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## SYMETRA REPORTS FOURTH QUARTER AND FULL-YEAR 2015 RESULTS

### Full-Year Results Summary

- Solid fundamental business trends continued in 2015:
  - Sales up from 2014 across Benefits, Retirement and Individual Life divisions
  - Benefits premium growth with loss ratio within target range of 65% - 67%
  - Growth in fixed indexed annuities produced significant incremental investment margin
  - Ongoing tax credit investment strategy contributed to after-tax income
- Results for 2015 also reflected, relative to 2014:
  - Benefits loss ratio returned to target range from very favorable prior-year loss ratio
  - Higher investment prepayment-related income, and net favorable unlocking adjustment
  - More favorable mortality experience in Income Annuities and Individual Life
  - Higher operating expenses in support of growth, merger-related expenses and higher interest expense
  - Losses on alternative investments and net realized losses versus net realized gains

BELLEVUE, Wash.—(Feb. 24, 2016)—Symetra Financial Corporation today reported fourth quarter 2015 adjusted operating income<sup>1</sup> of \$60.5 million, compared with \$60.7 million for the fourth quarter of 2014. For full-year 2015, Symetra posted adjusted operating income of \$208.9 million, compared with \$227.2 million in 2014.

For the fourth quarter of 2015, net income was \$57.2 million, compared with \$67.6 million in the same period a year ago. After-tax realized losses totaled \$3.3 million in the fourth quarter of 2015, compared with after-tax realized gains of \$6.9 million in the fourth quarter of 2014.

For full-year 2015, Symetra reported net income of \$146.8 million, compared with \$254.4 million in 2014. After-tax realized losses totaled \$62.1 million in 2015, compared with after-tax realized gains of \$27.2 million in 2014.

<b>Summary Financial Results</b> <i>(In millions)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
<b>Net Income</b>	\$ 57.2	\$ 67.6	\$ 146.8	\$ 254.4
<b>Adjusted Operating Income</b>	\$ 60.5	\$ 60.7	\$ 208.9	\$ 227.2

Segment Pretax Adjusted Operating Income (Loss) <i>(In millions)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
<b>Benefits</b>	\$ 11.2	\$ 21.6	\$ 74.0	\$ 89.9
<b>Deferred Annuities</b>	34.3	40.8	136.3	129.1
<b>Income Annuities</b>	11.9	0.9	20.5	15.9
<b>Individual Life</b>	10.2	9.1	36.3	45.7
<b>Other</b>	(24.5)	2.3	(71.2)	(22.5)
<b>Subtotal</b>	\$ 43.1	\$ 74.7	\$ 195.9	\$ 258.1
<b>Less: Income Taxes*</b>	17.4	(14.0)	13.0	(30.9)
<b>Adjusted Operating Income</b>	\$ 60.5	\$ 60.7	\$ 208.9	\$ 227.2

\* Represents the total provision for income taxes adjusted for the tax effect on certain net realized gains (losses) at the U.S. federal income tax rate of 35%.

In the business discussions that follow, results for the fourth quarter of 2015 and full-year 2015 are compared with the fourth quarter of 2014 and full-year 2014, respectively, unless otherwise noted.

### Benefits

- **Pretax adjusted operating income** was \$11.2 million for the quarter, compared with \$21.6 million. For the full year, pretax adjusted operating income was \$74.0 million, compared with \$89.9 million. For the quarter and the year, premium growth in the medical stop-loss and group life and disability income (DI) businesses was more than offset by the impact of a higher loss ratio. In addition, commissions and other expenses in support of growth were higher than in the prior year; however, the ratio of operating expenses to premiums improved in 2015.
- **Loss ratio** was 71.2% in the quarter, compared with 63.2% in the previous period. Relative to the same period in the prior year, the loss ratio was impacted by a higher frequency of medical stop-loss claims. The fourth quarter of 2014 benefited from the favorable completion of the stop-loss business written in January 2013.

For the full year, the Benefits loss ratio was 66.9%, compared with 61.5%. The loss ratio for 2015 was in line with expectations, while the result for 2014 reflected very favorable stop-loss claims experience.

- **Sales** were \$15.4 million for the quarter, compared with \$33.9 million in the prior period. New business production for the full year was \$209.1 million, up from \$166.7 million in 2014, as a result of record stop-loss sales.

