

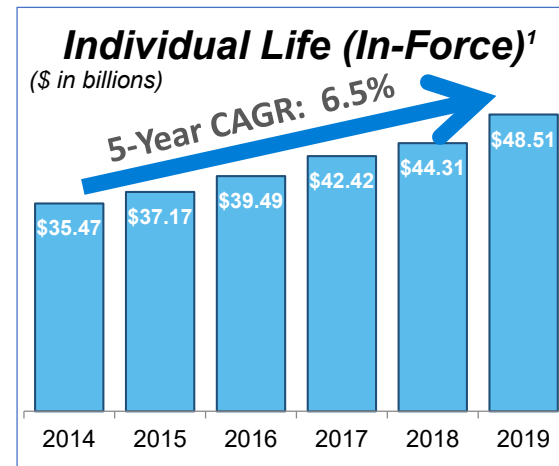
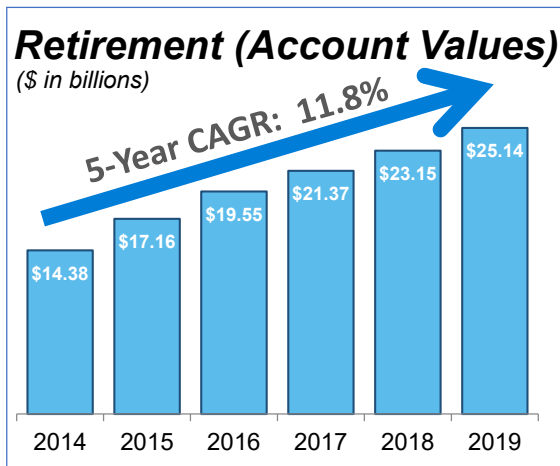
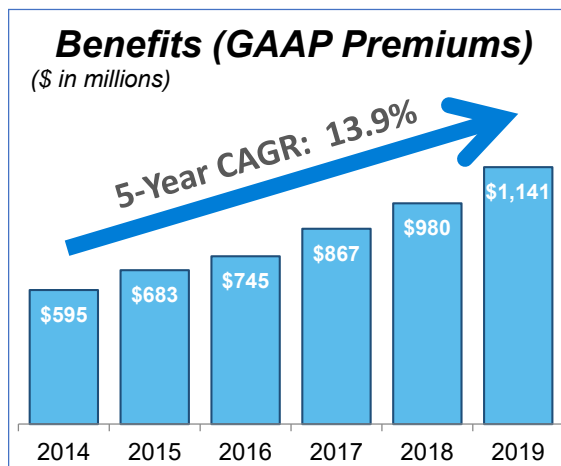
# 2019 Highlights

March 6, 2020

NOTE: In the following presentation, comparisons refer to 2019 results versus 2018 results. See the December 31, 2019 “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.



# We are achieving strong business growth



<sup>1</sup>Excluding BOLI/COLI. Gross of reinsurance.

- › **Benefits premiums rose by 16.4% in 2019, to over \$1 billion**, as the result of pricing increases, business retention and solid sales of medical stop-loss and group life & disability income insurance.
- › **Fixed and fixed indexed annuity account values grew by 8.6% in 2019, exceeding \$25 billion** at year end. Retirement sales totaled \$3.7 billion in 2019.
- › **Retail individual life insurance in-force reached \$48.5 billion**. Institutional life insurance (BOLI/COLI) in-force contributed another \$14.8 billion. Individual life sales surpassed \$100 million in 2019.

# Posting solid sales across the board

(\$ in millions)

		<u>2019</u>	<u>2018</u>
<b>BENEFITS</b>	Medical Stop-Loss	\$ 264.3	\$ 164.5
	Group Life and Disability Income and Other	64.2	71.8
		<b>328.5</b>	<b>236.3</b>
<b>RETIREMENT</b>	Fixed Indexed Annuities (FIA)	1,394.1	1,992.0
	Fixed Annuities	1,864.2	1,612.1
	Registered Index-Linked Annuities (RILA)	121.4	--
	Single Premium Immediate Annuities (SPIA)	272.3	248.4
		<b>3,652.0</b>	<b>3,852.5</b>
<b>INDIVIDUAL LIFE</b> <i>(excluding BOLI/COLI)</i>	Indexed Universal Life (IUL)	69.5	27.5
	Guaranteed Universal Life (GUL)	35.6	58.2
	Term and Other	8.8	6.7
		<b>113.9</b>	<b>92.4</b>

