

FIRST QUARTER 2014

Symetra Financial Corporation (SYA) Financial Supplement

All financial information in this document is unaudited



Symetra Financial Corporation
Financial Supplement
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March 31, 2014

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Financial Highlights
(In millions, except per share or percentage data)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Net income	\$ 79.3	\$ 64.4	\$ 45.3	\$ 45.0	\$ 66.0
Net income per common share ¹					
Basic	0.68	\$ 0.55	\$ 0.38	\$ 0.34	\$ 0.48
Diluted	0.68	\$ 0.55	\$ 0.38	\$ 0.34	\$ 0.48
Weighted-average number of common shares outstanding:					
Basic	117.460	117.812	117.802	133.050	138.093
Diluted	117.466	117.815	117.804	133.056	138.098
Non-GAAP Financial Measures ²					
Adjusted operating income	\$ 65.7	\$ 50.0	\$ 48.8	\$ 52.7	\$ 49.4
Adjusted operating income per common share: ¹					
Basic	\$ 0.56	\$ 0.42	\$ 0.41	\$ 0.40	\$ 0.36
Diluted	\$ 0.56	\$ 0.42	\$ 0.41	\$ 0.40	\$ 0.36

	As of				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Consolidated Balance Sheet Data					
Total investments	\$ 28,940.0	\$ 27,901.1	\$ 27,641.1	\$ 26,915.0	\$ 27,437.5
Total assets	31,164.3	30,129.5	29,784.6	29,040.4	29,587.8
Notes payable	449.6	449.5	449.5	449.4	449.4
Accumulated other comprehensive income (net of taxes) (AOCI)	804.3	593.6	719.0	782.6	1,293.1
Total stockholders' equity	3,195.3	2,941.9	3,012.8	3,040.1	3,604.2
U.S. Statutory Financial Information:					
Statutory capital and surplus	\$ 1,949.4	\$ 1,869.7	\$ 1,940.6	\$ 1,921.3	\$ 1,952.6
Asset valuation reserve (AVR)	304.1	307.0	282.5	275.7	269.9
Statutory book value	\$ 2,253.5	\$ 2,176.7	\$ 2,223.1	\$ 2,197.0	\$ 2,222.5
Common shares outstanding, end of period	116.619	117.731	117.800	117.792	119.099
Book value per common share	\$ 27.40	\$ 24.99	\$ 25.58	\$ 25.81	\$ 26.10
Debt to capital ratio	12.3 %	13.3 %	13.0 %	12.9 %	11.1 %
Non-GAAP Financial Measures ²					
Adjusted book value (stockholders' equity excluding AOCI)	\$ 2,391.0	\$ 2,348.3	\$ 2,293.8	\$ 2,257.5	\$ 2,311.1
Adjusted book value per common share ³	20.50	19.95	19.47	19.17	19.40
Statutory book value per common share ⁴	19.32	18.49	18.87	18.65	18.66
Debt to capital ratio, excluding AOCI ⁵	15.8 %	16.1 %	16.4 %	16.6 %	16.3 %

	For the Twelve Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
ROE	7.4 %	6.8 %	5.5 %	5.7 %	5.6 %
Non-GAAP Financial Measure ²					
Operating ROAE ⁶	9.4 %	8.8 %	8.1 %	8.0 %	7.9 %

¹ Basic net income and adjusted operating income per common share include all participating securities using the two-class method. Diluted net income and adjusted operating income per common share include the dilutive impact of non-participating securities, based on the application of the treasury stock method. Shares included in these calculations are weighted for the portion of the period they were outstanding. Antidilutive awards were excluded from the computation of diluted earnings per share.

² Management considers these non-GAAP measures to be a useful supplement to their most comparable GAAP measure in evaluating financial performance and condition. Non-GAAP measures including adjusted operating income and the corresponding basic and diluted per share amounts, adjusted book value and the corresponding per share amounts, statutory book value per share amounts and operating ROAE have been reconciled to their most directly comparable GAAP measures on pages 2, 17, and 18, respectively.

³ Adjusted book value per common share is calculated as adjusted book value divided by common shares outstanding.

⁴ Statutory book value per common share is calculated based on statutory book value divided by common shares outstanding.

⁵ Debt to capital ratio, excluding AOCI is calculated as notes payable divided by the sum of notes payable and adjusted book value.

⁶ Operating ROAE (return on average equity) is calculated based on adjusted operating income divided by average adjusted book value. The numerator and denominator of this measure have been reconciled to net income and stockholders' equity, respectively, their most comparable GAAP measures.

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Consolidated Income Statement Data
(In millions, except per share data)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Revenues:					
Premiums	\$ 153.8	\$ 156.8	\$ 156.0	\$ 157.4	\$ 157.0
Net investment income	324.4	316.3	326.4	318.6	323.7
Policy fees, contract charges and other	46.6	45.0	48.3	48.5	49.9
Net realized gains (losses):					
Total other-than-temporary impairment losses on securities	(1.1)	(3.8)	(6.6)	(7.8)	(2.6)
Less: portion recognized in other comprehensive income	-	0.9	0.4	0.6	0.6
Net impairment losses recognized in earnings	(1.1)	(2.9)	(6.2)	(7.2)	(2.0)
Other net realized gains (losses)	21.8	27.9	1.6	(4.1)	28.5
Total net realized gains (losses)	20.7	25.0	(4.6)	(11.3)	26.5
Total revenues	545.5	543.1	526.1	513.2	557.1
Benefits and expenses:					
Policyholder benefits and claims	101.2	109.7	118.5	115.2	119.5
Interest credited	234.2	235.7	235.3	225.7	235.3
Other underwriting and operating expenses	87.9	90.8	90.6	91.9	91.8
Interest expense	8.2	8.3	8.3	8.2	8.2
Amortization of deferred policy acquisition costs	19.9	16.1	20.2	17.2	18.9
Total benefits and expenses	451.4	460.6	472.9	458.2	473.7
Income from operations before income taxes	94.1	82.5	53.2	55.0	83.4
Provision (benefit) for income taxes:					
Current	10.1	15.1	11.3	19.6	15.7
Deferred	4.7	3.0	(3.4)	(9.6)	1.7
Total provision for income taxes	14.8	18.1	7.9	10.0	17.4
Net income	\$ 79.3	\$ 64.4	\$ 45.3	\$ 45.0	\$ 66.0
Net income per common share:					
Basic	\$ 0.68	\$ 0.55	\$ 0.38	\$ 0.34	\$ 0.48
Diluted	\$ 0.68	\$ 0.55	\$ 0.38	\$ 0.34	\$ 0.48
Weighted-average number of common shares outstanding:					
Basic	117.460	117.812	117.802	133.050	138.093
Diluted	117.466	117.815	117.804	133.056	138.098
Cash dividends declared per common share	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.08	\$ 0.08
Non-GAAP Financial Measures:					
Adjusted operating income ¹	\$ 65.7	\$ 50.0	\$ 48.8	\$ 52.7	\$ 49.4
Adjusted operating income per common share:					
Basic	\$ 0.56	\$ 0.42	\$ 0.41	\$ 0.40	\$ 0.36
Diluted	\$ 0.56	\$ 0.42	\$ 0.41	\$ 0.40	\$ 0.36
Reconciliation to net income:					
Net income	\$ 79.3	\$ 64.4	\$ 45.3	\$ 45.0	\$ 66.0
Less: Excluded realized gains (losses) (net of taxes)	13.6	14.4	(3.5)	(7.7)	16.6
Adjusted operating income¹	\$ 65.7	\$ 50.0	\$ 48.8	\$ 52.7	\$ 49.4

¹ Adjusted operating income is calculated as net income, excluding after-tax net realized gains (losses) that are not reflective of the performance of the company's insurance operations. The company excludes gains (losses) associated with the following: investment sales or disposals, other-than-temporary investment impairments, changes in the fair value of mark-to-market investments and derivative investments (except for certain S&P 500 options), and changes in the fair value of embedded derivatives related to our fixed indexed annuity product.

