



May 2020

# Fixed Income Investor Presentation

# Notice

## Forward-Looking Statements

This presentation may contain certain statements that constitute “forward-looking statements”. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results, or other developments. Statements using verbs such as “expect,” “anticipate,” “believe” or words of similar import generally involve forward-looking statements. Forward-looking statements include statements which are based on the beliefs and assumptions of The Guardian Life Insurance Company of America (“Guardian”) concerning future levels of sales and redemptions of Guardian’s products, investment spreads and yields, or the earnings and profitability of Guardian’s activities.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Guardian’s control and many of which are subject to change. These uncertainties and contingencies could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Guardian. Whether or not actual results differ materially from forward-looking statements may depend on numerous foreseeable and unforeseeable developments. Some may be national in scope, such as general economic conditions, changes in tax law and changes in interest rates. Some may be related to the insurance industry generally, such as pricing competition, regulatory developments and industry consolidation. Others may relate to Guardian specifically, such as credit, volatility and other risks associated with Guardian’s investment portfolio. Any forward-looking statements reflect Guardian’s views and assumptions as of the date of this presentation and Guardian disclaims any obligation to update forward-looking information, whether as a result of new information, future events, or otherwise.

# Guardian Life Funding-Agreement Backed Global Note Issuance Program

<b>Issuer</b>	Guardian Life Global Funding (Ticker: "GUARDN")
<b>Program Terms</b>	\$3 billion FA-backed GMTN program (144A / Reg S)
<b>Funding Agreement Issuer</b>	The Guardian Life Insurance Company of America ("Guardian")
<b>FA-Backed Notes Rating</b>	Moody's: Aa2   S&P: AA+
<b>Listing</b>	Euronext Dublin

# Plans for Funding Agreement-Backed Notes

## **Guardian established the Guardian Life Funding Agreement-Backed Notes program to leverage Guardian's industry reputation and investment capabilities**

- The program allows Guardian to grow its spread business by leveraging two core competencies, Guardian's high credit rating and the Investment Group's fundamental credit talent
- Guardian's considerable expertise in asset/liability and investment management, and strong financial flexibility provide a solid platform for utilizing a Funding Agreement backed program

## **Funding Agreements are managed similarly to Guardian's retail annuities**

- Investment assets purchased with proceeds are allocated in accordance with Guardian's existing investment guidelines and managed by existing fundamental credit teams
- Guardian's Funding Agreement program is overseen by the same asset liability management ("ALM") team as Guardian's other products

# Guardian Overview

**Founded in New York in 1860, Guardian provides life and disability insurance, employee benefits, retirement and investment products**

**Dividends paid to policyholders every year since 1868**

**Converted to a mutual company in 1925**

**4th largest mutual life insurance company in the U.S. as of December 31, 2019 based on surplus according to NAIC peer-compiled data**

- Surplus of \$7.6 billion as of December 31, 2019
- Total adjusted capital of \$9.3 billion as of December 31, 2019
- Total life insurance in-force of \$691.2 billion as of December 31, 2019

## **2 principal operating segments<sup>(a)</sup>**

- Individual Markets – Individual Life (\$4,287 million), Individual Disability (\$651 million), Individual Annuity (\$328 million)
- Group Benefits – Group Insurance (\$4,193 million)

## **Leading market positions**

- 5th largest writer of participating whole life insurance in the industry in 2019 according to LIMRA Sales Report
- BLICOA is a top 5 writer of Individual disability insurance according to the LIMRA Disability Income Sale Survey
- Dental business ranks first in in-force PPO cases according to 2019 LIMRA survey results

(a) 2019 consolidated statutory premium income  
Sources: NAIC, LIMRA, Statutory filings

# Guardian Investment Highlights

<b>Commitment to mutual status</b>	<ul style="list-style-type: none"> <li>▪ Long-term financial strength and stability and the payment of competitive dividends as primary objectives</li> <li>▪ Long view on investments free from short-term earnings pressures faced by publicly-traded life insurance peers</li> </ul>
<b>Diversified product portfolio</b>	<ul style="list-style-type: none"> <li>▪ Diversity of product portfolio allows focus on client needs</li> <li>▪ Provides diversification of earnings and reduces volatility in financial results</li> </ul>
<b>Industry-leading products</b>	<ul style="list-style-type: none"> <li>▪ 5<sup>th</sup> largest writer of participating whole life insurance, LIMRA 2019</li> <li>▪ High net worth customer base has resulted in larger average premiums per policy than most peers</li> <li>▪ Dental business ranks first in in-force PPO cases, LIMRA 2019</li> </ul>
<b>Highly productive career agent system</b>	<ul style="list-style-type: none"> <li>▪ Career agent system consists of over 2,500 active agents as of December 31, 2019 and enjoys one of the highest retention rates in the industry</li> <li>▪ Benefits include the commitment of career agents to the long-term protection of clients and the long-term financial success, financial strength and stability of Guardian</li> </ul>
<b>Strong balance sheet</b>	<ul style="list-style-type: none"> <li>▪ Strong financial strength and capitalization, with strong insurance financial strength / claims paying ability ratings and regulatory capital ratios in excess of required regulatory levels</li> <li>▪ Investment portfolio is conservative and well-diversified, with approximately 95% of fixed-income investments rated investment grade as of December 31, 2019</li> </ul>
<b>Long-term track record</b>	<ul style="list-style-type: none"> <li>▪ Strong and consistently profitable operating results with 2019 statutory net income of \$549 million</li> <li>▪ Net income and policyholder surplus increased at a CAGR of approximately 4.4% and 6.6%, respectively, from 2004 to 2019</li> </ul>
<b>Strong Enterprise Risk Management</b>	<ul style="list-style-type: none"> <li>▪ Strong risk management culture, internal controls and reporting and oversight system</li> <li>▪ Low product risk profile with focus on participating life insurance, annually renewable group insurance, and a conservative set of product guarantees</li> </ul>
<b>Accomplished and deep management</b>	<ul style="list-style-type: none"> <li>▪ Well-respected, seasoned executives with extensive experience in the industry and at Guardian</li> </ul>