### Deferred Annuities

- **Pretax adjusted operating income** was \$34.3 million for the quarter, compared with \$40.8 million in the previous period. Consistent with the trend of recent quarters, the current period's results benefited from strong growth in fixed indexed annuities (FIA). However, the impact of higher account values was more than offset by a decline in investment prepayment income and higher operating expenses to support business growth.

For the full year, pretax adjusted operating income was \$136.3 million, up from \$129.1 million in the prior year, driven by growth in FIA and favorable unlocking, offset in part by higher operating expenses and lower base interest margin on traditional fixed annuities.

- Higher FIA account values contributed \$7.2 million more to interest margin for the quarter, offset in part by the impact of \$2.2 million higher FIA-related deferred policy acquisition costs (DAC) amortization. For the year, higher FIA account values added \$28.0 million to interest margin, partially offset by \$10.0 million higher FIA-related DAC amortization, excluding unlocking.

- Prepayment-related income, net of DAC and deferred sales inducement amortization, was \$5.3 million for the quarter, down from \$12.9 million in the prior period. For the full year, prepayment-related income, net of amortization, was \$20.5 million, unchanged from the prior year.
- **Total account values** were \$17.9 billion at year end, up from \$15.2 billion a year ago. Strong FIA sales drove this growth, with FIA account values rising to \$5.7 billion from \$3.3 billion.
- **Sales** for the quarter were \$1,064.0 million, up from \$642.3 million in the year-ago quarter. FIA sales grew to \$664.2 million from \$395.7 million, while sales of traditional fixed annuities increased to \$395.8 million, from \$242.2 million. For the full year, sales totaled \$3.8 billion, exceeding the previous year's \$2.7 billion, despite the continuing low interest rate environment. Expanded distribution and FIA product enhancements drove this growth.

### Income Annuities

- **Pretax adjusted operating income** was \$11.9 million for the quarter, compared with \$0.9 million in the year-ago quarter. For the full year, pretax adjusted operating income was \$20.5 million, compared with \$15.9 million. The year-over-year improvement in results for both periods of 2015 was driven by higher prepayment-related income and more favorable mortality experience.
- **Mortality gains** were \$2.9 million for the quarter, compared with losses of \$3.0 million in the previous period. On a full-year basis, mortality gains were \$4.3 million, compared with gains of \$3.3 million. Mortality experience is expected to fluctuate from period to period.
- Prepayment-related income was \$6.5 million for the quarter, compared with \$3.4 million in the prior period. For the full year, prepayment-related income was \$12.3 million, compared with \$6.5 million in 2014.
- **Sales** were \$90.4 million for the quarter, compared with \$80.0 million in the prior-year quarter. For the full year, sales were \$303.3 million, compared with \$318.8 million.

### Individual Life

- **Pretax adjusted operating income** was \$10.2 million for the quarter, compared with \$9.1 million in the year-ago period. Results reflected lower individual life claims and a higher bank-owned life insurance (BOLI) base return on assets (ROA).  
For the full year, pretax adjusted operating income was \$36.3 million, compared with \$45.7 million. Driving the decline in 2015 were higher operating expenses in support of business growth, a lower base BOLI ROA and unfavorable unlocking. Mitigating these factors were earnings from continued growth in the universal life (UL) block of business, higher prepayment-related income and lower individual claims.
- Individual claims were \$2.9 million lower for the quarter, reflecting lower frequency and severity in UL claims. For the full year, individual claims were \$3.2 million lower than in 2014, and were favorable to expectations.
- For the year, BOLI base margin was down \$5.1 million due to the absence in 2015 of favorable purchase accounting reserve amortization which completed in the third quarter of 2014.
- Full-year prepayment-related income, net of amortization, was \$13.6 million, compared with \$7.3 million.
- **Sales** of individual life products were \$22.0 million for the quarter, up 73% from \$12.7 million in the prior-year period. Full-year sales were \$67.8 million, up 78% from the previous year's \$38.0 million. Symetra's guaranteed UL product continues to gain traction in the brokerage general agency distribution network.