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Consolidated Balance Sheet Data
(In millions)

	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Assets					
Investments:					
Available-for-sale securities:					
Fixed maturities, at fair value	\$ 24,329.0	\$ 23,337.7	\$ 23,306.5	\$ 22,697.0	\$ 23,369.6
Marketable equity securities, at fair value	126.8	134.3	87.1	53.7	50.6
Trading securities:					
Marketable equity securities, at fair value	460.3	474.4	509.4	512.0	501.5
Mortgage loans, net	3,603.2	3,541.0	3,376.8	3,303.1	3,170.7
Policy loans	62.4	63.3	64.2	64.4	64.7
Investments in limited partnerships	299.3	296.3	253.1	236.8	235.3
Other invested assets	59.0	54.1	44.0	48.0	45.1
Total investments	28,940.0	27,901.1	27,641.1	26,915.0	27,437.5
Cash and cash equivalents	108.5	76.0	121.1	171.6	301.2
Accrued investment income	295.0	298.0	293.2	287.6	281.9
Reinsurance recoverables	313.0	310.8	306.1	300.1	304.5
Deferred policy acquisition costs	320.1	322.5	271.7	249.6	172.1
Receivables and other assets	213.9	242.7	229.4	243.7	211.7
Separate account assets	973.8	978.4	922.0	872.8	878.9
Total assets	\$ 31,164.3	\$ 30,129.5	\$ 29,784.6	\$ 29,040.4	\$ 29,587.8
Liabilities and stockholders' equity					
Funds held under deposit contracts	\$ 25,140.5	\$ 24,642.9	\$ 24,074.7	\$ 23,485.7	\$ 23,228.8
Future policy benefits	399.8	397.9	394.6	390.9	390.9
Policy and contract claims	150.1	159.9	165.4	163.9	148.2
Other policyholders' funds	143.9	128.1	171.9	129.4	122.1
Notes payable	449.6	449.5	449.5	449.4	449.4
Deferred income tax liabilities, net	320.1	201.9	266.5	304.1	588.6
Other liabilities	391.2	229.0	327.2	204.1	176.7
Separate account liabilities	973.8	978.4	922.0	872.8	878.9
Total liabilities	27,969.0	27,187.6	26,771.8	26,000.3	25,983.6
Preferred stock	-	-	-	-	-
Common stock	1.2	1.2	1.2	1.2	1.2
Additional paid-in-capital	1,466.3	1,464.6	1,463.9	1,462.4	1,460.7
Treasury stock	(119.9)	(93.4)	(93.4)	(93.4)	(4.2)
Retained earnings	1,043.4	975.9	922.1	887.3	853.4
Accumulated other comprehensive income, net of taxes	804.3	593.6	719.0	782.6	1,293.1
Total stockholders' equity	3,195.3	2,941.9	3,012.8	3,040.1	3,604.2
Total liabilities and stockholders' equity	\$ 31,164.3	\$ 30,129.5	\$ 29,784.6	\$ 29,040.4	\$ 29,587.8

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Segment Income Statement Data
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Operating revenues:					
Benefits Division	\$ 153.9	\$ 156.5	\$ 156.1	\$ 157.2	\$ 156.6
Retirement Division:					
Deferred Annuities	155.8	149.0	151.6	142.1	149.9
Income Annuities	97.2	99.2	98.6	99.1	103.6
Individual Life Division	115.9	113.5	115.3	112.4	111.3
Other	1.8	2.7	9.9	14.3	10.1
Operating revenues ¹	524.6	520.9	531.5	525.1	531.5
Add: Excluded realized gains (losses)	20.9	22.2	(5.4)	(11.9)	25.6
Revenues	\$ 545.5	\$ 543.1	\$ 526.1	\$ 513.2	\$ 557.1
Segment pre-tax adjusted operating income (loss):					
Benefits Division	\$ 27.8	\$ 19.2	\$ 15.2	\$ 16.3	\$ 13.5
Retirement Division:					
Deferred Annuities	30.2	27.0	23.8	27.4	29.1
Income Annuities	9.4	6.4	7.1	10.0	8.8
Individual Life Division	12.3	13.8	15.8	14.5	11.2
Other	(6.5)	(6.1)	(3.3)	(1.3)	(4.8)
Pre-tax adjusted operating income ²	73.2	60.3	58.6	66.9	57.8
Add: Excluded realized gains (losses)	20.9	22.2	(5.4)	(11.9)	25.6
Income from operations before income taxes	\$ 94.1	\$ 82.5	\$ 53.2	\$ 55.0	\$ 83.4

¹ Operating revenues is a non-GAAP measure, calculated as total revenues less excluded realized gains (losses). It also represents the cumulative total of segment operating revenue, which at the segment level is a GAAP measure. Total revenues is the most directly comparable measure to operating revenues.

² Pre-tax adjusted operating income is a non-GAAP measure, calculated as adjusted operating income on a pre-tax basis. It also represents the cumulative total of segment pre-tax adjusted operating income, which at the segment level is a GAAP measure. Income from operations before income taxes is the most directly comparable measure to pre-tax adjusted operating income.

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Benefits Division
(In millions)

	For the Three Months Ended				
	Mar 31 2014	Dec 31 2013	Sep 30 2013	Jun 30 2013	Mar 31 2013
Operating revenues:					
Premiums	\$ 145.0	\$ 147.4	\$ 147.4	\$ 148.6	\$ 148.0
Net investment income	5.0	5.4	5.2	5.2	5.1
Policy fees, contract charges and other	3.9	3.7	3.5	3.4	3.5
Total operating revenues	153.9	156.5	156.1	157.2	156.6
Benefits and expenses:					
Policyholder benefits and claims	82.8	94.3	99.2	98.5	101.4
Other underwriting and operating expenses	43.2	43.0	41.7	42.4	41.7
Amortization of deferred policy acquisition costs	0.1	-	-	-	-
Total benefits and expenses	126.1	137.3	140.9	140.9	143.1
Segment pre-tax adjusted operating income	\$ 27.8	\$ 19.2	\$ 15.2	\$ 16.3	\$ 13.5
Operating Metrics:					
Loss ratio ¹	57.1 %	64.0 %	67.3 %	66.2 %	68.5 %
Expense ratio ²	29.6 %	28.8 %	28.1 %	28.5 %	28.1 %
Combined ratio ³	86.7 %	92.8 %	95.4 %	94.7 %	96.6 %
Medical stop-loss - loss ratio ⁴	55.7 %	63.8 %	67.2 %	66.0 %	69.2 %
Total sales ⁵	\$ 71.9	\$ 24.1	\$ 19.0	\$ 21.3	\$ 66.5
Premiums:					
Medical stop-loss	\$ 121.7	\$ 127.0	\$ 127.2	\$ 129.2	\$ 129.0
Limited benefit medical	13.3	12.6	13.3	13.0	13.0
Group life & disability and other	10.0	7.8	6.9	6.4	6.0
Total premiums earned	\$ 145.0	\$ 147.4	\$ 147.4	\$ 148.6	\$ 148.0

5 Year Historical Loss Ratio ¹:

	For the Three Months Ended				For the Year Ended
	1Q	2Q	3Q	4Q	
2013	68.5 %	66.2 %	67.3 %	64.0 %	66.5 %
2012	61.6 %	65.5 %	65.5 %	67.7 %	65.1 %
2011	67.6 %	62.4 %	63.6 %	59.6 %	63.1 %
2010	68.9 %	63.8 %	66.5 %	60.5 %	64.9 %
2009	70.1 %	66.1 %	67.3 %	69.9 %	68.3 %

¹ Loss ratio represents policyholder benefits and claims incurred divided by premiums earned.

