

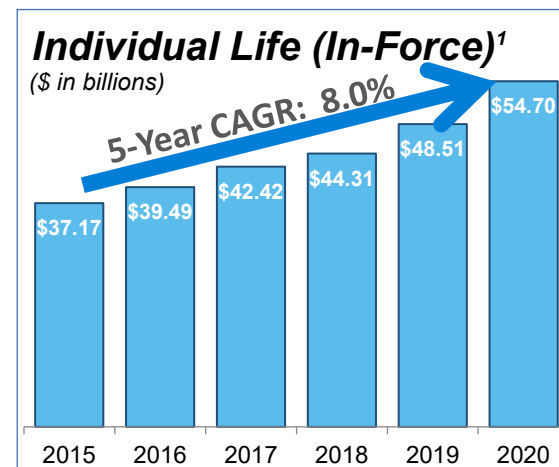
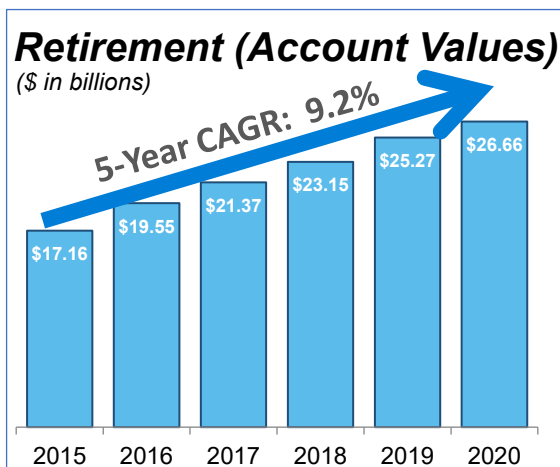
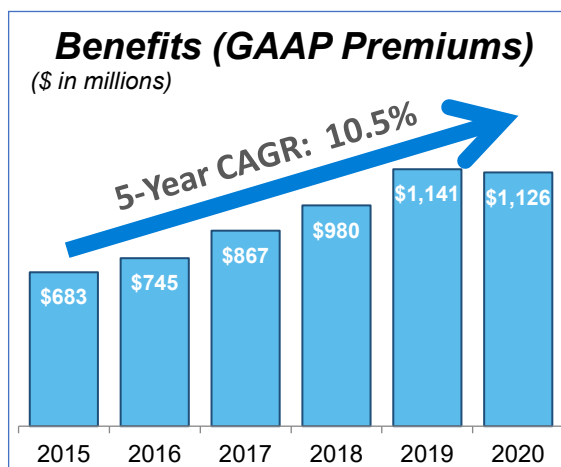
2020 Results Summary

March 5, 2021

NOTE: In the following presentation, comparisons refer to 2020 results versus 2019 results. See the December 31, 2020 “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 achieved solid business growth over the past 5 years and held strong through the challenging environment of 2020



¹Excluding BOLI/COLI. Gross of reinsurance.

- › **Benefits premiums held strong at \$1.1 billion in 2020, about even with 2019.** Growth in group life & disability insurance offset a decline in medical stop-loss, which had lower sales in 2020 than in record-year 2019.
- › **Deferred fixed, fixed indexed and registered index-linked annuity account values grew by 5.5% in 2020, exceeding \$26 billion at year end.** Despite the challenges of the pandemic, retirement sales of \$3.4 billion were achieved in 2020.
- › **Retail individual life insurance in-force reached \$54.7 billion at year-end 2020.** Institutional life insurance (BOLI/COLI) in-force contributed another \$14.5 billion. Individual life sales surpassed \$118 million in 2020.

