



First Trinity
FINANCIAL





Dear Shareholder, it is my pleasure to announce the results of First Trinity Financial Corporation (“FTFC” or the “Company”) and its subsidiaries Trinity Life Insurance Company (“TLIC”), Family Benefit Life Insurance Company (“FBLIC”), Trinity Mortgage Corporation (“TMC”), and Trinity American Inc. (“TAI”) for the year ended December 31, 2023.

On February 23, 2024, your Board of Directors voted unanimously to terminate the Share Acquisition Agreement dated April 24, 2023, among the Company, MTCP LLC and Brickell L&A Holdings LLC, pursuant to provisions of an amendment to the Agreement giving us the right to terminate it at our discretion. Your Board determined that after several delays in completing the tasks necessary to seek to obtain insurance regulatory approval, combined with the uncertainty whether regulatory approval would be obtained, that it would be better for us to seek to maximize shareholder value by looking at other opportunities for a liquidity event for our shareholders. We continue our efforts regarding this endeavor and will continue to work with investment bankers.

From net income standpoint, 2023 was by far the best year in the Company’s history. Net income after tax increased \$1,730,658 from \$6,184,703 to \$7,915,361, an increase of 28.0%. Net investment income increased by 20.7% from \$26,221,172 to \$31,655,321. Assets increased by \$6,157,498 from \$665,864,037 in 2022 to \$672,021,535 in 2023, an increase of 0.9%. Life Insurance premiums increased by 9.0% from \$35,705,560 in 2022 to \$38,912,934 in 2023. Total revenues increased by 15.6% from \$65,559,099 in 2022 to \$75,756,472 in 2023.

Our international operation through TAI continues to grow at a rapid pace, new life premium increased by 21.3% from \$2,042,777 in 2022 to \$2,477,744 in 2023. As a reminder TAI markets whole life insurance, endowment and other financial and investment contracts that are denominated solely in U.S. dollars. TAI, through its exclusive marketing agreement with International Marketing Group, has seen tremendous growth in the international arena. The majority of the growth both in new premium income and the recruitment of new agents can be contributed to the countries of Colombia followed by Brazil.



Three years ago, FBLIC entered into a reinsurance agreement with Texas Republic Life Insurance Company (“TRLIC”), a subsidiary of Texas Republic Capital Corporation (“TRCC”). Under the agreement FBLIC reinsured permanent and term insurance products marketed by TRLIC through the workplace in Texas. Currently FBLIC is in discussions with TRCC management for FBLIC to directly sell these products in states where TRLIC is not licensed. If the current negotiations reach a successful conclusion FBLIC will enter into an agreement with Texas Republic Life Solutions, a subsidiary of TRCC, to be the exclusive marketing arm for these products. Currently the states being considered where FBLIC would sell these products are Arkansas, Louisiana, Missouri, New Mexico and Oklahoma.

In 2023, Mortgage Loans sourced by TMC for our life company investment portfolio continued to perform extremely well in spite of the rising interest rates and other challenges the real estate and mortgage loan industry faced. Our gross investment income from mortgage loans increased by 16.8% from \$16,850,320 to \$19,678,014 in 2023. Our weighted average loan to value on the entire portfolio was a very conservative 60.5%. We are extremely proud to report that we only foreclosed on one loan last year and had zero losses in the mortgage loan portfolio during 2023, At year-end the Company’s mortgage loan portfolio totaled \$239,831,447 with a gross return of 8.2%.

As you can see from the above, the company continues to grow, continues to increase profitability, and continues to seek new ways to enhance shareholder value. We are excited for our growth in 2024 and beyond. I would like to personally thank each and every shareholder for their continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregg Zahn". The signature is stylized and written in a cursive-like font.