² Expense ratio is equal to other underwriting and operating expenses of our insurance operations divided by premiums earned.

³ Combined ratio is equal to the sum of the loss ratio and the expense ratio.

⁴ Medical stop-loss loss ratio represents medical stop-loss policyholder benefits and claims incurred divided by medical stop-loss premiums earned.

⁵ Total sales represents annualized first-year premiums net of first year policy lapses.

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Retirement Division - Deferred Annuities
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Operating revenues:					
Net investment income	\$ 150.1	\$ 140.9	\$ 145.0	\$ 136.2	\$ 143.2
Policy fees, contract charges and other	5.9	5.3	5.8	5.3	5.8
Certain realized gains (losses)	(0.2)	2.8	0.8	0.6	0.9
Total operating revenues	155.8	149.0	151.6	142.1	149.9
Benefits and expenses:					
Policyholder benefits and claims	0.1	(0.2)	0.2	0.2	-
Interest credited	87.5	87.4	86.6	80.8	82.9
Other underwriting and operating expenses	21.1	22.0	23.3	19.6	21.7
Amortization of deferred policy acquisition costs	16.9	12.8	17.7	14.1	16.2
Total benefits and expenses	125.6	122.0	127.8	114.7	120.8
Segment pre-tax adjusted operating income	\$ 30.2	\$ 27.0	\$ 23.8	\$ 27.4	\$ 29.1
Operating Metrics:					
Fixed account values, excluding FIA - General account	\$ 10,951.2	\$ 10,874.7	\$ 10,790.0	\$ 10,631.1	\$ 10,681.4
Interest spread ¹	1.98 %	1.83 %	2.05 %	1.97 %	2.23 %
Base earned yield ²	4.50 %	4.59 %	4.60 %	4.67 %	4.70 %
Base credited rate ²	2.75 %	2.85 %	2.88 %	2.87 %	2.87 %
Base interest spread ²	1.75 %	1.74 %	1.72 %	1.80 %	1.83 %
Fixed account values, FIA - General account	\$ 2,084.4	\$ 1,712.0	\$ 1,321.8	\$ 852.0	\$ 539.1
FIA interest spread ³	1.23 %	*	*	*	*
FIA base interest spread ⁴	1.24 %	*	*	*	*
Variable account values - Separate account	\$ 831.3	\$ 836.2	\$ 792.3	\$ 758.8	\$ 766.6
Total sales ⁵	627.5	732.9	747.1	441.5	322.0

¹ Interest spread excludes FIA and is the difference between the net investment yield and the credited rate to policyholders. The net investment yield is the approximate yield on invested assets. The credited rate is the approximate rate credited on policyholder fixed account values. Interest credited is subject to contractual terms, including minimum guarantees. Interest is credited on a daily basis and therefore quarters with more/less days of interest reduces/increases interest spread and base interest spread.

² Base interest spread excludes FIA and is the interest spread adjusted to exclude items that can vary significantly from period to period due to a number of factors and, therefore, may contribute to results that are not indicative of the underlying trends. This is primarily the impact of asset prepayments, such as bond make-whole premiums net of related deferred sales inducement amortization and the MBS prepayment speed adjustment. Interest is credited on a daily basis and therefore quarters with more/less days of interest reduces/increases interest spread and base interest spread.

³ FIA interest spread is the difference between the net investment yield and the credited rate to policyholders. The net investment yield is the approximate yield on invested assets, excluding derivative assets. The credited rate represents amounts recorded in interest credited related to FIA contracts, excluding changes in value of the related embedded derivative.

⁴ FIA base interest spread is the FIA interest spread adjusted to exclude items that can vary significantly from period to period due to a number of factors and, therefore, may contribute to results that are not indicative of the underlying trends. This is primarily the impact of asset prepayments, such as bond make-whole premiums and the MBS prepayment speed adjustment.

⁵ Total sales represent deposits for new policies net of first year policy lapses and/or surrenders.

* Not meaningful.

Fixed Account Values - General Account by Contract Minimum Interest Guarantees as of March 31, 2014:

	Contract Minimum Interest Guarantee ²		
	> 3.5% ¹	<= 3.5% > 1.5%	<= 1.5%
Fixed account values - General account (including FIA)	\$ 1,078.2	\$ 950.6	\$ 10,947.3

¹ The maximum interest is 4.5% on a \$120.4 block of business.

² Excludes standard non-forfeiture impacts.

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Retirement Division - Income Annuities
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Operating revenues:					
Net investment income	\$ 97.0	\$ 98.9	\$ 98.4	\$ 98.9	\$ 101.7
Policy fees, contract charges and other	0.2	0.3	0.2	0.2	1.9
Total operating revenues	97.2	99.2	98.6	99.1	103.6
Benefits and expenses:					
Interest credited	82.0	86.1	85.7	82.7	88.5
Other underwriting and operating expenses	4.8	5.6	4.9	5.4	5.4
Amortization of deferred policy acquisition costs	1.0	1.1	0.9	1.0	0.9
Total benefits and expenses	87.8	92.8	91.5	89.1	94.8
Segment pre-tax adjusted operating income	\$ 9.4	\$ 6.4	\$ 7.1	\$ 10.0	\$ 8.8
Operating Metrics:					
Reserves ¹	\$ 6,509.9	\$ 6,489.9	\$ 6,484.6	\$ 6,512.7	\$ 6,546.6
Interest spread ²	0.52 %	0.63 %	0.61 %	0.60 %	0.66 %
Base earned yield ³	5.89 %	6.02 %	6.02 %	6.06 %	6.01 %
Base credited rate ³	5.48 %	5.50 %	5.49 %	5.49 %	5.55 %
Base interest spread ³	0.41 %	0.52 %	0.53 %	0.57 %	0.46 %
Mortality gains (losses) ⁴	\$ 5.3	\$ 1.5	\$ 1.1	\$ 4.5	\$ 1.0
Total sales ⁵	87.5	85.4	38.9	45.5	40.7

5 Year Historical Mortality Gains (Losses): ⁴

	For the Three Months Ended				For the Year Ended
	1Q	2Q	3Q	4Q	
2013	\$ 1.0	\$ 4.5	\$ 1.1	\$ 1.5	\$ 8.1
2012	5.4	6.4	2.0	(0.9)	12.9
2011	0.7	4.9	(1.4)	(3.9)	0.3
2010	(0.1)	(1.8)	(0.1)	(0.6)	(2.6)
2009	4.3	(0.5)	-	1.3	5.1

¹ Reserves represent the present value of future income annuity benefits and assumed expenses, discounted by the assumed interest rate. This metric represents the amount of our in-force book of business.

² Interest spread is the difference between the net investment yield and the credited rate to policyholders. The net investment yield is the approximate yield on invested assets, excluding equities, attributed to the segment. The credited rate is the approximate rate credited on policyholder reserves.