### Other

- **Pretax adjusted operating loss** was \$24.5 million for the quarter, compared to income of \$2.3 million in the year-ago quarter. Net investment income decreased by \$25.2 million from the prior-year period,

reflecting losses of \$4.6 million on alternative investments compared with gains of \$11.5 million in the year-ago quarter, as well as an increase of \$6.8 million in tax credit investment amortization.

For the full year, Other segment had a pretax adjusted operating loss of \$71.2 million, compared with a loss of \$22.5 million. Net investment income was \$37.2 million lower in 2015, driven by losses on alternative investments and higher amortization of tax credit investments. Interest expense included a full year of interest on the senior notes issued in 2014, and operating expenses included \$6.0 million of merger-related expenses.

### Net Realized Gains (Losses)

<i>(In millions)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
<b>Fixed maturities:</b>				
<b>Gross gains on sales</b>	\$ 3.6	\$ 6.6	\$ 13.7	\$ 27.6
<b>Gross losses on sales</b>	(4.0)	(1.1)	(22.2)	(6.8)
<b>Net impairment losses recognized in earnings</b>	(16.3)	(10.0)	(38.6)	(14.1)
<b>Other</b>	(8.9)	(6.4)	(16.4)	(7.4)
<b>Total Fixed Maturities</b>	(25.6)	(10.9)	(63.5)	(0.7)
<b>Marketable Equity Securities, Trading</b>	37.0	26.4	10.0	55.7
<b>Investments in Limited Partnerships</b>	(21.0)	(5.4)	(44.8)	(16.7)
<b>Other</b>	3.1	(3.1)	(5.4)	2.6
<b>DAC and DSI Adjustment</b>	1.2	4.2	7.2	1.5
<b>Net Realized Gains (Losses)</b>	\$ (5.3)	\$ 11.2	\$ (96.5)	\$ 42.4

- **Net realized losses** were \$5.3 million for the quarter, compared with net gains of \$11.2 million in the prior period. For the full year, net realized losses were \$96.5 million, compared with net gains of \$42.4 million in the prior year. The majority of the net impairment losses in 2015 related to high-yield securities in the energy and natural resources sector.

### Income Taxes

- **Benefit for income taxes** was \$19.1 million for the quarter, compared with a provision for income taxes of \$17.7 million in the year-ago period. For the full year, the benefit for income taxes was \$46.4 million, compared with a provision for income taxes of \$45.5 million in the prior year. This change reflects lower pretax income and the impact of tax credit investments.
- Tax credits from tax credit investments totaled \$31.4 million and \$14.8 million in the fourth quarters of 2015 and 2014, respectively. Tax credits totaled \$79.8 million for full-year 2015 and \$56.8 million for full-year 2014.

### Stockholders' Equity

<i>(In millions)</i>	As of	
	December 31 2015	September 30 2015
<b>Total Stockholders' Equity</b>	\$ 2,928.8	\$ 3,126.1
<b>Adjusted Book Value<sup>1</sup></b>	\$ 2,413.4	\$ 2,369.6

- **Total stockholders' equity** was \$2,928.8 million as of Dec. 31, 2015, compared with \$3,126.1 million as of Sept. 30, 2015.

- **Adjusted book value**, which excludes accumulated other comprehensive income (AOCI), was \$2,413.4 million as of Dec. 31, 2015, compared with \$2,369.6 million as of Sept. 30, 2015.
- **Risk-based capital (RBC) ratio** for Symetra Life Insurance Company at the end of 2015 was estimated at 424%. Statutory capital and surplus, including asset valuation reserve (AVR), was \$2.4 billion.

### Acquisition Completed

On Feb. 1, 2016, Symetra Financial Corporation became a wholly owned subsidiary of Sumitomo Life Insurance Company in accordance with the terms of the Agreement and Plan of Merger (the Merger Agreement), dated Aug. 11, 2015. At this time, each outstanding share of the company's common stock was converted into the right to receive \$32.00 in cash, without interest. The aggregate cash consideration paid in connection with the Merger for the outstanding shares of common stock was approximately \$3.7 billion. Prior to Feb. 1, 2016, and for the periods this earnings release presents, the company's stock was publicly traded on the New York Stock Exchange.

### Additional Financial Information

This press release, fourth quarter 2015 financial supplement and year-end 2015 audited financial statements are posted on the company's website at <http://investors.symetra.com>.