# Experienced Management Team

Name	Age	Title	Insurance Industry & Financial Services Experience
Deanna M. Mulligan <sup>(a)</sup>	56	Director and Chief Executive Officer	34
Andrew J. McMahon <sup>(a)</sup>	52	President	31
Kevin Molloy	49	EVP, Chief Financial Officer	22
Jean LaTorre	56	EVP, Chief Investment Officer	28
Michael N. Ferik	47	EVP, Individual Markets	25
Christopher B. Smith	51	SVP, Group Benefits	27
Kermitt J. Brooks <sup>(b)</sup>	56	EVP, General Counsel	14
Dean Del Vecchio	53	EVP, Chief of Operations and Chief Information Officer	23 <sup>(c)</sup>
Brian L. Scanlon	47	EVP, Strategy, Business Development, Marketing and Communications	10

Note: Ages as of May 5, 2020

(a) CEO Deanna M. Mulligan will retire at year end and will be succeeded by Andrew J. McMahon

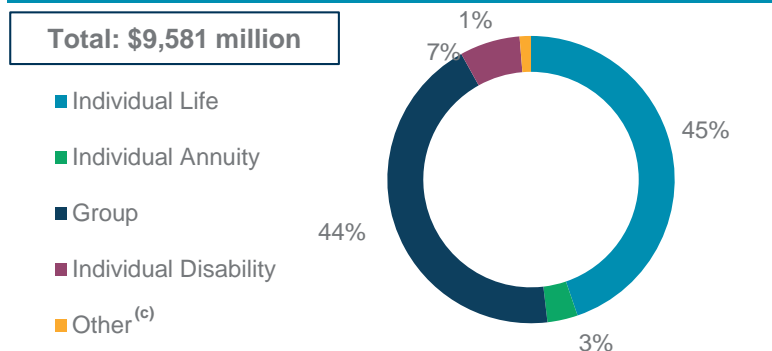
(b) Kermitt J. Brooks will assume the position of General Counsel effective May 4, 2020

(c) Dean Del Vecchio has 31 years of cumulative technology experience

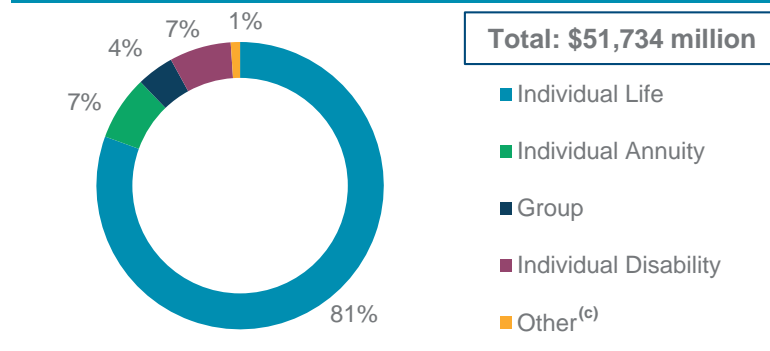
# Guardian Business Profile

	Individual Markets			Group Benefits
	Individual Life	Individual Disability	Interest Savings Products	Group Insurance
Products	<ul style="list-style-type: none"> <li>• Whole Life</li> <li>• Term Life</li> <li>• Universal Life</li> <li>• Variable Universal Life</li> </ul>	<ul style="list-style-type: none"> <li>• Individual Disability</li> <li>• Multi-Life Disability Income</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed Annuities</li> <li>• Variables Annuities</li> <li>• Wealth Management</li> </ul>	<ul style="list-style-type: none"> <li>• Dental</li> <li>• Short- and Long-Term Disability</li> <li>• Life and AD&amp;D</li> <li>• Absence Management Administration</li> <li>• Vision</li> <li>• Critical Illness</li> <li>• Accident</li> <li>• Cancer</li> </ul>
Target Markets	<ul style="list-style-type: none"> <li>• Small Business Owners</li> <li>• Affluent Professionals</li> <li>• Executives</li> </ul>	<ul style="list-style-type: none"> <li>• Small Business Owners</li> <li>• Affluent Professionals</li> <li>• Executives</li> </ul>	<ul style="list-style-type: none"> <li>• Professionals</li> <li>• Executives</li> <li>• Affluent and Emerging Affluent Individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Employer Groups</li> <li>• Government Programs</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>• 48 General Agencies and Guardian-managed agencies</li> <li>• Over 2,500 Career Agents</li> <li>• Brokers</li> </ul>	<ul style="list-style-type: none"> <li>• Career Agents</li> <li>• Brokers</li> </ul>	<ul style="list-style-type: none"> <li>• Fidelity</li> <li>• Career Agents</li> <li>• Brokers</li> <li>• Wholesalers</li> </ul>	<ul style="list-style-type: none"> <li>• Over 300 Group Sales Representatives</li> <li>• Nearly 14,000 Active Group Brokers and Benefit Consultants</li> </ul>