Sales remained strong, though affected by the pandemic-related shutdowns and historically low interest rates

(\$ in millions)

		<u>2020</u>	<u>2019</u>
BENEFITS	Medical Stop-Loss	\$ 239.4	\$ 264.3
	Group Life and Disability Income and Other	63.2	64.2
		302.6	328.5
RETIREMENT	Fixed Deferred Annuities	1,930.0	1,864.2
	Fixed Indexed Annuities (FIA)	1,092.0	1,394.1
	Registered Index-Linked Annuities (RILA)	189.9	121.4
	Single Premium Immediate Annuities (SPIA)	163.3	272.3
		3,375.2	3,652.0
INDIVIDUAL LIFE <i>(excluding BOLI/COLI)</i>	Indexed Universal Life (IUL)	87.6	69.5
	Guaranteed Universal Life (GUL)	17.2	35.6
	Term and Other	13.4	8.8
		118.2	113.9

Adjusted pre-tax income from operations reflected pandemic pressures

(\$ in millions)

	<u>2020</u>	<u>2019</u>
Benefits	\$ 12.9	\$ 33.9
Retirement	128.8	137.8
Individual Life	8.7	24.6
Other	<u>(20.0)</u>	<u>(24.0)</u>
Adjusted pre-tax income (loss)¹	\$ 130.4	\$ 172.3

The **COVID-19 pandemic and related economic downturn adversely affected 2020 results**, driving increased claims, a historically low interest rate environment and disruptions to sales models. However, Symetra's businesses demonstrated the ability to weather this storm.

Operating results of 2020 (versus 2019) –

- › **Benefits:** COVID-19 claims in group life and disability insurance more than offset a significant improvement in the stop-loss loss ratio, achieved through pricing increases.
- › **Retirement:** Favorable impact of growth in account values was offset by lower margins, which reflected the low interest rate and highly competitive environment.
- › **Individual Life:** Increased margin from the growing block of universal life business was offset by higher, primarily non-COVID-19, claims. Lower interest rates also compressed BOLI margins.
- › Annual updates to future lapse and interest rate assumptions (“unlocking”) had negative impacts on Retirement and Individual Life results in 2020, compared to a net positive impact in 2019.
- › Higher operating expenses reflected a larger workforce to support business growth and increased professional services to support strategic initiatives across all three divisions.

¹ Non-GAAP measure (for definition, see 2020 Financial Statements and MD&A at www.symetra.com > About Us > Investor Relations > Financial Information).

Non-operating items drove the net loss

(\$ in millions)

	<u>2020</u>	<u>2019</u>
Adjusted pre-tax income	\$ 130.4	\$ 172.3
Excluded realized gains (losses)	(37.4)	(63.3)
Amortization of goodwill and intangible assets ¹	(143.2)	(87.3)
Closed Block – net gains (losses)	<u>(109.7)</u>	<u>(399.0)</u>
Income (loss) from operations before income taxes	(159.9)	(377.3)
Total provision (benefit) for income taxes ²	<u>(68.4)</u>	<u>(111.8)</u>
Net income (loss)	\$ (91.5)	\$ (265.5)

The economic impacts associated with the Closed Block annuity contracts and invested assets have been reinsured and separated from our operating divisions. Accounting requirements create 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.

Closed Block losses: The decrease in Closed Block mark-to-market losses (non-economic) was primarily due to smaller increases in fair value of available-for-sale fixed maturities in 2020 compared to 2019. In 2020, the Closed Block increased the proportion of invested assets that record changes in fair value through earnings, which decreased the overall mark-to-market losses compared to 2019.

¹ Effective Jan. 1, 2020, Symetra elected the private company alternative to amortize goodwill.

² Net of tax credits. 2020 included \$15M federal income tax benefit from CARES Act restoring 2018 NOL carrybacks at 35%.

Other 2020 updates

- › Symetra responded quickly to the pandemic threat, demonstrating operational resiliency:
 - › No disruption to service for customers or distribution partners. Symetra remained open for business and fully operational, with nearly 100% of employees working from home.
 - › Our comprehensive Business Continuity Planning, a 2019 “Work-From-Home” flexible work initiative, and routine pandemic risk assessment & modeling all set us up for success
 - › To drive sales in a world without face-to-face interactions, we worked with distribution partners to leverage remote tools (including educational webinars, paperless application and e-signature capabilities) and accelerated adoption of streamlined underwriting practices
- › Product development work continued, and record new product/feature launches are queued up for 2021
- › Diversity, Equity & Inclusion (DE&I) efforts are embedded in our leadership commitments and a key focus throughout Symetra
- › Maintained strong capital position:
 - › New \$300 million loan (7-year, 1.83% fixed annual rate) from our strong and supportive parent, Sumitomo Life, with proceeds contributed to Symetra Life statutory capital



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