### Use of Non-GAAP Measures

<sup>1</sup> Symetra uses both U.S. generally accepted accounting principles (GAAP) and non-GAAP financial measures to track the performance of its operations and financial condition. A reconciliation between each non-GAAP measure found in this press release and the comparable GAAP measure can be found in the Financial Supplement posted to the company's website at [www.symetra.com](http://www.symetra.com) on the Investor Relations page, under Financial Information, Quarterly Financial Results.

This press release references the following non-GAAP financial measures:

- **Adjusted operating income** is defined by the company 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 products.
- **Pretax adjusted operating income** is defined as adjusted operating income on a pretax basis. It also represents the cumulative total of segment pretax adjusted operating income, which at the segment level is a GAAP measure.
- **Adjusted book value** is defined as stockholders' equity, less accumulated other comprehensive income (loss), or AOCI.

### About Symetra

Symetra Financial Corporation is a diversified financial services company based in Bellevue, Wash. In business since 1957, Symetra provides employee benefits, annuities and life insurance through a national network of benefit consultants, financial institutions, broker-dealers and independent agents and advisors. For more information, visit [www.symetra.com](http://www.symetra.com).

Symetra is a wholly owned subsidiary of Sumitomo Life Insurance Company.

### Forward-Looking Statements

This press release contains forward-looking statements that are intended to enhance the reader's ability to assess the company's future financial and business performance. Forward-looking statements include, but are

not limited to, statements that represent the company's beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. These statements are based on estimates and assumptions made by the company in light of information currently known to management and are subject to significant business, economic and competitive uncertainties, many of which are beyond the company's control or are subject to change. Whether actual results and developments will conform to the company's expectations is subject to a number of risks, uncertainties and contingencies that could cause actual results to differ materially from expectations, or could cause management to deviate from currently expected or intended courses of actions, including, among others:

- effects of fluctuations in interest rates, including a prolonged low interest rate environment or a rapidly rising interest rate environment, as well as management's ability to anticipate and timely respond to any such fluctuations;
- general economic, market or business conditions, including economic downturns or other adverse conditions in the global and domestic capital and credit markets;
- effects of significant increases in corporate refinance activity, including bond prepayments;
- performance of Symetra's investment portfolio;
- continued availability of quality commercial mortgage loan investments and Symetra's continued capacity to invest in commercial mortgage loans;
- Symetra's ability to successfully execute on its strategies;
- accuracy and adequacy of recorded reserves, including the actuarial and other assumptions upon which those reserves are established, adjusted and maintained;
- persistency of Symetra's inforce blocks of business;
- deviations from assumptions used in setting prices for insurance and annuity products or establishing cash flow testing reserves;
- continued viability of certain products under various economic, regulatory and other conditions;
- market pricing and competitive trends related to insurance products and services;
- effects of implementation of the Patient Protection and Affordable Care Act, including the direct effects upon Symetra's business, but also including the effects upon competitors and customers;
- financial strength or credit ratings changes, particularly of Symetra, but also of other companies in its industry sector;
- retention of key personnel and distribution partners;
- availability and cost of capital and financing;
- adequacy and collectibility of reinsurance purchased, as well as the continued availability and cost of reinsurance coverage;
- continued availability of tax credit investments, and the continuation of current tax treatment of such investments;
- changes in laws or regulations, or their interpretation, including those that could increase Symetra's business costs, reserve levels and required capital levels, or that could restrict the manner in which it does business;
- effects of the U.S. Department of Labor's proposed rule expanding the circumstances in which a person is considered a fiduciary with respect to distribution of IRAs and employer-sponsored retirement plans, including the effects upon distributors, competitors and customers;
- ability of Symetra's subsidiaries to pay dividends to Symetra;

- Symetra's ability to implement effective risk management policies and procedures, including hedging strategies;
- Symetra's ability to maintain adequate telecommunications, information technology, or other operational systems, including its ability to prevent or timely detect and remediate any unauthorized access to or disclosure of customer information and other sensitive business data;
- Symetra's ability to prevent or timely detect and remediate any unauthorized access to or disclosure of customer information and other sensitive business data;
- initiation of regulatory investigations or litigation against Symetra and the results of any regulatory proceedings;
- effects of changes in national monetary and fiscal policy;
- effects of redomestication of Symetra's primary life insurance company subsidiary and whether redomestication will convey the intended benefits;
- effects of implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; and
- uncertainty following the Merger, which could adversely affect Symetra's business and operations.