## 2019 Consolidated premium income<sup>(a)</sup>



## 2019 Consolidated statutory reserves<sup>(b)</sup>



(a) Premium income is net of reinsurance. The total consolidates financial information from statutory financial statements of Guardian (parent company), BLICOA and GIAC (subsidiaries), and GAAP financial statements of FCW and GIS (subsidiaries)

(b) Reflects general account reserves only (excludes separate account reserves)

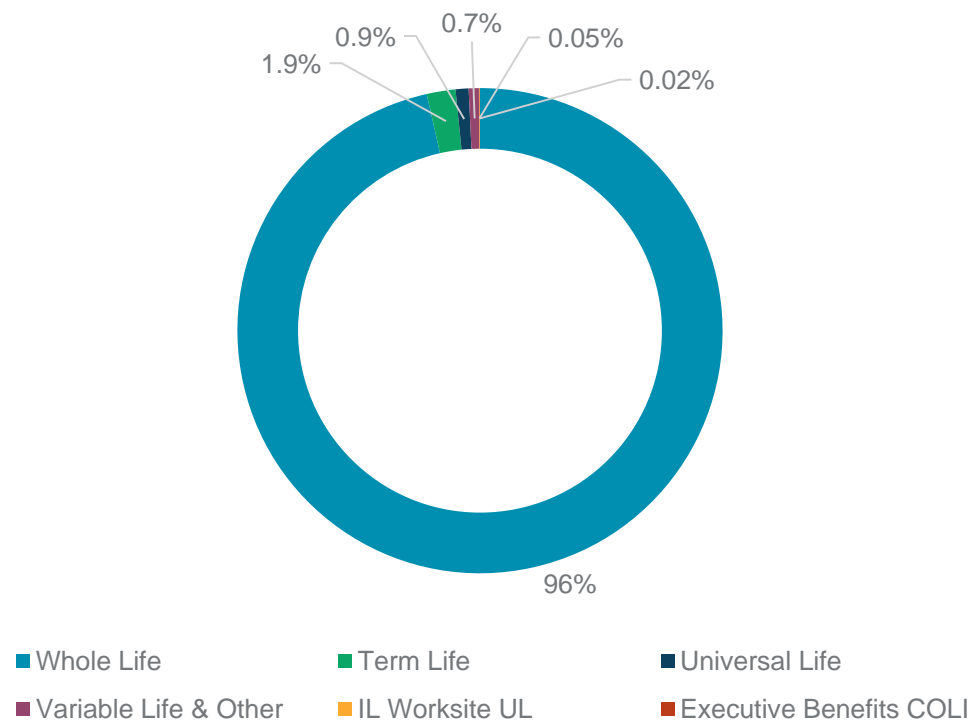
(c) As a result of reporting changes in 2017, Retirement Products and Services is reported as part of Other. During 2019, GIAC completed novation of certain Group 401(k) contracts with Ameritas through assumption reinsurance



# Individual Market

## Individual Life

### 2019 business mix by premium income



Total premium income<sup>(a)</sup>: \$4,287 million

(a) Premium income is net of reinsurance  
(b) According to the 2019 LIMRA Sales Report

### Description

#### Key products

- Participating Whole Life (96% of individual life product segment premium income in 2019)
- Term Life

#### Distribution model

- Highly trained, productive career agent network
- Growing brokerage business for participating products

#### Strategy

- Continue focus on Whole Life business while maintaining diversified product portfolio to meet wide array of needs
- Target affluent and emerging affluent market segments including professionals, business owners, small- and mid-sized businesses, corporations, banks, principals and partners
- Invest substantially to enable career agent network to more effectively run their businesses and better serve customers

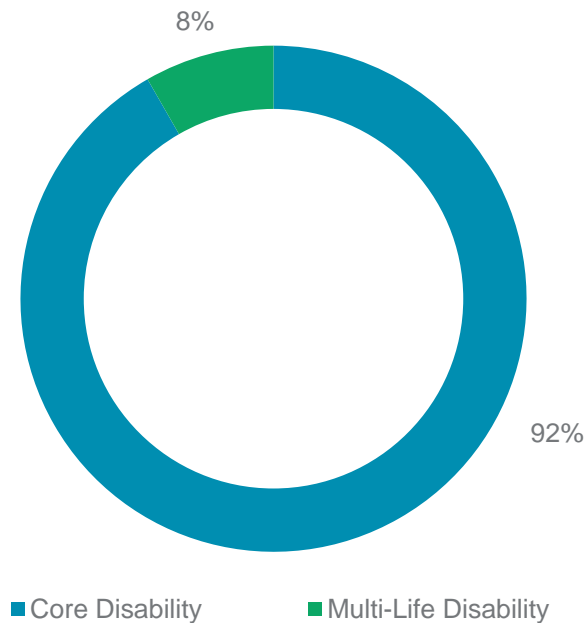
#### Market position

- 5th largest writer of participating whole life insurance; Guardian's average whole life only premium per policy was more than 1.5x their peer group's average<sup>(b)</sup>