³ Base interest spread is the interest spread adjusted to exclude items that can vary significantly from period to period due to a number of factors and, therefore, may contribute to yields that are not indicative of the underlying trends. This is primarily the impact of asset prepayments, such as bond make-whole premiums and the MBS prepayment speed adjustment.

⁴ Mortality gains (losses) represent the difference between actual and expected reserves released on our life contingent annuities.

⁵ Total sales represent deposits for new policies net of first year policy lapses and/or surrenders.

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Individual Life Division
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Operating revenues:					
Premiums	\$ 8.8	\$ 9.4	\$ 8.6	\$ 8.8	\$ 9.0
Net investment income	70.9	68.9	72.6	69.7	69.2
Policy fees, contract charges and other	36.2	35.2	34.1	33.9	33.1
Total operating revenues	115.9	113.5	115.3	112.4	111.3
Benefits and expenses:					
Policyholder benefits and claims	18.3	15.6	19.1	16.5	18.1
Interest credited	65.2	62.6	63.4	62.8	64.2
Other underwriting and operating expenses	18.2	19.3	15.4	16.5	16.0
Amortization of deferred policy acquisition costs	1.9	2.2	1.6	2.1	1.8
Total benefits and expenses	103.6	99.7	99.5	97.9	100.1
Segment pre-tax adjusted operating income	\$ 12.3	\$ 13.8	\$ 15.8	\$ 14.5	\$ 11.2
Operating Metrics:					
Individual insurance:					
Insurance in force ¹	\$ 34,831.2	\$ 34,935.1	\$ 35,070.4	\$ 35,215.5	\$ 35,455.3
Claims ²	14.8	11.3	14.0	13.7	15.7
Annualized mortality rate ³	0.17 %	0.13 %	0.16 %	0.16 %	0.18 %
UL account values ⁴	\$ 734.1	\$ 726.2	\$ 717.6	\$ 714.5	\$ 716.2
UL interest spread ⁵	1.51 %	1.22 %	2.44 %	1.93 %	1.97 %
UL base interest spread ⁶	1.29 %	1.24 %	1.41 %	1.43 %	1.49 %
Sales ⁷	\$ 7.9	\$ 9.4	\$ 3.9	\$ 3.0	\$ 2.3
Institutional Markets:					
Insurance in force ¹	\$ 12,926.1	\$ 12,926.2	\$ 12,799.8	\$ 12,715.4	\$ 12,685.0
BOLI account values ⁴	4,834.6	4,798.1	4,764.8	4,732.8	4,696.4
BOLI ROA ⁸	0.97 %	0.87 %	0.78 %	0.90 %	0.84 %
BOLI base ROA ⁹	0.90 %	0.87 %	0.64 %	0.85 %	0.83 %
COLI sales ¹⁰	\$ -	\$ 8.0	\$ 10.2	\$ 3.0	\$ 23.8

5 Year Historical Individual Claims:

	For the Three Months Ended				For the Year Ended
	1Q	2Q	3Q	4Q	
2013	15.7	13.7	14.0	11.3	54.7
2012	15.7	15.1	13.9	16.3	61.0
2011	15.7	12.1	13.0	13.5	54.3
2010	13.9	13.5	12.0	11.3	50.7
2009	14.7	13.4	12.8	12.6	53.5

¹ Insurance in force represents dollar face amounts of policies without adjustment for reinsurance.

² Individual claims represents incurred claims, net of reinsurance, on our term and universal life policies.

³ Annualized mortality rate is defined as annualized individual claims divided by insurance in force.

⁴ UL account values and BOLI account values represent our liabilities to our policyholders.

⁵ UL interest spread excludes SPL and is the difference between the net investment yield and the credited rate to policyholders. The net investment yield is the approximate yield on invested assets in the general account attributed to UL policies. The credited rate is the approximate rate credited on UL policyholder account values. Interest credited is subject to contractual terms, including minimum guarantees.

⁶ UL base interest spread excludes SPL and is UL interest spread adjusted to exclude items that can vary significantly from period to period due to a number of factors and, therefore, may contribute to results that are not indicative of the underlying trends. This is primarily the impact of asset prepayments, such as bond make-whole premiums net of related bonus interest amortization, the MBS prepayment speed adjustment, and reserve adjustments.

⁷ Individual sales represents annualized first year premiums for recurring premium products and 10% of new single premium deposits, net of first year policy lapses and/or surrenders.

⁸ BOLI ROA is a measure of the gross margin on our BOLI book of business. This metric is calculated as the difference between our BOLI revenue earnings rate and our BOLI policy benefits rate. The revenue earnings rate is calculated as revenues divided by average invested assets. The policy benefits rate is calculated as total policy benefits divided by average account values. The policy benefits used in this metric do not include expenses.

⁹ BOLI base ROA is BOLI ROA adjusted to exclude items that can vary significantly from period to period due to a number of factors and, therefore, may contribute to yields that are not indicative of the underlying trends. This is primarily the impact of asset prepayments, such as bond make-whole premiums, the MBS prepayment speed adjustment, and reserve adjustments.

¹⁰ Represents deposits for new policies.

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Other
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Operating revenues:					
Net investment income (loss) ¹	\$ 1.4	\$ 2.2	\$ 5.2	\$ 8.6	\$ 4.5
Policy fees, contract charges and other	0.4	0.5	4.7	5.7	5.6
Total operating revenues	1.8	2.7	9.9	14.3	10.1
Benefits and expenses:					
Interest credited	(0.5)	(0.4)	(0.4)	(0.6)	(0.3)
Other underwriting and operating expenses	0.6	0.9	5.3	8.0	7.0
Interest expense	8.2	8.3	8.3	8.2	8.2
Total benefits and expenses	8.3	8.8	13.2	15.6	14.9
Segment pre-tax adjusted operating loss	\$ (6.5)	\$ (6.1)	\$ (3.3)	\$ (1.3)	\$ (4.8)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
¹ Detail of net investment income (loss)					
Amortization of tax credit investments	\$ (6.7)	\$ (5.8)	\$ (5.1)	\$ (4.7)	\$ (4.9)
Private Equity Funds	-	(0.9)	0.8	3.6	0.5
Other	8.1	8.9	9.5	9.7	8.9
Net investment income (loss)	\$ 1.4	\$ 2.2	\$ 5.2	\$ 8.6	\$ 4.5

