

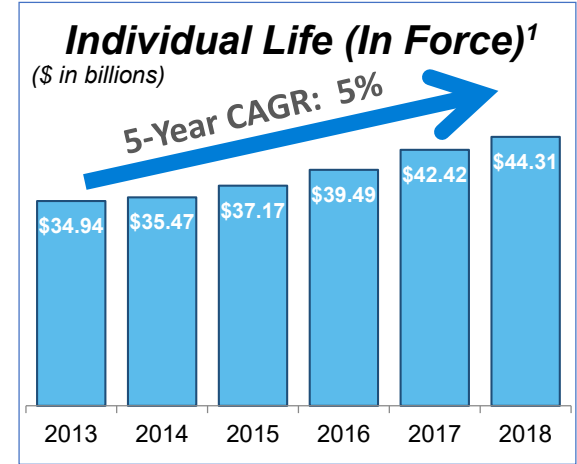
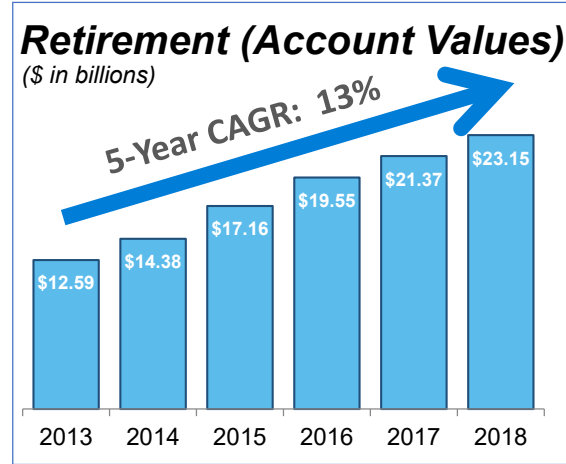
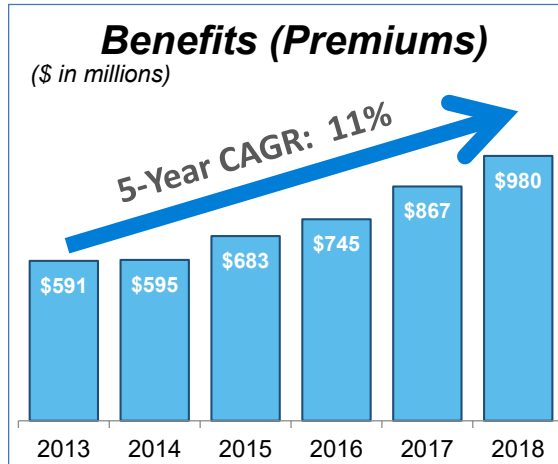
2018 Highlights

NOTE: *In the following presentation, comparisons refer to 2018 results versus 2017 results. Please see the December 31, 2018 “Symetra Financial Corporation Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” ([posted here](#)) for further information, including identification of non-GAAP financial measures and reconciliations between non-GAAP financial measures and their most directly comparable GAAP financial measures, and cautions regarding forward-looking statements.*



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In 2018, we continued to grow each of our businesses



¹Excluding BOLI/COLI.

- › **Benefits premiums rose by 13% in 2018, reaching \$980 million**, the result of pricing increases, business retention and solid sales of medical stop-loss and group life & disability income (DI).
- › **Fixed and fixed indexed annuity account values grew by 8% in 2018; year-end balances exceeded \$23 billion.** Retirement sales of \$3.9 billion increased from \$3.1 billion in 2017.
- › **Retail individual life insurance in force reached over \$44 billion.** Institutional (BOLI/COLI) life insurance in force totaled another \$14 billion. Individual life sales of \$92 million were up 8% from 2017.

