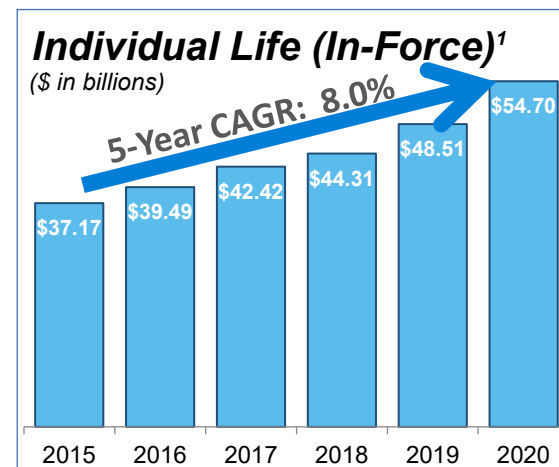
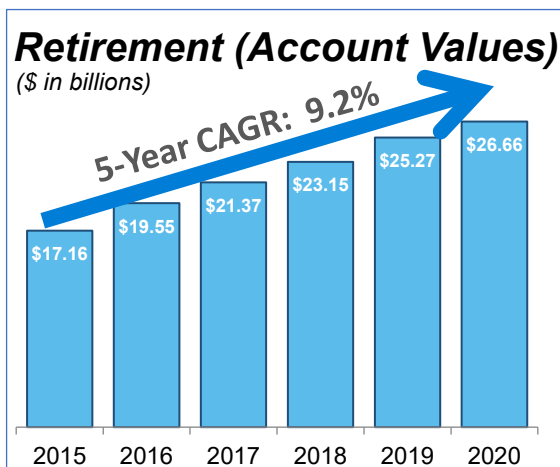
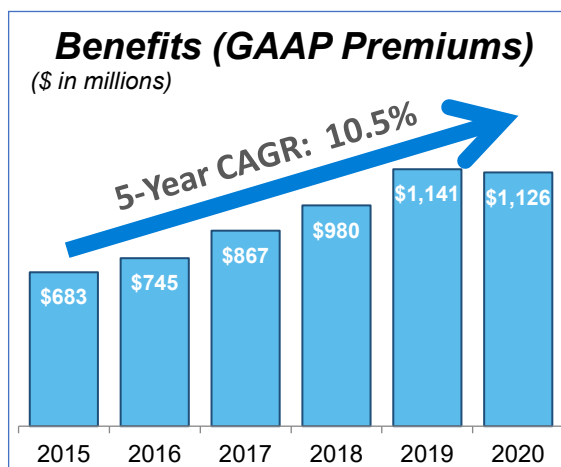


Symetra Financial Corp. Consolidated Financial Results 2020 Annual Results Summary

NOTE: In the following presentation, comparisons refer to 2020 results versus 2019 results.



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.

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

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, goodwill and 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 and changes in expected credit loss allowances, 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 excluded because the associated economic risks have been fully reinsured. Additionally, goodwill and intangible asset 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 these 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 business operations. This assists management in determining whether our insurance-related revenues 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.
- › We believe it is useful to review adjusted pre-tax income to focus on the results of our core business operations. This assists management in determining whether our insurance-related revenues 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,	
	2020	2019
Adjusted pre-tax income (loss):		
Benefits.....	\$ 12.9	\$ 33.9
Retirement.....	128.8	137.8
Individual Life.....	8.7	24.6
Other.....	(20.0)	(24.0)
Adjusted pre-tax income.....	<u>\$ 130.4</u>	<u>\$ 172.3</u>
Add (deduct) the following:		
Excluded realized gains (losses).....	\$ (37.4)	\$ (63.3)
Amortization of goodwill and intangible assets.....	(143.2)	(87.3)
Closed Block – net gains (losses).....	(109.7)	(399.0)
Income (loss) from operations before income taxes.....	(159.9)	(377.3)
Total provision (benefit) for income taxes.....	(68.4)	(111.8)
Net income (loss).....	<u>\$ (91.5)</u>	<u>\$ (265.5)</u>



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