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Deferred Policy Acquisition Costs (DAC) Roll Forward
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Summary -- Total Company					
Unamortized balance, beginning of period	\$ 419.9	\$ 390.1	\$ 373.1	\$ 367.1	\$ 367.9
Deferral of acquisition costs:					
Commissions and premium-based taxes and fees	34.8	40.4	33.2	20.8	16.2
Other acquisition expenses	5.4	4.5	3.2	2.3	1.7
Total deferral of acquisition costs	40.2	44.9	36.4	23.1	17.9
Adjustments related to realized (gains) losses	1.1	1.0	0.8	0.1	0.2
Amortization	(15.5)	(15.6)	(14.9)	(15.6)	(15.5)
Amortization related to prepayments	(4.4)	(0.5)	(2.7)	(1.6)	(3.4)
Unlocking	-	-	(2.6)	-	-
Total amortization	(19.9)	(16.1)	(20.2)	(17.2)	(18.9)
Unamortized balance, end of period	441.3	419.9	390.1	373.1	367.1
Accum effect of net unrealized gains	(121.2)	(97.4)	(118.4)	(123.5)	(195.0)
DAC balance, end of period	<u>\$ 320.1</u>	<u>\$ 322.5</u>	<u>\$ 271.7</u>	<u>\$ 249.6</u>	<u>\$ 172.1</u>
Benefits Division					
Unamortized balance, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -
Deferral of acquisition costs:					
Other acquisition expenses	1.6	-	-	-	-
Total deferral of acquisition costs	1.6	-	-	-	-
Amortization	(0.1)	-	-	-	-
Unamortized balance, end of period	1.5	-	-	-	-
DAC balance, end of period	<u>\$ 1.5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Retirement Division - Deferred Annuities					
Unamortized balance, beginning of period	\$ 285.9	\$ 268.8	\$ 256.9	\$ 253.4	\$ 256.7
Deferral of acquisition costs:					
Commissions and premium-based taxes and fees	23.2	25.9	26.7	16.0	11.7
Other acquisition expenses	2.2	3.0	2.1	1.5	1.0
Total deferral of acquisition costs	25.4	28.9	28.8	17.5	12.7
Adjustments related to realized (gains) losses	1.1	1.0	0.8	0.1	0.2
Amortization	(12.6)	(12.3)	(12.3)	(12.6)	(12.8)
Amortization related to prepayments	(4.3)	(0.5)	(2.5)	(1.5)	(3.4)
Unlocking	-	-	(2.9)	-	-
Total amortization	(16.9)	(12.8)	(17.7)	(14.1)	(16.2)
Unamortized balance, end of period	295.5	285.9	268.8	256.9	253.4
Accum effect of net unrealized gains	(112.9)	(91.4)	(110.6)	(113.5)	(178.9)
DAC balance, end of period	<u>\$ 182.6</u>	<u>\$ 194.5</u>	<u>\$ 158.2</u>	<u>\$ 143.4</u>	<u>\$ 74.5</u>
Retirement Division - Income Annuities					
Unamortized balance, beginning of period	\$ 49.2	\$ 47.0	\$ 46.3	\$ 45.6	\$ 45.0
Deferral of acquisition costs:					
Commissions and premium-based taxes and fees	3.7	3.2	1.5	1.5	1.4
Other acquisition expenses	0.2	0.1	0.1	0.2	0.1
Total deferral of acquisition costs	3.9	3.3	1.6	1.7	1.5
Amortization	(1.0)	(1.1)	(0.9)	(1.0)	(0.9)
Unamortized balance, end of period	52.1	49.2	47.0	46.3	45.6
DAC balance, end of period	<u>\$ 52.1</u>	<u>\$ 49.2</u>	<u>\$ 47.0</u>	<u>\$ 46.3</u>	<u>\$ 45.6</u>
Individual Life Division					
Unamortized balance, beginning of period	\$ 84.8	\$ 74.3	\$ 69.9	\$ 68.1	\$ 66.2
Deferral of acquisition costs:					
Commissions and premium-based taxes and fees	7.9	11.3	5.0	3.3	3.1
Other acquisition expenses	1.4	1.4	1.0	0.6	0.6
Total deferral of acquisition costs	9.3	12.7	6.0	3.9	3.7
Adjustments related to realized (gains) losses	-	-	-	-	-
Amortization	(1.8)	(2.2)	(1.7)	(2.0)	(1.8)
Amortization related to prepayments	(0.1)	-	(0.2)	(0.1)	-
Unlocking	-	-	0.3	-	-
Total amortization	(1.9)	(2.2)	(1.6)	(2.1)	(1.8)
Unamortized balance, end of period	92.2	84.8	74.3	69.9	68.1
Accum effect of net unrealized gains	(8.3)	(6.0)	(7.8)	(10.0)	(16.1)
DAC balance, end of period	<u>\$ 83.9</u>	<u>\$ 78.8</u>	<u>\$ 66.5</u>	<u>\$ 59.9</u>	<u>\$ 52.0</u>

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Deferred Sales Inducements (DSI) Roll Forward
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Total Company					
Unamortized balance, beginning of period	\$ 154.8	\$ 154.0	\$ 155.1	\$ 154.1	\$ 153.4
Capitalizations	9.6	11.9	12.1	12.2	13.3
Adjustments related to realized (gains) losses	0.3	-	0.3	0.1	0.2
Amortization	(10.6)	(10.7)	(10.1)	(10.1)	(10.3)
Amortization related to prepayments	(3.8)	(0.4)	(2.7)	(1.2)	(2.5)
Unlocking	-	-	(0.7)	-	-
Total amortization	(14.4)	(11.1)	(13.5)	(11.3)	(12.8)
Unamortized balance, end of period	150.3	154.8	154.0	155.1	154.1
Accum effect of net unrealized gains	(86.5)	(76.7)	(84.1)	(82.3)	(122.5)
DSI balance, end of period ¹	\$ 63.8	\$ 78.1	\$ 69.9	\$ 72.8	\$ 31.6

¹ DSI balance is included in receivables and other assets on the consolidated balance sheet.

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Account Values and Reserves Roll Forwards
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Retirement Division:					
Deferred Annuities:					
<i>Fixed Account Values, excluding FIA</i>					
Account values, beginning of period	\$ 10,874.7	\$ 10,790.0	\$ 10,631.1	\$ 10,681.4	\$ 10,688.5
Deposits	280.6	346.7	307.7	139.1	179.3
Withdrawals	(286.1)	(320.5)	(247.4)	(275.7)	(271.3)
Net transfers	(1.6)	-	(0.2)	0.5	1.3
Net flows	(7.1)	26.2	60.1	(136.1)	(90.7)
Interest credited	73.4	77.8	78.2	78.1	79.1
Other	10.2	(19.3)	20.6	7.7	4.5
Account values, end of period	\$ 10,951.2	\$ 10,874.7	\$ 10,790.0	\$ 10,631.1	\$ 10,681.4
<i>Fixed Account Values, FIA</i>					
Account values, beginning of period	\$ 1,712.0	\$ 1,321.8	\$ 852.0	\$ 539.1	\$ 374.9
Deposits	359.6	392.6	449.1	310.5	148.5
Withdrawals	(10.8)	(9.2)	(5.7)	(5.8)	(3.0)
Net transfers	1.2	0.8	0.6	1.2	0.3
Net flows	350.0	384.2	444.0	305.9	145.8
Interest credited	9.2	12.4	3.9	3.1	2.4
Other	13.2	(6.4)	21.9	3.9	16.0
Account values, end of period	\$ 2,084.4	\$ 1,712.0	\$ 1,321.8	\$ 852.0	\$ 539.1
Income Annuities:					
<i>Reserves</i>					
Reserves, beginning of period	\$ 6,489.9	\$ 6,484.6	\$ 6,512.7	\$ 6,546.6	\$ 6,566.5
Deposits	82.2	82.2	37.8	45.1	40.3
Benefit payments	(145.3)	(157.9)	(165.3)	(157.1)	(145.1)
Net flows	(63.1)	(75.7)	(127.5)	(112.0)	(104.8)
Interest credited	91.9	91.9	92.0	92.5	93.3
Other	(8.8)	(10.9)	7.4	(14.4)	(8.4)
Reserves, end of period	\$ 6,509.9	\$ 6,489.9	\$ 6,484.6	\$ 6,512.7	\$ 6,546.6
Individual Life Division:					
<i>BOLI Account Values</i>					
Account values, beginning of period	\$ 4,798.1	\$ 4,764.8	\$ 4,732.8	\$ 4,696.4	\$ 4,659.8
Deposits	-	-	-	-	-
Surrenders/claims	(3.7)	(5.1)	(7.0)	(2.2)	(3.7)
Net flows	(3.7)	(5.1)	(7.0)	(2.2)	(3.7)
Interest credited	56.4	53.8	54.6	54.6	55.7
Administrative charges and other	(16.2)	(15.4)	(15.6)	(16.0)	(15.4)
Account values, end of period	\$ 4,834.6	\$ 4,798.1	\$ 4,764.8	\$ 4,732.8	\$ 4,696.4
<i>UL Account Values</i>					
Account values, beginning of period	\$ 726.2	\$ 717.6	\$ 714.5	\$ 716.2	\$ 716.0
Deposits	24.3	27.9	19.6	16.9	16.3
Surrenders/claims	(7.6)	(9.5)	(8.5)	(11.1)	(8.4)
Net flows	16.7	18.4	11.1	5.8	7.9
Interest credited	7.8	7.8	7.5	7.6	7.7
Administrative charges and other	(16.6)	(17.6)	(15.5)	(15.1)	(15.4)
Account values, end of period	\$ 734.1	\$ 726.2	\$ 717.6	\$ 714.5	\$ 716.2