# Individual Market

## Individual Disability

### 2019 business mix by premium income



Total premium income<sup>(a)</sup>: \$651 million

(a) Premium income is net of reinsurance

### Description

#### Key products

- Individual Disability
- Multi-Life Disability (introduced in 2007)

#### Distribution model

- Career agent network and brokers
- Wholesalers for Multi-Life

#### Strategy

- Focus on small business owners, professionals and executives
- Multi-Life plans for measured growth
- Maintain outsourcing / reinsurance model for long-term care; long-term care block is in runoff

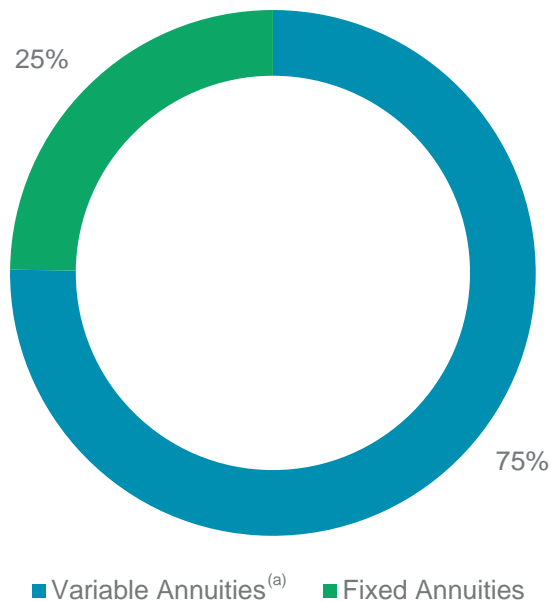
#### Market position

- BLICOA is a top 5 writer of individual disability insurance

# Individual Market

## Individual Annuity

2019 business mix by AUM



Total YE 2019 AUM: \$12.9 billion

(a) Exited Variables Annuities with living benefit riders in 2017

## Description

### Key products

- **Annuities** – single premium deferred and immediate fixed annuities, variable annuities

### Distribution model

- **Annuities** – fixed annuities sold through GIAC's wholesaling force and third-party registered broker-dealers; variable annuities are distributed primarily through Park Avenue Securities, a registered broker-dealer that Guardian indirectly wholly owns

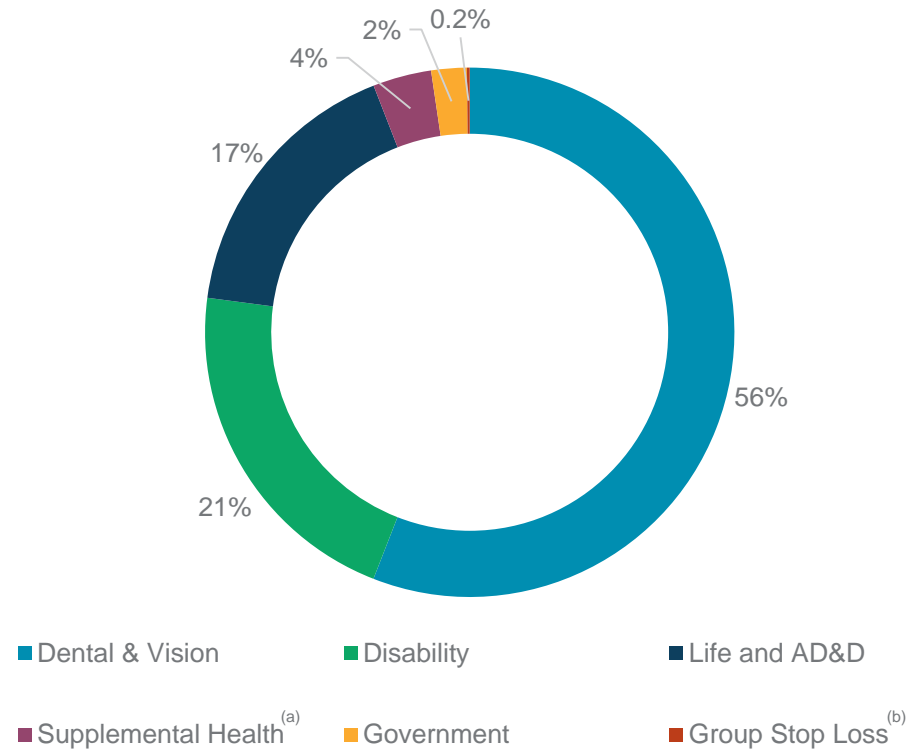
### Strategy

- Maintain strong penetration in our career agencies while capturing increasing share of select independent distribution
- Manage product portfolio to remain competitive and profitable while continuing to support customers' needs for guaranteed income for life

