cash:

Fixed maturity securities	28.708	27.689	27.745	27.078	27.264	27.264
Equity securities	0.507	0.604	0.588	0.560	0.570	0.570
Other investments	7.317	7.286	7.442	7.419	7.471	7.471
Total LNC Investments(1)	36.532	35.578	35.775	35.057	35.305	35.305
Separate accounts	46.229	53.654	56.908	54.924	54.411	54.411
Cash and invested cash	2.343	1.896	1.510	1.619	1.436	1.436
Total LNC	85.104	91.128	94.192	91.601	91.152	91.152

Non-affiliate assets managed	48.068	49.314	47.150	45.945	45.119	45.119
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Total Assets Managed	133.172	140.443	141.342	137.546	136.271	136.271
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Assets Managed by Advisor

Investment Management segment(1)
(See page 23 for additional detail)

DLIA-Corp (Assets managed internally-see page 23)	36.820	35.934	35.541	34.891	34.981	34.981
Lincoln (UK)	7.849	8.589	8.423	8.058	7.838	7.838
Policy Loans (within business units)	1.863	1.892	1.896	1.915	1.936	1.936
Non-LNC Affiliates	27.771	32.653	36.770	35.696	35.518	35.518
Total Assets Managed	133.172	140.443	141.342	137.546	136.271	136.271

End of Quarter	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002
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Assets Managed by Source

LNC's Investments and Cash:

Fixed maturity securities	27.811	27.874	28.932	28.346	28.841	28.841
Equity securities	0.560	0.534	0.478	0.470	0.439	0.439
Other investments	7.374	7.388	7.379	7.297	7.084	7.084
Total LNC Investments(1)	35.744	35.796	36.788	36.113	36.363	36.363
Separate accounts	44.506	47.140	39.480	44.833	44.917	44.917

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Cash and invested cash	2.015	1.502	1.996	3.095	1.700	2
Total LNC	82.266	84.438	78.264	84.042	82.979	80
Non-affiliate assets managed	41.904	44.069	39.198	42.199	43.708	43
Total Assets Managed	124.170	128.507	117.462	126.241	126.687	123
Assets Managed by Advisor						
Investment Management segment (1) (See page 23 for additional detail)	48.208	50.737	44.957	48.413	50.001	48
DLIA-Corp (Assets managed internally-see page 23)	36.324	36.018	37.337	38.119	37.171	38
Lincoln (UK)	7.012	7.027	6.474	6.847	6.772	6
Policy Loans (within business units)	1.947	1.947	1.943	1.940	1.918	1
Non-LNC Affiliates	30.679	32.778	26.750	30.923	30.825	27
Total Assets Managed	124.170	128.507	117.462	126.241	126.687	123

(1) Retail assets under management have been restated to include assets under administration beginning in January of 2000. See details on pages 22 and 23.

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

For the Year Ended December 31	1997	1998	1999	2000	2001	
Net Investment Income						
Fixed Maturity Securities	1832.1	2065.8	2232.9	2148.7	2121.0	1
Equity Securities	19.1	22.8	20.1	19.5	17.6	
Mortgage loans on real estate	279.2	383.6	369.2	373.8	374.5	
Real estate	99.4	86.8	64.1	51.8	49.5	
Policy loans	44.5	99.5	116.5	125.0	125.3	
Invested cash	102.4	156.8	110.3	87.2	68.4	
Other investments	20.6	88.4	51.8	66.8	69.5	
Investment revenue	2397.3	2903.7	2964.8	2872.8	2825.8	1
Investment expense	146.6	222.3	157.3	125.7	146.2	
Net Investment Income	2250.8	2681.4	2807.5	2747.1	2679.6	1
Gross-up of Tax Exempt Income	12.7	11.6	8.1	7.8	7.2	
Adjusted Net Invest Income	2263.5	2693.0	2815.6	2754.9	2686.8	1