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Overview of Liabilities and Associated Unrealized Gains
(In millions)

	As of Mar 31, 2014		
	Policyholder Liability	% of Total	Unrealized gains ⁸
Illiquid: cannot be surrendered			
Structured settlements & other single premium immediate annuities ¹	\$ 6,536.0	25.7 %	\$ 596.0
Somewhat Liquid: can be surrendered with adjustments or charges of 3% or more			
Deferred Annuities:			
Surrender charges of 5% or higher	5,324.0		211.7
Surrender charges of 3 to 5%	2,205.1		87.7
MVA and surrender charges of 5% or higher ²	1,852.7		73.7
5 year payout provision or MVA ³	283.0		11.3
BOLI ⁴	4,930.8		235.2
Universal life	299.0		15.1
Total somewhat liquid	<u>14,894.6</u>	58.5 %	<u>634.7</u>
Liquid: can be surrendered with no adjustment or charges of less than 3%			
Deferred Annuities:			
No surrender charges ⁵	2,857.2		113.6
Surrender charges less than 3%	401.5		16.0
Universal life	451.4		22.4
Total liquid	<u>3,710.1</u>	14.6 %	<u>152.0</u>
Other			
Other (net of reinsurance) ⁶	318.2	1.2 %	14.4
Assets supporting surplus portfolio			\$ 79.3
Total⁷	<u>\$ 25,458.9</u>	<u>100.0 %</u>	<u>\$ 1,476.4</u>
Reconciliation of unrealized gains to AOCI:			
Unrealized gains from above			\$ 1,476.4
Taxes on unrealized gains and losses on available-for-sale securities			(516.7)
Adjustment for DAC and DSI valuation allowance, net of taxes			(134.9)
Other			(20.5)
AOCI			<u>\$ 804.3</u>

Notes

The liabilities presented above have been aggregated based on contractual surrender charge schedules without adjustment for free partial withdrawals and guaranteed return of premium provisions, if applicable. The following footnotes may also be useful in evaluating the withdrawal characteristics of our liabilities:

- ¹ The benefits are specified in the contracts as fixed amounts, primarily to be paid over the next several decades. Certain single premium immediate annuity contracts contain a liquidity feature that permits contract owners to make partial withdrawals once every 36 months within the life expectancy period. The withdrawals are based on prevailing market rates which limits our exposure to liquidity and interest rate risk.
- ² The MVA adjusts the value of the contract at surrender based on current interest rates, subject to a guaranteed minimum account value specified in the contract.
- ³ The MVA adjusts the value of the contract at surrender based on current interest rates, subject to a guaranteed minimum account value specified in the contract. In a liquidity crisis situation, we could invoke the five-year payout provision so that the contract value with interest is paid out ratably over five years.
- ⁴ The biggest deterrent to surrender is the taxation on the gain within these contracts, which includes a 10% non-deductible penalty tax. Banks can exchange certain of these contracts with other carriers, tax-free. However, a significant portion of this business does not qualify for this tax-free treatment due to the employment status of the original covered employees and charges may be applicable.
- ⁵ Approximately half of this business has been with the Company for many years due to guaranteed minimum interest guarantees of 4.0% - 4.5% that are significantly higher than those currently offered on new business. Given the current interest rate environment, we do not expect significant changes in the persistency of this business.
- ⁶ Other represents the sum of the following: (a) our term life insurance policyholder liabilities, net of reinsurance recoverables. There is no surrender value related to these contracts; (b) incurred but not reported claim liabilities mainly related to our medical stop-loss business. The precise timing and amount of payment is unknown; and (c) reported claim liabilities for BOLI, term life insurance, medical stop-loss and group life policies.
- ⁷ Represents the sum of funds held under deposit contracts, future policy benefits and policy and contract claims on the consolidated balance sheets, excluding other policyholder related liabilities and reinsurance recoverables of \$231.5 as of March 31, 2014.
- ⁸ Represents the pre-tax unrealized gains of the investment portfolio supporting the related policyholder liability.

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Investments Summary
(In millions)