# Group Benefits

## Group Insurance

### 2019 business mix by premium income



Total premium income<sup>(c)</sup>: \$4,193 million

(a) Medical product not offered since 2011  
 (b) Group Stop Loss in runoff since 2018  
 (c) Premium income is net of reinsurance  
 (d) DHMO products are marketed in California, Florida, Illinois, Indiana, Michigan, Missouri, New Jersey, New York, Ohio, Colorado and Texas

### Description

#### Key products

- **Dental** – PPO and Dental HMO plans offered throughout the United States<sup>(d)</sup>
- **Disability** – long and short-term
- **Life** – death benefit for a fixed period
- **Vision** – Primarily a PPO product that provides comprehensive benefits
- **Supplemental Health** – Accident, Critical Illness and Hospital Indemnity products

#### Distribution model

- Long-term relationships with independent brokers through highly trained sales reps and benefit advisors
- Currently over 300 group sales professionals and nearly 14,000 brokers with in-force group insurance product business

#### Strategy

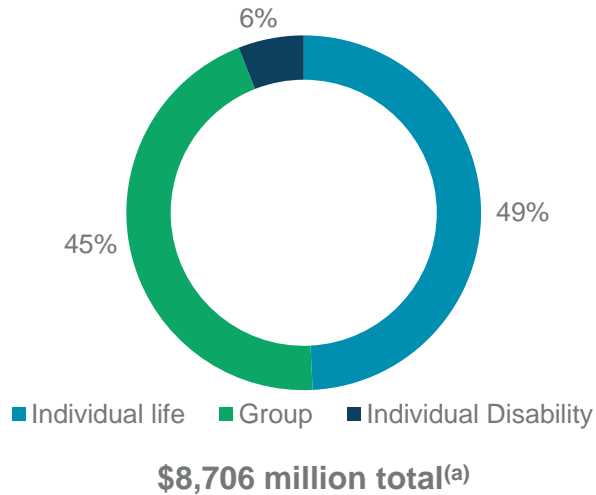
- Focus on employers with up to 10,000 employees
- Expand leading presence in dental insurance, maintain presence in life insurance and disability
- Ongoing focus on high quality customer service, product leadership, and tenured sales force
- Majority of the business is re-priceable annually

#### Market position

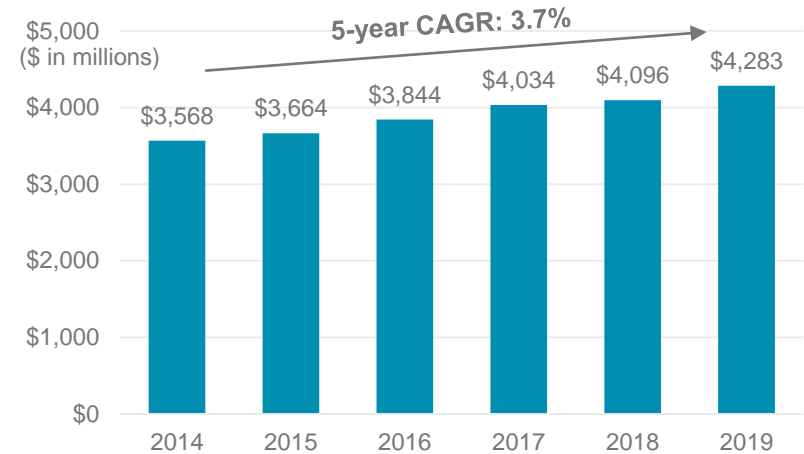
- Dental business ranks first in in-force PPO cases according to 2019 LIMRA survey results