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	=====	=====	=====	=====	=====	=====
Mean Invested Assets (Cost Basis)	30337.3	36573.8	39027.5	37471.3	37616.9	37
Ratio of Adjusted Net Invest Inc Over Mean Invested Assets	7.46%	7.36%	7.21%	7.35%	7.14%	
Investment Gains						
Realized Gains (Losses) on Investments	72.9	13.7	3.8	(17.5)	(68.7)	
Gains(Losses) on Derivatives	0.0	0.0	0.0	0.0	(4.9)	
Incr (Decr) in Unreal Gains on Sec						
Avail-for-Sale (after DAC/Tax) Incr (Decr) on Derivatives*	159.6	116.4	(1018.1)	477.7	183.7	
Incr (Decr) in Foreign Exchange	(20.3)	3.8	(19.9)	(8.1)	(30.0)	
Incr (Decr) in minimum pension liability					(36.0)	
Securities Available-for-Sale [Billions of Dollars at End of Year]						
Fixed Maturity Sec (Market)	24.066	30.233	27.689	27.450	28.346	2
Fixed Maturity Sec (Adjusted Cost)	22.624	28.640	28.357	27.373	27.956	2
Equity Securities (Market)	0.660	0.543	0.604	0.550	0.470	
Equity Securities (Adjusted Cost)	0.518	0.437	0.482	0.458	0.444	
% of Fixed Maturity Securities (Based on Market)						
Treasuries and AAA	27.6%	25.6%	22.8%	22.1%	17.2%	
AA or better	35.1%	32.6%	29.8%	29.2%	23.6%	
BB or less	7.3%	7.0%	8.0%	6.7%	8.3%	

	Sep	Dec	Mar	Jun	Sep	
For the Quarter Ended	1999	1999	2000	2000	2000	
	-----	-----	-----	-----	-----	
Net Investment Income						
Fixed Maturity Securities	551.2	548.0	541.3	544.4	525.3	
Equity Securities	3.9	6.9	3.7	5.7	3.6	
Mortgage loans on real estate	94.7	94.5	92.0	95.1	94.4	
Real estate	13.7	12.5	11.2	12.5	11.8	
Policy loans	29.4	29.9	30.7	30.9	30.5	
Invested cash	32.4	22.0	27.2	15.1	26.5	
Other investments	9.9	20.9	35.1	2.0	26.9	
	-----	-----	-----	-----	-----	
Investment revenue	735.2	734.9	741.1	705.7	719.1	
Investment expense	38.1	34.8	30.0	31.8	29.0	
	-----	-----	-----	-----	-----	
Net Investment Income	697.1	700.1	711.1	673.8	690.0	
	-----	-----	-----	-----	-----	
Gross-up of Tax Exempt Income	1.7	2.6	1.5	2.3	1.4	
	-----	-----	-----	-----	-----	
Adjusted Net Invest Income	698.7	702.7	712.6	676.1	691.5	