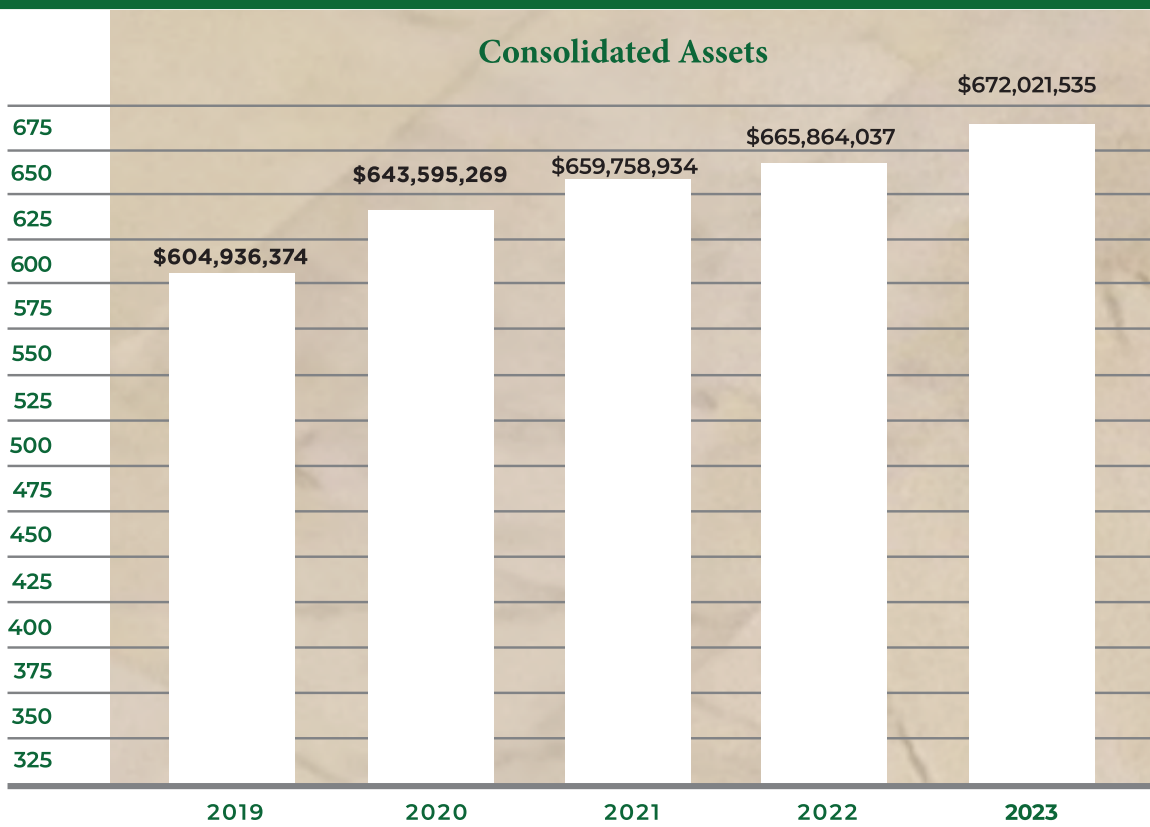
Gregg Zahn, Chairman
President and CEO



S U C C E S S F U L L I T I G A T I O N

FTFC and TAI Defeat Citizens, Inc., CICA Life, Ltd. and Citizens Life Insurance Company of America

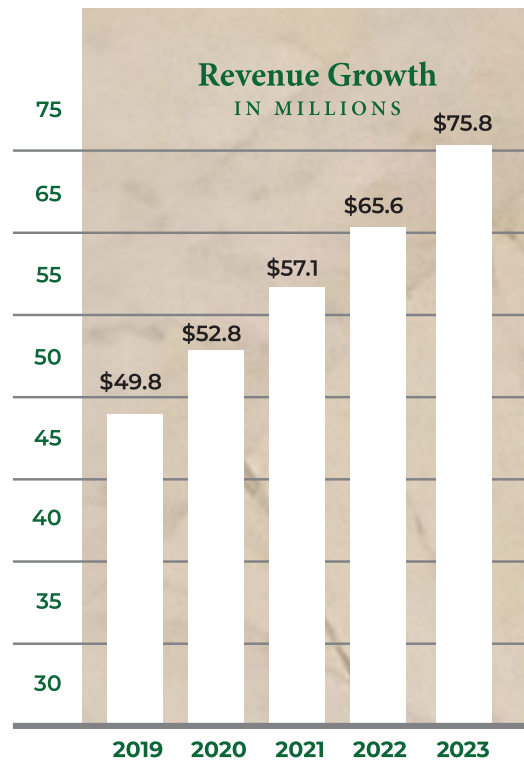
On November 7, 2018, Citizens Inc., CICA Life, and Citizens Life Insurance Company of America sued several defendants that would eventually include First Trinity Financial (“FTFC”) and its international business subsidiary Trinity American Inc. (“TAI”), in the District Court of Travis County, Texas, claiming common law unfair competition, misappropriation of trade secrets under the Texas Uniform Trade Secrets Act and various breaches of and interference with contracts. Several of the individual defendants counterclaimed seeking damages for breach of contract based on commissions they were denied when the plaintiffs wrongfully terminated their sales agreements. Trial of the case occurred from February 26, 2024, through March 8, 2024, during which FTFC, TAI and the other defendants offered a vigorous defense. In its verdict, delivered on March 8, 2024, the jury confirmed FTFC’s position that the plaintiffs’ claims were without merit, and found no liability on any cause of action against FTFC or TAI. No damages were awarded to the plaintiffs against any defendant. In addition, the jury found the plaintiffs owed over \$1.2 million to two individual defendants for wrongfully withheld renewal commissions. FTFC is pleased with the just verdict and looks forward to building its international business through TAI without the burden of defending against further anti-competitive litigation.