	As of									
	Mar 31, 2014		Dec 31, 2013		Sep 30, 2013		Jun 30, 2013		Mar 31, 2013	
Portfolio Composition:										
Available-for-sale securities:										
Fixed maturities, at fair value	\$ 24,329.0	84.1 %	\$ 23,337.7	83.6 %	\$ 23,306.5	84.3 %	\$ 22,697.0	84.3 %	\$ 23,369.6	85.2 %
Marketable equity securities, at fair value	126.8	0.4 %	134.3	0.5 %	87.1	0.3 %	53.7	0.2 %	50.6	0.2 %
Trading securities:										
Marketable equity securities, at fair value	460.3	1.6 %	474.4	1.7 %	509.4	1.9 %	512.0	1.9 %	501.5	1.8 %
Mortgage loans, net	3,603.2	12.5 %	3,541.0	12.7 %	3,376.8	12.2 %	3,303.1	12.3 %	3,170.7	11.5 %
Policy loans	62.4	0.2 %	63.3	0.2 %	64.2	0.2 %	64.4	0.2 %	64.7	0.2 %
Investments in limited partnerships	299.3	1.0 %	296.3	1.1 %	253.1	0.9 %	236.8	0.9 %	235.3	0.9 %
Other invested assets	59.0	0.2 %	54.1	0.2 %	44.0	0.2 %	48.0	0.2 %	45.1	0.2 %
Total investments	28,940.0	100.0 %	27,901.1	100.0 %	27,641.1	100.0 %	26,915.0	100.0 %	27,437.5	100.0 %
Cash and cash equivalents	108.5		76.0		121.1		171.6		301.2	
Total investments, cash and cash equivalents	\$ 29,048.5		\$ 27,977.1		\$ 27,762.2		\$ 27,086.6		\$ 27,738.7	
Fixed Maturities Securities by Credit Quality: ¹										
1: AAA, AA, A	\$ 14,153.5	58.2 %	\$ 13,403.1	57.4 %	\$ 13,594.4	58.3 %	\$ 13,205.7	58.2 %	\$ 13,677.5	58.6 %
2: BBB	8,957.9	36.8 %	8,667.1	37.1 %	8,494.1	36.5 %	8,267.0	36.4 %	8,469.7	36.2 %
Total investment grade	23,111.4	95.0 %	22,070.2	94.5 %	22,088.5	94.8 %	21,472.7	94.6 %	22,147.2	94.8 %
3: BB	611.3	2.5 %	666.6	2.9 %	637.3	2.7 %	635.7	2.8 %	631.6	2.7 %
4: B	515.2	2.1 %	515.8	2.2 %	491.7	2.1 %	492.0	2.2 %	496.7	2.1 %
5: CCC & lower	88.8	0.4 %	78.3	0.4 %	87.9	0.4 %	78.5	0.3 %	76.1	0.3 %
6: In or near default	2.3	0.0%	6.8	0.0 %	1.1	0.0 %	18.1	0.1 %	18.0	0.1 %
Total below investment grade	1,217.6	5.0 %	1,267.5	5.5 %	1,218.0	5.2 %	1,224.3	5.4 %	1,222.4	5.2 %
Total fixed maturities	\$ 24,329.0	100.0 %	\$ 23,337.7	100.0 %	\$ 23,306.5	100.0 %	\$ 22,697.0	100.0 %	\$ 23,369.6	100.0 %
Fixed Maturities by Issuer Type:										
U.S. government and agencies	\$ 812.9	3.3 %	\$ 344.4	1.5 %	\$ 510.7	2.2 %	\$ 167.8	0.7 %	\$ 252.6	1.1 %
State and political subdivisions	751.2	3.1 %	751.5	3.2 %	754.5	3.2 %	808.3	3.6 %	779.5	3.3 %
Foreign governments	99.0	0.4 %	99.7	0.4 %	15.9	0.0%	17.1	0.1 %	17.9	0.1 %
Corporate securities	17,853.7	73.4 %	17,352.4	74.4 %	17,165.7	73.7 %	16,861.0	74.3 %	17,275.1	73.9 %
Residential mortgage-backed securities	2,789.1	11.5 %	2,756.0	11.8 %	2,796.5	12.0 %	2,802.6	12.3 %	2,935.4	12.6 %
Commercial mortgage-backed securities	1,514.5	6.2 %	1,518.4	6.5 %	1,536.1	6.6 %	1,552.1	6.8 %	1,619.7	6.9 %
Other debt obligations	508.6	2.1 %	515.3	2.2 %	527.1	2.3 %	488.1	2.2 %	489.4	2.1 %
Total fixed maturities	\$ 24,329.0	100.0 %	\$ 23,337.7	100.0 %	\$ 23,306.5	100.0 %	\$ 22,697.0	100.0 %	\$ 23,369.6	100.0 %
Effective Duration	5.5		5.5		5.5		5.6		5.7	
Weighted-average Investment Yield	4.75 %		4.94 %		5.01 %		5.02 %		5.09 %	

	For the Three Months Ended									
	Mar 31, 2014		Dec 31, 2013		Sep 30, 2013		Jun 30, 2013		Mar 31, 2013	
Average Daily Cash and Cash Equivalent Balances:										
Benefits Division	\$ 2.7	2.2 %	\$ 4.1	4.4 %	\$ 4.6	2.4 %	\$ 4.9	2.4 %	\$ 1.2	0.6 %
Retirement Division:										
Deferred Annuities	126.9	101.8 %	119.6	128.8 %	134.0	70.7 %	115.3	57.4 %	84.8	44.1 %
Income Annuities	41.9	33.6 %	7.4	8.0 %	2.6	1.4 %	23.7	11.8 %	54.1	28.1 %
Individual Life Division	21.4	17.2 %	8.3	8.9 %	26.3	13.9 %	15.0	7.5 %	24.2	12.6 %
Other	(68.3)	(54.8)%	(46.5)	(50.1)%	22.0	11.6 %	41.9	20.9 %	28.0	14.6 %
Total	\$ 124.6	100.0 %	\$ 92.9	100.0 %	\$ 189.5	100.0 %	\$ 200.8	100.0 %	\$ 192.3	100.0 %

¹ Credit quality is based on NAIC (National Association of Insurance Commissioners) designation with presentation of the S&P equivalent credit ratings.

Symetra Financial Corporation
1Q 2014 Financial Supplement
Investments Income Statement Data
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Prepayment-related Income: ¹					
Benefits Division	\$ -	\$ -	\$ -	\$ -	\$ -
Retirement Division:					
Deferred Annuities	10.2	2.8	12.6	6.0	13.3
Income Annuities	1.6	1.7	1.2	0.5	3.2
Individual Life Division	1.9	-	3.6	1.6	1.1
Other	(0.2)	0.6	1.2	0.5	0.1
Total	\$ 13.5	\$ 5.1	\$ 18.6	\$ 8.6	\$ 17.7
Total, net of DAC and DSI amortization	\$ 5.3	\$ 4.2	\$ 13.2	\$ 5.8	\$ 11.8

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Net Realized Gains (Losses):					
Fixed maturities:					
Gross gains on sales	\$ 8.7	\$ 3.7	\$ 2.4	\$ 3.8	\$ 1.8
Gross losses on sales	(1.8)	(2.5)	(7.4)	(1.9)	(8.1)
Other-than-temporary impairments	(1.1)	(2.9)	(6.2)	(7.2)	(2.0)
Other ²	(1.2)	1.4	0.5	(3.7)	(0.7)
Total fixed maturities	4.6	(0.3)	(10.7)	(9.0)	(9.0)
Marketable equity securities, trading ³	19.7	22.7	12.0	(1.7)	33.0
Other ⁴	(5.0)	1.6	(7.0)	(0.8)	2.1
DAC/DSI adjustment	1.4	1.0	1.1	0.2	0.4
Net realized gains (losses)	\$ 20.7	\$ 25.0	\$ (4.6)	\$ (11.3)	\$ 26.5

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Tax Credit Investments Impact on Income					
Historical and estimated future impact					
Amortization related to tax credit investments, net of taxes	\$ (4.3)	\$ (3.7)	\$ (3.3)	\$ (3.1)	\$ (3.2)
Realized losses related to tax credit investments, net of taxes	(2.3)	(1.3)	(2.1)	(0.7)	(0.3)
Tax credits	13.9	10.4	11.8	9.5	9.5
Impact to net income	7.3	\$ 5.4	\$ 6.4	\$ 5.7	\$ 6.0
Carrying value of invested asset	\$ 257.8	\$ 265.1	\$ 217.2	\$ 202.1	\$ 206.7

Future estimated impact to net income:	2014	\$ 24.5
	2015	22.3
	2016 & beyond	42.5
		\$ 89.3

	For the Years Ended				
	2013	2012	2011	2010	2009
Amortization related to tax credit investments, net of taxes	\$ (13.3)	\$ (13.9)	\$ (9.2)	\$ (6.3)	\$ (5.9)
Realized losses related to tax credit investments, net of taxes	(4.4)	(2.6)	(2.0)	-	-
Tax credits	41.2	33.5	17.4	10.9	9.6
Impact to net income	\$ 23.5	\$ 17.0	\$ 6.2	\$ 4.6	\$ 3.7

¹ Prepayment-related income includes make-whole premiums and consent fees on early calls or tenders of fixed maturities, prepayment speed adjustments on structured securities, and prepayment fees on our commercial mortgage loans.

² Other includes net gains (losses) on calls and redemptions, and changes in the fair value of convertible fixed maturities.

³ Marketable equity securities, trading includes net gains (losses) on changes in fair value.

⁴ This includes net gains (losses) on derivatives not designated for hedge accounting and other instruments.