# Adjusted pre-tax income from operations grew in 2019

(\$ in millions)

	<u>2019</u>	<u>2018</u>
<b>Benefits</b>	\$ 33.9	\$ 54.7
<b>Retirement</b>	143.9	113.9
<b>Individual Life</b>	24.6	16.0
Other	<u>(30.1)</u>	<u>(35.7)</u>
<b>Adjusted pre-tax income (loss)<sup>1</sup></b>	<b>\$ 172.3</b>	<b>\$ 148.9</b>

## Comparing operating results of 2019 and 2018 –

- › **Benefits:** Higher stop-loss claims experience in 2019, offset in part by the favorable impact of strong premium growth.
- › **Retirement:** Increased interest margin in 2019 driven by growth in fixed indexed annuity account values and stable base interest spreads.
- › **Individual Life:** Positive effects of growth in UL and term life business and lower unfavorable impact from unlocking future actuarial assumptions, offset by higher underwriting and operating expenses in 2019.
- › Affecting all three divisions: Operating expenses reflected a larger workforce to support business growth and increased professional services to support strategic initiatives.

<sup>1</sup> Non-GAAP measure (for definition, see 2019 Financial Statements and MD&A at [www.symetra.com](http://www.symetra.com) > About Us > Investor Relations > Financial Information).

# Non-operating items drove net loss

(\$ in millions)

	<u>2019</u>	<u>2018</u>
<b>Adjusted pre-tax income</b>	<b>\$ 172.3</b>	<b>\$ 148.9</b>
Excluded realized gains (losses)	(63.3)	(75.2)
Amortization of intangible assets	(87.3)	(85.2)
Closed Block <sup>1</sup> – mark-to-market gains (losses)	(329.9)	45.6
Closed Block – other results	<u>(69.1)</u>	<u>(177.4)</u>
Income (loss) from operations before income taxes	(377.3)	(143.3)
Federal income tax expense (benefit)	<u>(111.8)</u>	<u>(81.5)</u>
<b>Net income (loss)</b>	<b>\$ (265.5)</b>	<b>\$ (61.8)</b>

- › **Excluded realized losses** included indexed product losses from changes in the value of the FIA embedded derivative.
- › **Closed Block losses:** Falling interest rates in 2019 drove large increases in the fair value of the Closed Block invested assets and Closed Block embedded derivative. The changes in these balances are recorded in different parts of the financial statements (primarily, as a component of Stockholder's equity and in income, respectively), resulting in non-economic income statement volatility.
- › The economic impacts associated with the Closed Block annuity contracts and invested assets have been reinsured and separated from our operating divisions. Due to accounting requirements, there are significant non-economic income impacts associated with this business. We expect, and have experienced, significant volatility in Closed Block income (loss) related to non-economic impacts.

<sup>1</sup> Effective 7/1/2018, Symetra reinsured 100% of structured settlements, and a smaller block of retail SPIAs that were in-force as of 9/30/2017. Beginning in 3Q18, Closed Block reflects the reinsured business.

# Other 2019 operational highlights

- › Launched new products and updated existing ones, leveraging market opportunities:
  - › **Symetra Trek** (new registered index-linked annuity) – surpassed Year 1 sales goal
  - › **Symetra Protector IUL** (new protection indexed universal life, or IUL)
  - › **Select 3** (reintroduced three-year fixed annuity)
  - › **Income Edge** (refined income options for FIA product)
- › Strong IUL sales drove expanded diversification of our individual life insurance business
- › Further matured our internal data analytics capabilities
- › Originated record volume of \$1.2 billion of commercial mortgage loans for our investment portfolio
- › **Maintained very strong capital position; RBC ratio as of 12/31/2019: 420%**
- › Renewed our revolving credit facility for \$300 million (to 2024)
- › Launched new brand-building initiatives, including multi-year partnerships with the Seattle Storm (WNBA team) and Seattle NHL
- › Diversity, Equity & Inclusion (DE&I) programs increasingly became an intrinsic part of our culture



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