# The Guardian Life Insurance Company of America (“GLIC”) Parent Company Statutory Premium Income

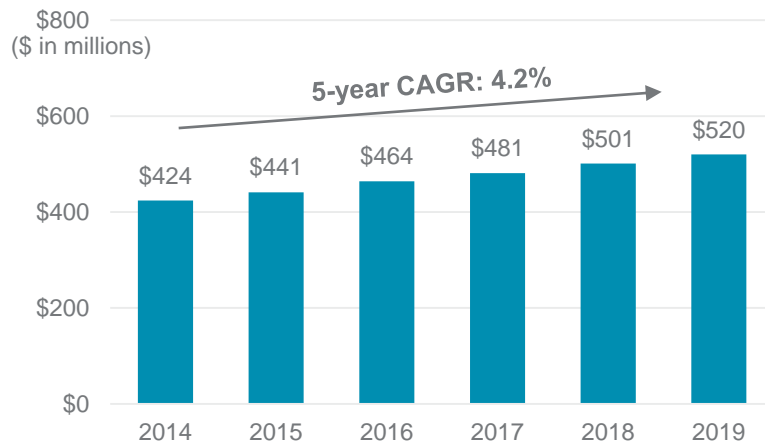
## 2019 statutory premium income



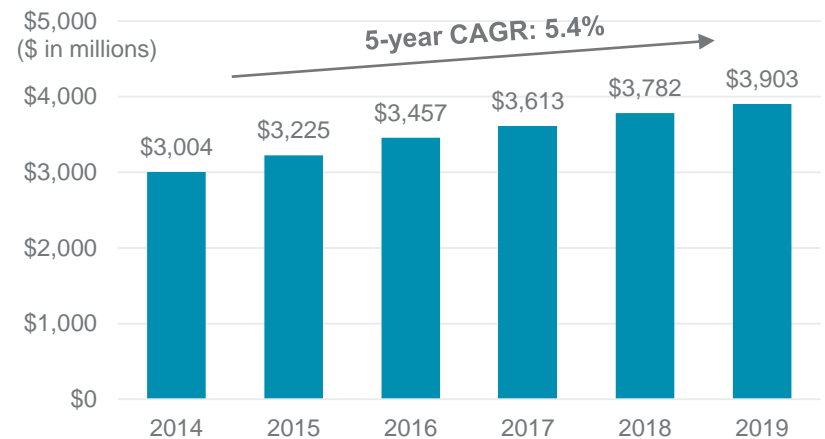
## Individual Life statutory premium income



## Individual Disability statutory premium income<sup>(b)</sup>



## Group Benefits



Note: Statutory financials for parent company level, unless otherwise stated

(a) Excludes \$31 million of reinsurance premium income

(b) BLICOA sells all individual disability income insurance products and has a reinsurance treaty with Guardian where Guardian assumes 80% of BLICOA's net individual disability business

# Guardian Investment Portfolio Objectives

## Guiding principles

- Competitive policyholder dividends
  - Strategic asset allocation
  - Tactical execution
  - Investment results

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- Protecting capital and financial strength ratings
  - Effective risk management
  - Achieving return objectives within risk constraints

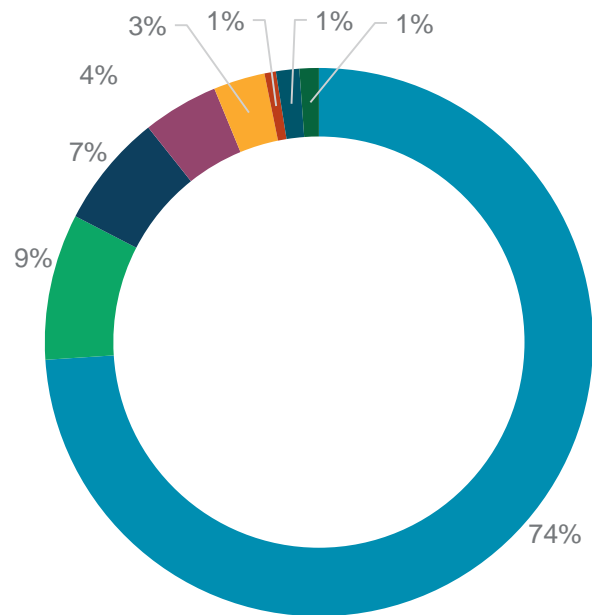
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- Product support
  - Asset liability management (ALM)
  - New products – pricing, hedging

## Investment guidelines

- Well-diversified portfolios with risk limits
- Dynamic hedging program protects capital
- Actively manage credit and portfolio risks
- Conduct independent research
- Constantly identify and manage emerging risks
- Strong risk management culture, controls, reporting and oversight
- Experienced asset class specialists

# High Quality Investment Portfolio

## Invested assets by type



- Bonds
- Mortgage loans
- Policy loans
- Partnerships & LLCs
- Affiliated and unaffiliated equity<sup>(a)</sup>
- Real estate
- Cash, Cash Equiv., & ST investments
- Derivatives & Other invested assets<sup>(b)</sup>

**\$56.6 billion total**

## Highlights

- Strong fixed income credit quality
- Approximately 95% of bond portfolio rated investment grade (NAIC 1 or 2 designation of 60.5% and 34.4%, respectively)
- Low LTV mortgage loan portfolio (nearly entire portfolio in mortgage loans under 70% LTV)
- Over 97% of structured securities have NAIC 1 designation

Note: Financials as of December 31, 2019 unless otherwise noted. Percentages may not sum to 100% due to rounding

(a) Unaffiliated equity = 0.9%

(b) Other invested assets consist primarily of receivables from broker on securities and investments in surplus note debentures of other insurance companies

# Recent Initiatives

## Assets Under Management Strategic Growth Initiatives

- Guardian continues to build out its institutional asset management capabilities under its wholly-owned subsidiary, Guardian Investor Services, including the acquisition of a majority interest in Broadshore Capital Partners LLC, a national real estate investment management company
- Expansion of commitment for the CLO business

## Issuance of Surplus Notes

- On January 22, 2020, the Company issued Surplus Notes (“2020 Notes”) with a principal balance of \$300 million, bearing interest at 3.700% and a maturity date of January 22, 2070

## CLO Special Purpose Vehicles

- On May 9, 2019, the fourth collateralized loan obligation special purpose vehicle (“CLO”) managed by Park Avenue Institutional Advisors (“PAIA”) issued \$399 million in equity and debt instruments, of which Guardian purchased \$33 million in equity
- On October 15, 2019, the fifth CLO managed by PAIA issued \$400 million in equity and debt instruments, of which Guardian purchased \$35 million in equity

