



American National Insurance Company

Financial Update As Of December 31, 2010 • ANICO.com



ROBERT L. MOODY

Chairman of the Board
Chief Executive Officer

G. RICHARD FERDINANDTSEN

President
Chief Operating Officer

American National remains financially strong. As of December 31, 2010, the Company's Assets are \$16.4 billion with Liabilities of \$14.4 billion and Stockholder's Equity

American National has investment guidelines designed to create and maintain a diversified investment portfolio. The diversification objectives include specific credit concentration limitations set at conservative levels. However, market disruptions caused by forced mergers and consolidations among a few financial companies created unusually large, but manageable, credit concentrations. We continue to make progress in restoring our concentrations to levels consistent with company guidelines.

of \$2 billion on a Statutory¹ reporting basis. On a GAAP² reporting basis, Assets were \$21.4 billion, with Liabilities of \$17.8 billion and Stockholder's Equity of \$3.6 billion. A clear demonstration of American National's financial strength is that the company's assets are equal to more than 114% (Statutory) of those required to support the liabilities. American National has now paid dividends to stockholders for 100 consecutive years.

¹ State Insurance Departments require insurance companies to prepare unconsolidated financial statements based on statutory accounting principles. In general, statutory accounting principles are more conservative than Generally Accepted Accounting Principles (GAAP).





² GAAP numbers are prepared on a consolidated basis including American National and all of its subsidiaries.

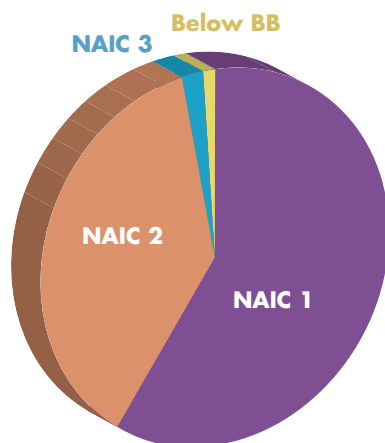
Fixed income investments (investment grade bonds, collateralized mortgage obligations (CMOs) and commercial mortgages) are allocated by insurance product type. These portfolios provide empirical support for asset/liability modeling and are utilized to determine renewal crediting rates to meet product pricing objectives. American National's Asset/Liability Management Committee works to ensure the highest return possible on these portfolios commensurate with sound and prudent investment practices.

Fixed maturity securities (principally bonds and CMOs) backing American National's insurance products are high quality (95% investment grade) and well diversified among issuers. Tight credit market, tumbling Treasury yields, forced mergers and acquisitions, and the press associated with "bailouts" in the insurance and other industries caused spreads to widen and prices to fall. However, overall stability of the financial markets improved substantially by the close of 2010.

Credit Rating Distribution of Fixed-Maturity Securities





(American National Unconsolidated Statutory Basis, Based On Ratings As Of December 31, 2010)

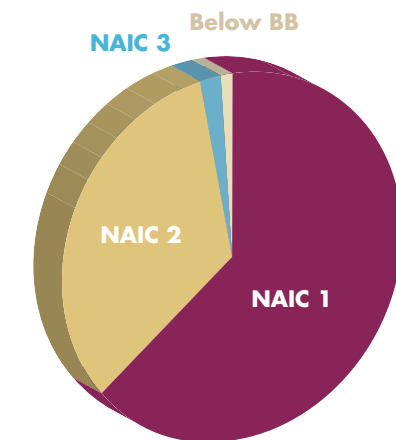
-  NAIC 1 - AAA/AA/A **52%**
-  NAIC 2 - BBB **43%**
-  NAIC 3 - BB **3%**
-  Below - BB **2%**



Credit Rating Distribution of Fixed-Maturity Securities

(American National Consolidated GAAP Basis, Based On Ratings As Of December 31, 2010)

-  NAIC 1 - AAA/AA/A **57%**
-  NAIC 2 - BBB **37%**
-  NAIC 3 - BB **3%**
-  Below - BB **3%**



NAIC ratings are issued by the national Association of Insurance Commissioners and are similar to the rating agency designations of the nationally Recognized Organizations for marketable bonds. NAIC ratings 1 and 2 include bonds generally considered investment grade by such ratings organizations. NAIC ratings 3 through 6 include bonds generally considered below investment grade. Standard & Poor's ratings are also used above.

The American National Story

Chartered on March 17, 1905 by the company's founder, W. L. Moody Jr., American National began operations with \$100,000 of capital and \$20,000 surplus. Following a conservative investment philosophy, Mr. Moody believed that the company's profits should finance future growth, so American National did not pay dividends to investors in those early years.

Mr. Moody envisioned a company that would flourish for centuries. His conservative business approach created a unique corporate culture that remains the heart of the Company today. This culture has helped American National persevere through wars, hurricanes, economic volatility, extraordinary technological advancements, evolving products, and the changing needs of policyholders and agents.

American National remains financially strong and will continue to manage its business respecting the conservative principles of its founder, driven by its corporate vision to be a leading provider of financial services for current and future generations.

Safety and Security

American National Insurance Company ("American National") has been evaluated and assigned the following ratings by nationally recognized, independent rating agencies. The ratings are current as of April 2011.

A.M. Best's Rating: A (Excellent)

3rd highest of 13 active company ratings ¹ "An excellent ability to meet their ongoing insurance obligations"

Standard & Poor's Rating: A+ (Strong)

5th highest of 20 active company ratings ² "Strong capacity to meet financial commitments, but somewhat subject to adverse economic conditions"

Ratings reflect current independent opinions of the financial capacity of an insurance organization to meet the obligations of its insurance policies and contracts in accordance with their terms. They are based on comprehensive quantitative and qualitative evaluations of the company and its management strategy. The rating agencies do not provide ratings as a recommendation to purchase insurance or annuities. The ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Ratings may be changed, suspended, or withdrawn at any time. For the most current ratings view the full rating reports on American National's Internet site at www.anico.com.

¹ A.M. Best's active company rating scale is: A++ (Superior), A+ (Superior), A (Excellent), A- (Excellent), B++ (Very Good), B+ (Very Good), B (Adequate), B- (Adequate), C++ (Fair), C+ (Fair), C (Marginal), C- (Marginal) and D (Poor).

² Standard & Poor's active company rating scale is: AAA (Extremely Strong), AA (Very Strong), A (Strong), BBB (Good), BB (Marginal), B (Weak); CCC (Very Weak), and CC (Extremely Weak). Plus (+) or Minus (-) modifiers show the relative standing within the categories from AA to CCC.

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