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Symetra will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Symetra or its business or operations. Symetra assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

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**Symetra Financial Corporation**  
**Consolidated Income Statement Data**  
(in millions)  
(unaudited)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
<b>Revenues</b>				
Premiums	\$ 177.3	\$ 161.0	\$ 716.6	\$ 629.1
Net investment income	342.1	358.6	1,336.4	1,320.5
Policy fees, contract charges and other	59.4	50.0	222.9	190.4
Net realized gains (losses)	(5.3)	11.2	(96.5)	42.4
Total revenues	<u>573.5</u>	<u>580.8</u>	<u>2,179.4</u>	<u>2,182.4</u>
<b>Benefits and expenses</b>				
Policyholder benefits and claims	147.6	120.7	570.8	445.9
Interest credited	246.7	246.1	967.2	953.8
Other underwriting and operating expenses	103.3	93.7	406.0	367.0
Interest expense	11.4	11.0	44.9	37.7
Amortization of deferred policy acquisition costs	26.4	24.0	90.1	78.1
Total benefits and expenses	<u>535.4</u>	<u>495.5</u>	<u>2,079.0</u>	<u>1,882.5</u>
<b>Income from operations before income taxes</b>	<b>38.1</b>	<b>85.3</b>	<b>100.4</b>	<b>299.9</b>
Provision (benefit) for income taxes	(19.1)	17.7	(46.4)	45.5
<b>Net income</b>	<b><u>\$ 57.2</u></b>	<b><u>\$ 67.6</u></b>	<b><u>\$ 146.8</u></b>	<b><u>\$ 254.4</u></b>
<b>Non-GAAP financial measures</b>				
Adjusted operating income	<u>\$ 60.5</u>	<u>\$ 60.7</u>	<u>\$ 208.9</u>	<u>\$ 227.2</u>
Reconciliation to net income:				
Net income	\$ 57.2	\$ 67.6	\$ 146.8	\$ 254.4
Less: Excluded realized gains (losses) (net of taxes)*	(3.3)	6.9	(62.1)	27.2
Adjusted operating income	<u>\$ 60.5</u>	<u>\$ 60.7</u>	<u>\$ 208.9</u>	<u>\$ 227.2</u>

\* Excluded realized gains (losses) are reported net of taxes of \$(1.8) and \$3.7 for the three months ended December 31, 2015 and 2014, respectively, and \$(33.4) and \$14.6 for the twelve months ended December 31, 2015 and 2014, respectively.



**Symetra Financial Corporation**  
**Consolidated Balance Sheet Data**  
(in millions)  
(unaudited)

	December 31 2015	December 31 2014
<b>Assets</b>		
Total investments	\$ 32,626.2	\$ 30,634.3
Other assets	1,801.4	1,417.6
Separate account assets	909.8	949.8
<b>Total assets</b>	<b>\$ 35,337.4</b>	<b>\$ 33,001.7</b>
<b>Liabilities and stockholders' equity</b>		
Policyholder liabilities	\$ 30,293.8	\$ 27,276.0
Notes payable	697.6	697.2
Other liabilities	507.4	718.1
Separate account liabilities	909.8	949.8
Total liabilities	32,408.6	29,641.1
Common stock and additional paid-in capital	1,477.2	1,470.7
Treasury stock	(134.6)	(134.6)
Retained earnings	1,070.8	1,033.9
Accumulated other comprehensive income, net of taxes	515.4	990.6
Total stockholders' equity	2,928.8	3,360.6
<b>Total liabilities and stockholders' equity</b>	<b>\$ 35,337.4</b>	<b>\$ 33,001.7</b>
<b>Non-GAAP financial measures</b>		
Adjusted book value	\$ 2,413.4	\$ 2,370.0
Reconciliation to stockholders' equity:		
Total stockholders' equity	\$ 2,928.8	\$ 3,360.6
Less: AOCI	515.4	990.6
Adjusted book value	\$ 2,413.4	\$ 2,370.0