## Technology Initiatives and Investment

- AI and automation, big data and analytics, strategic investments, cloud

## Re-Branding and Marketing Campaign

## Recent Appointments

- Jean LaTorre has assumed the position of EVP, Chief Investment Officer of Guardian effective February 2020, after joining Guardian as an EVP December 2019
- Brian L. Scanlon has assumed the position of EVP, Strategy Business Development, Marketing & Communications effective April 2020, previously serving EVP, Group Benefits
- Christopher B. Smith has assumed the position of SVP, Group Benefits effective April 2020, previously serving as SVP, Head of Enterprise Service and Operations
- Kermitt J. Brooks will assume the position of General Counsel, effective May 4, 2020



# Financial Priorities

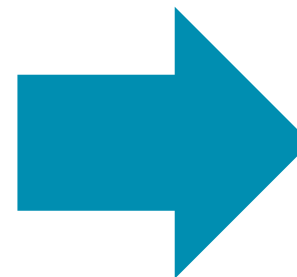
- 1 Preservation of capital and ratings
- 2 Enterprise risk management
- 3 Profitable growth
- 4 Productivity and expense management
- 5 Continued investment in business

# 1

# Preservation of Capital and Ratings

## Strong, Conservative Balance Sheet

Total surplus	\$7.6 billion
Total adjusted capital	\$9.3 billion
Surplus notes (as % of TAC)	\$1.2 billion <sup>(a)</sup> (13.0%)
Invested assets	\$56.6 billion
Senior debt	\$0.0 billion



### Key takeaways

- Excellent financial strength
- Very high investment liquidity
- Very low leverage

Note: Financials as of December 31, 2019

Source: Statutory filings

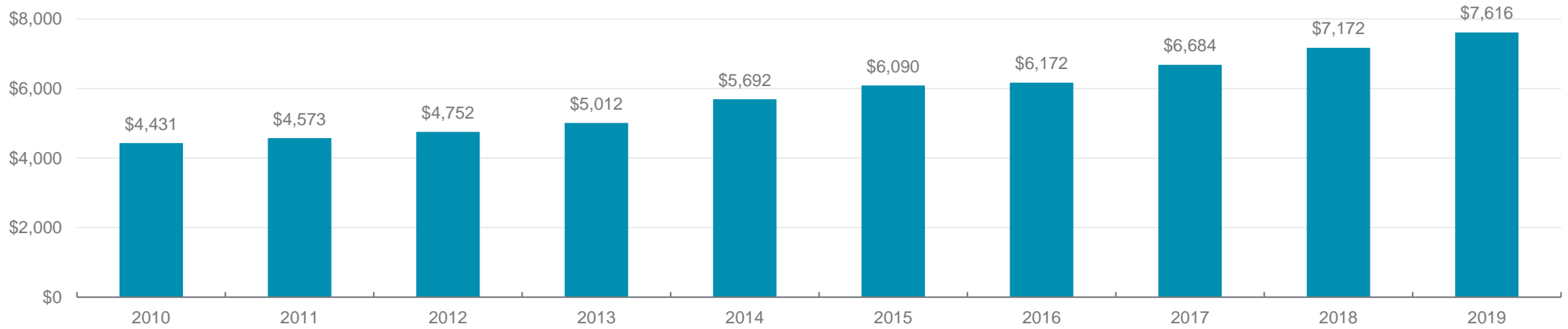
(a) On January 22, 2020, the Company issued Surplus Notes with a principal balance of \$300 million, bearing interest at 3.700% and a maturity date of January 22, 2070

# 1

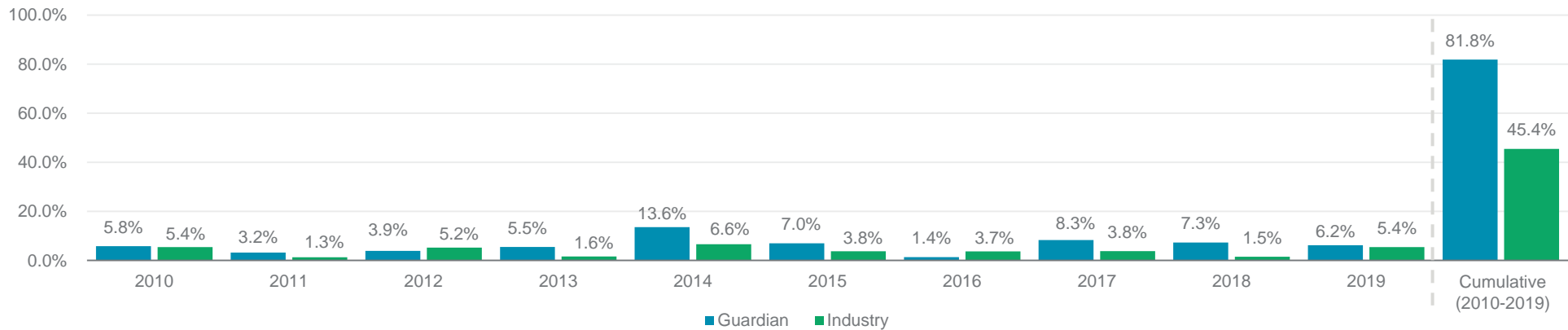
# Preservation of Capital and Ratings

## Proven Ability to Grow Capital

Total surplus (\$ in millions)