Assets increased by \$6,157,498 from \$665,864,037 in 2022 to \$672,021,535 in 2023, an increase of 0.9%.



Premium income increased by \$3,207,374 from \$35,705,560 in 2022 to \$38,912,934 in 2023, an increase of 9.0%.



Total revenues increased by \$10,197,373 from \$65,559,099 in 2022 to \$75,756,472 in 2023, an increase of 15.6%.



Executive Officers, Board of Directors and Consultant



Gregg E. Zahn
Chairman / President
Chief Executive Officer
Director



Jeffrey J. Wood
Chief Financial Officer
Secretary
Treasurer
Director



Michael J. McArthur
Vice President
Controller
Assistant Treasurer



Alvin J. Begnoche
Vice President
Marketing
Assistant Secretary



Porter S. Horgan
Exclusive Consultant
Directing Mortgage
Loan Operations



William S. Lay
Director



Bill H. Hill
Director



Will W. Klein
Director



Gerald J. Kohout
Director



Charles (Tinker) Owens
Director



George E. Peintner
Director



Gary L. Sherrer
Director



Corporate Information

Corporate Address

Corporate Office
7633 East 63rd Place, Suite 230
Tulsa, Oklahoma 74133

Annual Shareholder Meeting

Premier Room of the
Embassy Suites Tulsa – Interstate 44
3332 South 79th East Avenue
Tulsa, Oklahoma 74145
May 15th, 2024
1:00 p.m. Central Daylight Saving Time

Transfer Agent and Registrar

For Shareholder inquires concerning
transferring ownership, address change,
or lost certificates, please contact:

Computershare Trust Company

C/O Shareholder Services
462 South 4th Street
Suite 1600
Louisville, KY 40202

Shareholder Service Line
1-800-962-4284 or 781-575-3120

Independent Auditors

Kerber, Eck & Braeckel LLP
3200 Robbins Road, Suite 200A
Springfield, IL 62704

Investor Relations

Additional copies of this report, Form 10-K or
other financial information are available without
charge and may be obtained by written request to
Investor Relations at the corporate address.

Market Information

Trading of the Company's common stock is
limited and sporadic and an established market
does not exist.

Directors and Officers

Bill H. Hill (1) (2) (3) (4)

Will W. Klein (1) (2) (3) (4)

Gerald J. Kohout (1) (2) (3) (4)

William S. Lay (1) (2) (3) (4)

Charles W. Owens (1) (2) (3) (4)

George E. Peintner (1) (2) (3) (4)

Gary L. Sherrer (1) (2) (3) (4)

Gregg E. Zahn (1) (2) (3) (4)

Jeffrey J. Wood (4)

(1) First Trinity Financial Corporation

(2) Trinity Life Insurance Corporation

(3) Trinity Mortgage Corporation

(4) Family Benefit Life Insurance

Executive Officers

Gregg E. Zahn

Chairman, President and Chief Executive Officer

Jeffrey J. Wood

Chief Financial Officer, Secretary and Treasurer

Alvin J. Begnoche

Vice President, Marketing, Assistant Secretary

Porter S. Horgan

Exclusive Consultant Directing Mortgage
Loan Operations

Michael J. McArthur

Vice President, Controller, Assistant Treasurer

Websites

We invite you to visit our websites at:

www.firsttrinityfinancial.com

www.trinitylifeinsurance.com

www.familybenefitlife.com

www.trinitymortgagecorporation.com

www.trinityamericaninc.com

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