Significant increase in 2018 Adjusted pre-tax income

<i>(\$ in millions)</i>	<u>2018</u>	<u>2017</u>
Benefits	\$ 54.7	\$ 39.5
Retirement	113.9	108.2
Individual Life	16.0	19.9
Other	<u>(35.7)</u>	<u>(66.1)</u>
Adjusted pre-tax income	\$ 148.9	\$ 101.5

- › **Benefits:** Significant increase in earnings, driven by an improved combined ratio on higher premium revenues.
- › **Retirement:** Improved earnings driven by a higher FIA base margin on growing account values.
- › **Individual Life:** Lower earnings as higher operating expenses and an unfavorable unlocking adjustment more than offset higher base margins from growth in the life businesses.
- › **Other:** Lower loss due to higher net investment income and lower write-downs of tax credit investments.
- › **Affecting multiple business segments:**
 - › Operating expenses reflected a larger workforce to support business growth and increased professional services to support strategic initiatives.
 - › Investment prepayment income provided less of a boost to Retirement and Individual Life earnings.
 - › Annual unlocking adjustments had less favorable impact to Retirement earnings and more unfavorable impact to Individual Life earnings.

Net income (loss) includes non-operating items

<i>(\$ in millions)</i>	<u>2018</u>	<u>2017</u>
Adjusted pre-tax income	\$ 148.9	\$ 101.5
Add (deduct) the following:		
Excluded realized gains (losses)	(75.2)	43.1
Amortization of intangible assets	(85.2)	(83.6)
Closed Block results	<u>(131.8)</u>	<u>36.1</u>
Income (loss) from operations before income taxes	(143.3)	97.1
Total provision (benefit) for income taxes	<u>(81.5)</u>	<u>(131.8)</u>
Net income (loss)	\$ (61.8)	\$ 228.9

- › **Net loss for the year reflected a substantial increase in earnings from our business segments, more than offset by non-operating items – excluded realized losses** (primarily, changes in the fair value of marked-to-market investments and derivative investments), **intangible asset amortization, and Closed Block losses** (primarily, non-economic).

- › **Closed Block component:**

In September 2018, we entered into a reinsurance agreement to fully reinsure our block of in-force income annuity contracts issued prior to October 1, 2017. (See next page for additional information about the impacts of this reinsurance transaction.)

Impacts from Closed Block reinsurance transaction

- › **We significantly improved the risk profile of our balance sheet through reinsurance of our block of in-force income annuity contracts, including all structured settlements.**
- › The modified coinsurance structure of the transaction requires that we continue to hold the associated invested assets and policyholder liabilities on our balance sheet.
 - › **Investment earnings, annuity benefits and realized gains (losses) are passed to Reinsurer (referred to as ceded activity) on a statutory accounting-basis, which differs from GAAP-basis primarily due to PGAAP premiums established as of the date of our Merger with Sumitomo Life.**
 - › **PGAAP premiums and their amortization have no economic impact.**
- › After the Reinsurance Transaction, Reinsurer began rebalancing the investment portfolio.
 - › Because the economic activity is reinsured, we would typically expect the gain or loss associated with the rebalancing activity to be approximately offset by the amount ceded to Reinsurer, with little impact to net income.
 - › **However, the significant difference between GAAP- and statutory-basis book values created by PGAAP means that reported Closed Block results:**
 - › **Are expected to be volatile, and**
 - › **Do not reflect the economic activity of the Reinsurance Transaction, whereby Reinsurer assumed the income and the costs of the reinsured contracts.**

Additional operational achievements in 2018

- › Completed our leadership succession plan (announced in 2017) with **Margaret Meister becoming President and CEO**, and Tommie Brooks becoming EVP and CFO.
- › **Performed the necessary work for the 1Q19 launch of Symetra Trek, our new registered index-linked annuity**, and implemented a new policy administration system.
- › Successfully initiated a pivot in individual life sales from guaranteed Universal Life products to Indexed Universal Life. And launched a refresh of our term life product.
- › Continued to expand our bank and broker-dealer distribution network and deepen our relationships with brokerage general agencies and national producer groups.
- › Refinanced \$450 million of debt (bank loan and junior subordinated notes) with a new loan from our parent company, Sumitomo Life.
- › Launched a new multi-year print and TV advertising campaign themed on “cutting out the Jibber Jabber,” illustrating our commitment to clarity to help consumers understand our products. And brought on board a senior vice president, Marketing, Communications and Public Affairs.



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