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	=====	=====	=====	=====	=====	=====
Mean Invested Assets (Cost Basis)	39111.8	38438.6	38237.4	37306.1	37250.8	37
Ratio of Adjusted Net Invest Inc Over Mean Invested Assets	7.15%	7.31%	7.45%	7.25%	7.43%	
Investment Gains						
Realized Gains (Losses) on Investments	4.1	1.6	(0.4)	(6.7)	(11.6)	
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) Incr (Decr) on Derivatives*	(102.7)	(361.9)	54.5	(145.4)	218.8	
Incr (Decr) in Foreign Exchange	19.6	(10.2)	(7.3)	(0.9)	(2.0)	
Incr (Decr) in minimum pension liability						
Securities Available-for-Sale [Billions of Dollars at End of Year]						
Fixed Maturity Sec (Market)	28.708	27.689	27.745	27.078	27.264	2
Fixed Maturity Sec (Adjusted Cost)	28.974	28.357	28.295	27.788	27.727	2
Equity Securities (Market)	0.507	0.604	0.588	0.560	0.570	
Equity Securities (Adjusted Cost)	0.414	0.482	0.475	0.446	0.450	
% of Fixed Maturity Securities (Based on Market)						
Treasuries and AAA	24.2%	22.8%	22.7%	22.3%	22.3%	
AA or better	31.1%	29.8%	29.5%	29.3%	29.4%	
BB or less	7.5%	8.0%	7.4%	7.4%	6.8%	
	Mar	Jun	Sep	Dec	Mar	
For the Quarter Ended	2001	2001	2001	2001	2002	
	-----	-----	-----	-----	-----	
Net Investment Income						
Fixed Maturity Securities	526.9	527.0	536.9	530.1	522.5	
Equity Securities	1.0	7.8	3.7	5.1	3.4	
Mortgage loans on real estate	95.7	92.4	94.2	92.4	89.5	
Real estate	12.8	13.1	12.7	10.9	12.3	
Policy loans	31.4	31.4	31.0	31.6	30.2	
Invested cash	22.5	19.8	14.8	11.3	12.4	
Other investments	19.6	18.2	28.2	3.5	7.8	
	-----	-----	-----	-----	-----	
Investment revenue	709.9	709.7	721.4	684.8	678.0	
Investment expense	36.1	36.6	35.2	38.2	29.9	
	-----	-----	-----	-----	-----	
Net Investment Income	673.7	673.1	686.2	646.6	648.1	
	-----	-----	-----	-----	-----	
Gross-up of Tax Exempt Income	0.5	3.0	1.5	2.1	1.5	
	-----	-----	-----	-----	-----	
Adjusted Net Invest Income	674.2	676.1	687.7	648.7	649.7	
	=====	=====	=====	=====	=====	

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Mean Invested Assets (Cost Basis)	37238.0	37094.5	37685.8	38449.3	38169.9	3
Ratio of Adjusted Net Invest Inc Over Mean Invested Assets	7.24%	7.29%	7.30%	6.75%	6.81%	
Investment Gains						
Realized Gains (Losses) on Investments	(13.4)	(11.5)	(23.8)	(20.0)	(67.6)	
Gains (Losses) on Derivatives	(0.1)	0.2	(0.4)	(4.6)	0.1	
Incr (Decr) in Unreal Gains on Sec						
Avail-for-Sale (after DAC/Tax)	178.4	(114.2)	171.8	(52.2)	(163.9)	
Incr (Decr) on Derivatives*	23.3	3.7	(6.7)	1.2	1.2	
Incr (Decr) in Foreign Exchange	(17.8)	(19.5)	22.2	(14.9)	(12.8)	
Incr (Decr) in minimum pension liability				(36.0)	0.7	
Securities Available-for-Sale [Billions of Dollars at End of Year]						
Fixed Maturity Sec (Market)	27.811	27.874	28.932	28.346	28.841	
Fixed Maturity Sec (Adjusted Cost)	27.367	27.681	28.253	27.956	28.831	
Equity Securities (Market)	0.560	0.534	0.478	0.470	0.439	
Equity Securities (Adjusted Cost)	0.507	0.477	0.453	0.444	0.398	
% of Fixed Maturity Securities (Based on Market)						
Treasuries and AAA	20.3%	19.3%	17.9%	17.2%	17.8%	
AA or better	27.1%	26.0%	24.3%	23.6%	24.7%	
BB or less	7.2%	7.8%	7.2%	8.3%	7.5%	

* 2001 includes the cumulative effect of accounting change related to the adjustment recorded upon adoption of FAS #133.

