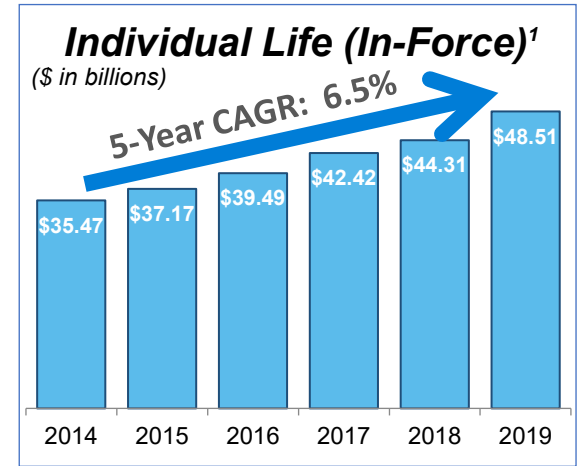
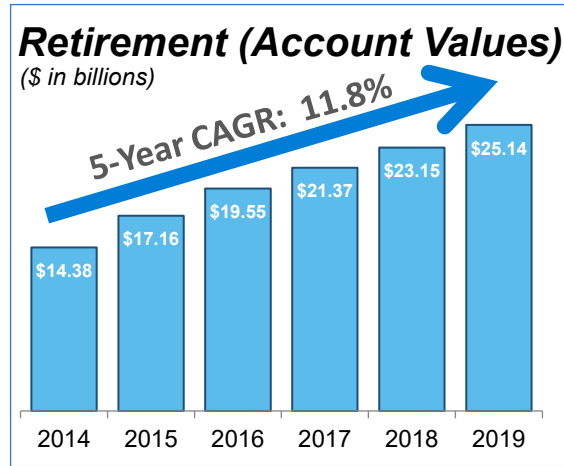
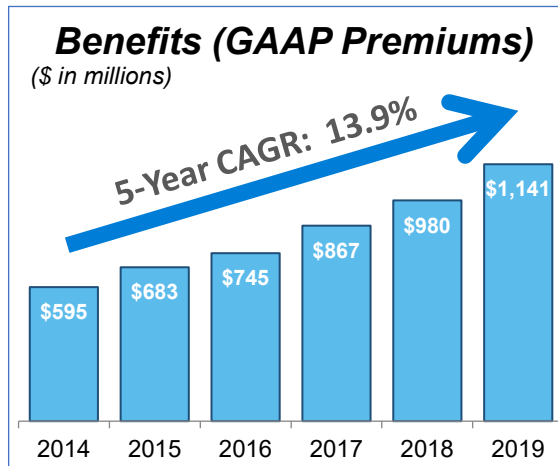


Symetra Financial Corp. Consolidated Financial Results 2019 Annual Results Summary

NOTE: In the following presentation, comparisons refer to 2019 results versus 2018 results.



We are achieving strong business growth



¹Excluding 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>
BENEFITS	Medical Stop-Loss	\$ 264.3	\$ 164.5
	Group Life and Disability Income and Other	64.2	71.8
		328.5	236.3
RETIREMENT	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
		3,652.0	3,852.5
INDIVIDUAL LIFE <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
		113.9	92.4

Adjusted pre-tax income from operations grew in 2019

(\$ in millions)

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

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.

Non-operating items drove net loss

(\$ in millions)

	<u>2019</u>	<u>2018</u>
Adjusted pre-tax income	\$ 172.3	\$ 148.9
Excluded realized gains (losses)	(63.3)	(75.2)
Amortization of intangible assets	(87.3)	(85.2)
Closed Block ¹ – 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>
Net income (loss)	\$ (265.5)	\$ (61.8)

- › **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.

¹ 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

Appendix



Non-GAAP Financial Measures

- › Certain tables and related disclosures in this report include non-GAAP financial measures. We believe these measures provide useful information for evaluating our financial performance or condition. Non-GAAP financial measures are not substitutes for their most directly comparable GAAP measures and should be read together with such measures. The adjustments made to derive non-GAAP measures are important to understanding our overall results of operations and financial position and, if evaluated without proper context, non-GAAP measures possess material limitations. These measures may be calculated differently from similarly titled measures of different companies.
- › **Adjusted pre-tax income** consists of income from operations before income taxes, excluding results from the Closed Block, intangible asset amortization, and certain net realized gains (losses). Income from operations before income taxes is the most directly comparable GAAP measure to adjusted pre-tax income.
- › Excluded realized gains (losses) are associated with the following:
 - › investment impairment, sales, or other disposals;
 - › changes in the fair value of mark-to-market investments and derivative investments;
 - › changes in the fair value of embedded derivatives related to our indexed products; and
 - › DAC, VOBA, and DSI impacts related to these items.
- › We do not consider many of the activities reported through net realized gains (losses) to be part of the results of our insurance operations. The timing and amount of these gains (losses) are driven by investment decisions and external economic developments unrelated to our management of the insurance and underwriting aspects of our business. The results of the Closed Block are fully excluded because the associated economic risks have been fully reinsured through the Reinsurance Transaction. Additionally, intangible amortization is not meaningful when assessing the results of our core business.
- › Certain realized gains (losses) are included in adjusted pre-tax income. These include gains (losses) from prepayment activity, and pass-through activity and write-downs associated with tax credit investments. Management considers this meaningful when assessing the results of our core business operations.
- › We believe it is useful to review adjusted pre-tax income to focus on the results of our core retained business operations. This assists management in determining whether our insurance-related revenues from our ongoing businesses have been sufficient to generate operating earnings after meeting our insurance-related obligations, underwriting and other operating costs. In addition, our management and board of directors have other uses for this measure, including assessing achievement of our financial plan.

Reconciliation between Non-GAAP Financial Measures and Most Directly Comparable GAAP Financial Measures

(\$ in millions)

	For the Year Ended December 31,	
	2019	2018
Adjusted pre-tax income (loss):		
Benefits	\$ 33.9	\$ 54.7
Retirement	143.9	113.9
Individual Life	24.6	16.0
Other	(30.1)	(35.7)
Adjusted pre-tax income	<u>\$ 172.3</u>	<u>\$ 148.9</u>
Add (deduct) the following:		
Excluded realized gains (losses)	\$ (63.3)	\$ (75.2)
Amortization of intangible assets	(87.3)	(85.2)
Closed Block – mark-to-market gains (losses)	(329.9)	45.6
Closed Block – other results	(69.1)	(177.4)
Income (loss) from operations before income taxes	(377.3)	(143.3)
Total provision (benefit) for income taxes	(111.8)	(81.5)
Net income (loss)	<u>\$ (265.5)</u>	<u>\$ (61.8)</u>



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