Symetra Financial Corporation
1Q 2014 Financial Supplement
Sales by Segment and Product
(In millions)

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Benefits Division ¹					
Medical stop-loss	\$ 45.6	\$ 14.4	\$ 12.0	\$ 16.7	\$ 51.9
Limited benefit medical	11.1	3.3	2.2	1.0	1.7
Group life & disability income	15.2	6.4	4.8	3.6	12.9
Total Benefits Division	\$ 71.9	\$ 24.1	\$ 19.0	\$ 21.3	\$ 66.5
Retirement Division - Deferred Annuities ²					
Fixed annuities	\$ 264.3	\$ 328.5	\$ 292.1	\$ 121.2	\$ 161.3
Fixed indexed annuities	357.9	391.3	448.2	309.8	148.7
Variable annuities	5.3	13.1	6.8	10.5	12.0
Total	\$ 627.5	\$ 732.9	\$ 747.1	\$ 441.5	\$ 322.0
Retirement Division - Income Annuities ²					
SPIA	\$ 87.5	\$ 85.4	\$ 37.1	\$ 42.1	\$ 38.4
Structured settlements	-	-	1.8	3.4	2.3
Total	\$ 87.5	\$ 85.4	\$ 38.9	\$ 45.5	\$ 40.7
Total Retirement Division	\$ 715.0	\$ 818.3	\$ 786.0	\$ 487.0	\$ 362.7
Individual Life Division					
Term life ¹	\$ 0.9	\$ 1.0	\$ 0.5	\$ 0.7	\$ 0.5
Universal life ¹	6.8	8.1	3.3	2.2	1.6
Single premium life ³	0.2	0.3	0.1	0.1	0.2
Individual sales	7.9	9.4	3.9	3.0	2.3
COLI ⁴	-	8.0	10.2	3.0	23.8
Institutional markets	\$ -	\$ 8.0	\$ 10.2	\$ 3.0	\$ 23.8

¹ Represents annualized first-year premiums net of first year policy lapses.

² Represents deposits for new policies net of first year policy lapses and/or surrenders.

³ Represents 10% of new deposits net of first year policy lapses and/or surrenders.

⁴ Represents deposits for new policies.

Symetra Financial Corporation
1Q 2014 Financial Supplement
Book Value, Adjusted Book Value and Statutory Book Value per Share
(In millions, except per share amounts)

	As of				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Book value per common share ¹	\$ 27.40	\$ 24.99	\$ 25.58	\$ 25.81	\$ 26.10
Non-GAAP Financial Measures:					
Adjusted book value per common share ²	\$ 20.50	\$ 19.95	\$ 19.47	\$ 19.17	\$ 19.40
Statutory book value per common share ³	\$ 19.32	\$ 18.49	\$ 18.87	\$ 18.65	\$ 18.66
Numerator:					
Total stockholders' equity	\$ 3,195.3	\$ 2,941.9	\$ 3,012.8	\$ 3,040.1	\$ 3,604.2
AOCI	804.3	593.6	719.0	782.6	1,293.1
Adjusted book value	\$ 2,391.0	\$ 2,348.3	\$ 2,293.8	\$ 2,257.5	\$ 2,311.1
Total stockholders' equity	\$ 3,195.3	\$ 2,941.9	\$ 3,012.8	\$ 3,040.1	\$ 3,604.2
Stockholders' equity of non-insurance entities	(344.4)	(381.4)	(319.4)	(301.6)	(301.2)
Statutory and other adjustments	(901.5)	(690.8)	(752.8)	(817.2)	(1,350.4)
Asset valuation reserve (AVR)	304.1	307.0	282.5	275.7	269.9
Statutory book value	\$ 2,253.5	\$ 2,176.7	\$ 2,223.1	\$ 2,197.0	\$ 2,222.5
Denominator:					
Common shares outstanding	116.619	117.731	117.800	117.792	119.099

	For the Three Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Share repurchases:					
Shares purchased as part of publicly announced plans or programs ⁴	1.352	-	-	6.644	0.308
Average price paid per share	\$ 19.56	\$ -	\$ -	\$ 13.43	\$ 13.46
Total cost of share repurchases	\$ 26.5	\$ -	\$ -	\$ 89.2	\$ 4.2

	As of				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
Tangible book value:					
Total stockholders' equity	\$ 3,195.3	\$ 2,941.9	\$ 3,012.8	\$ 3,040.1	\$ 3,604.2
Less:					
Deferred policy acquisition costs	320.1	322.5	271.7	249.6	172.1
Goodwill and other	117.7	131.5	125.8	132.0	93.1
Tangible book value ⁵	\$ 2,757.5	\$ 2,487.9	\$ 2,615.3	\$ 2,658.5	\$ 3,339.0

¹ Book value per common share is calculated as stockholders' equity divided by common shares outstanding.

² Adjusted book value per common share is calculated as adjusted book value divided by common shares outstanding.

³ Statutory book value per common share is calculated based on statutory book value divided by common shares outstanding.

⁴ As of March 31, 2014, 7.696 shares remained available under the current repurchase authorization.

⁵ Tangible book value is a non-GAAP financial measure calculated as stockholders' equity excluding deferred policy acquisition costs, goodwill, intangible assets and certain other non-tangible assets. Stockholders' equity is the most directly comparable GAAP measure to tangible book value.

Symetra Financial Corporation
1Q 2014 Financial Supplement
ROE and Operating ROAE
(In millions)

	Twelve Months Ended				
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013
ROE:					
Net income for the twelve months ended ¹	\$ 234.0	\$ 220.7	\$ 187.3	\$ 197.2	\$ 196.0
Average stockholders' equity ²	\$ 3,158.9	\$ 3,245.8	\$ 3,385.7	\$ 3,458.8	\$ 3,481.7
ROE	7.4 %	6.8 %	5.5 %	5.7 %	5.6 %
Operating ROAE:					
Adjusted operating income for the twelve months ended ¹	\$ 217.2	\$ 200.9	\$ 183.8	\$ 180.9	\$ 175.4
Average adjusted book value ³	\$ 2,320.3	\$ 2,293.9	\$ 2,271.6	\$ 2,251.0	\$ 2,230.4
Operating ROAE	9.4 %	8.8 %	8.1 %	8.0 %	7.9 %

Calculation of average stockholders' equity:

The following data can be used to recalculate the average stockholders' equity and average adjusted book value amounts used in the calculation of ROE

	As of		
	2014	2013	2012
Stockholders' Equity			
Dec. 31	\$ -	\$ 2,941.9	\$ 3,630.1
Sep. 30	-	3,012.8	3,641.2
Jun. 30	-	3,040.1	3,378.4
Mar. 31	3,195.3	3,604.2	3,154.7
AOCI			
Dec. 31	\$ -	\$ 593.6	\$ 1,371.2
Sep. 30	-	719.0	1,404.3
Jun. 30	-	782.6	1,188.0
Mar. 31	804.3	1,293.1	1,000.1

Reconciliation of adjusted operating income:

The following data together with other data found throughout the supplement can be used to recalculate adjusted operating income for the twelve months ended September 30, 2013, June 30, 2013 and March 31, 2013.

	Three Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012
Net income	\$ 31.0	\$ 55.2	\$ 43.8
Less: Excluded realized gains (losses) (net of taxes)	(1.9)	9.3	(3.4)
Adjusted operating income	<u>\$ 32.9</u>	<u>\$ 45.9</u>	<u>\$ 47.2</u>

¹ The twelve months ended information is derived by adding the four most recent quarters of net income or adjusted operating income.

² Average stockholders' equity is derived by averaging ending stockholders' equity for the most recent five quarters.

³ Average adjusted book value is derived by averaging ending stockholders' equity less AOCI, for the most recent five quarters.