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

For the Year Ended December 31	1991	1992	1993	1994	
	-----	-----	-----	-----	-----
Common Stock [1]					
Highest Price	13.813	19.032	24.125	22.188	2
Lowest Price	9.500	12.625	17.344	17.313	1
Closing Price	13.688	18.500	21.750	17.500	2
Dividend Payout Ratio [2]	63.5%	38.9%	52.6%	51.0%	

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Yield [3]	5.3%	4.1%	3.8%	4.9%
Preferred Stock Dividend (Millions)	13.033	17.246	17.212	17.119
Debt: (End of Period)				
Senior Debt Ratings				
A.M. Best				
Fitch		AA	AA-	AA-
Moody's		A2	A2	A1
Standard and Poors		A+	A+	A+
Claims Paying Ratings:				
Lincoln Life - A.M. Best		A+	A+	A+
Lincoln Life - Fitch		AAA	AAA	AAA
Lincoln Life - Moody's		A1	A1	Aa3
Lincoln Life - Standard & Poors		AA-	AA-	AA-
First Penn - A.M. Best*		A	A+	A+
First Penn - Fitch				
First Penn - Moody's				
First Penn - Standard & Poors*		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%
Debt to Equity [4]		34.7%	26.7%	24.9%

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

For the Year Ended December 31	1996	1997	1998	1999	2000	
	-----	-----	-----	-----	-----	-----
Common Stock [1]						
Highest Price	28.500	39.063	49.438	57.500	56.375	5
Lowest Price	20.375	24.500	33.500	36.000	22.625	3
Closing Price	26.250	39.063	40.907	40.000	47.313	4
Dividend Payout Ratio [2]	38.2%	22.8%	43.9%	50.5%	38.3%	
Yield [3]	3.7%	2.7%	2.7%	2.9%	2.6%	
Preferred Stock Dividend (Millions)	0.112	0.106	0.100	0.089	0.078	
Debt: (End of Period)						
Senior Debt Ratings						
A.M. Best						a
Fitch	AA-	AA-	A+	A+		A+
Moody's	A2	A2	A2	A2		A3
Standard and Poors	A	A	A-	A-		A-

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Claims Paying Ratings:

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

Ratios

Debt to Total Capitalization [4]	18.8%	17.0%	21.2%	23.2%	20.8%
Debt to Equity [4]	23.1%	20.5%	26.9%	30.3%	26.3%

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

Common Stock:

Highest Price	57.500	48.313	41.375	40.063	56.375	5
Lowest Price	36.000	36.500	22.625	29.000	35.625	4
Closing Price	37.563	40.000	33.500	36.125	48.125	4

Yield [3]	2.9%	2.9%	3.5%	3.2%	2.4%
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Preferred Stock Dividend (Millions)	0.027	0.014	0.022	0.022	0.021
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Debt: (End of Period)

Senior Debt Ratings

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

Claims Paying Ratings:

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

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Ratios					
Debt to Total Capitalization [4]	22.0%	23.2%	23.3%	21.8%	21.2%
Debt to Equity [4]	28.3%	30.3%	30.4%	28.0%	27.0%

For the Quarter Ended	Mar 2001	Jun 2001	Sep 2001	Dec 2001	Mar 2002
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Common Stock:					
Highest Price	48.250	52.300	52.750	49.450	53.650
Lowest Price	38.000	41.280	41.000	40.000	47.200
Closing Price	42.470	51.750	46.630	48.570	50.730

Yield [3]	2.9%	2.4%	2.6%	2.6%	2.5%
Preferred Stock Dividend (Millions)	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
Fitch	A+	A+	A+	A+	A+
Moody's	A3	A3	A3	A3	A3
Standard and Poors	A-	A-	A-	A-	A-

Claims Paying Ratings:

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

Ratios

Debt to Total Capitalization [4]	22.2%	21.2%	21.1%	21.4%	22.7%
Debt to Equity [4]	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, 5 and 6 of this Statistical Report. "Net Income Divided by Average Shareholders' Equity

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tends to fluctuate from period to period due to the realization of gains and losses on investment sale of subsidiaries. "Income from Operations Divided by Average Shareholders' Equity" is less v but leaves out an important element of earnings for a company that has a long-term goal of enhance shareholder value by realizing investment gains.

Return on capital measures the effectiveness of LNC's use of its total capital, which is made up equity, debt and hybrid securities. Return on capital is calculated by dividing income from opera (after adding back after-tax interest expense) by average capital. The difference between return capital and return on equity presents the effect of leveraging on LNC's consolidated results.