Increase in total surplus over time



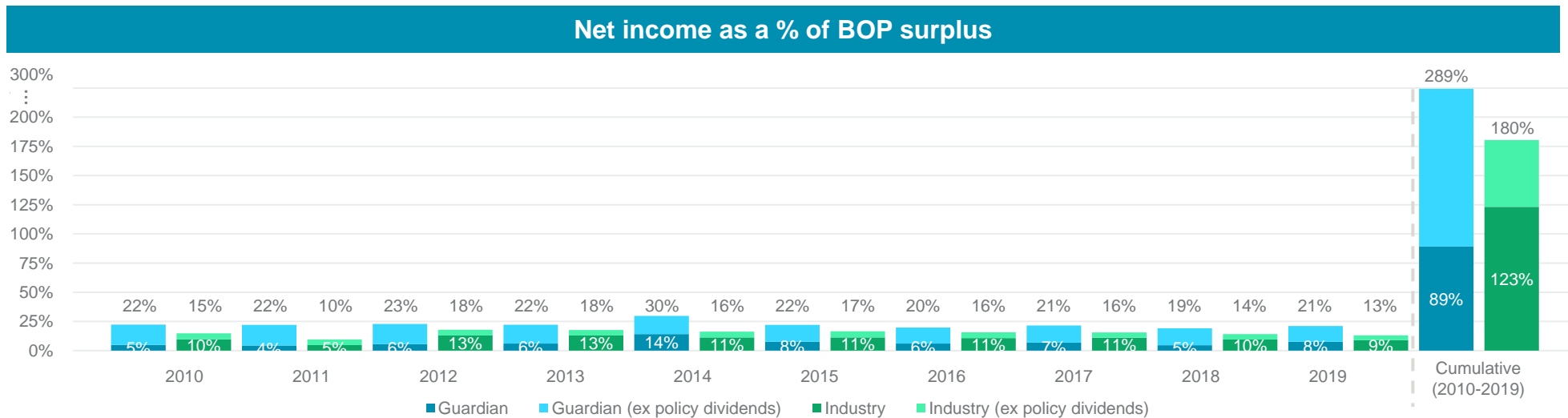
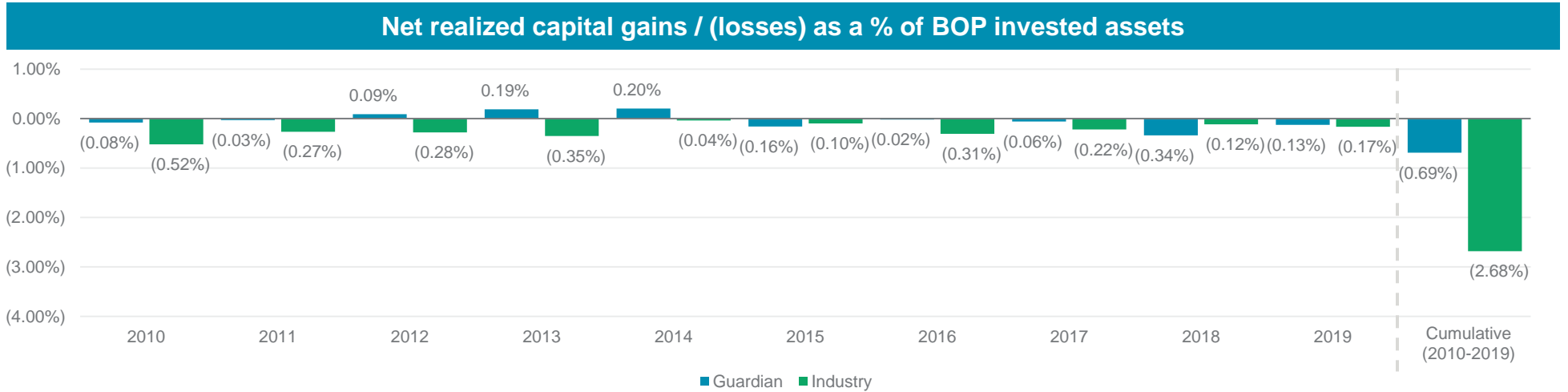
Note: Growth in surplus includes issuance of surplus notes in 2009, 2014, and 2017. Cumulative increase in surplus is from beginning of 2010 to end of 2019. "Industry" comprises all life insurance underwriters domiciled in the U.S. that file statutory reports with NAIC

Source: SNL Financial (2019 Q4)

# 1

# Preservation of Capital and Ratings

## Proven Ability to Withstand Stress Scenarios



Note: Growth in surplus includes issuance of surplus notes in 2009 and 2014. "Industry" comprises all life insurance underwriters domiciled in the U.S. that file statutory reports with NAIC  
 Source: SNL Financial (2019Q4)

# 1

## Preservation of Capital and Ratings

### Consistently Top-Tier Financial Strength Ratings

Agency	Current	
	Guardian Financial Strength	Outlook
A.M. Best	A++ (Superior – highest of 15 ratings) Upgraded in November 2008 from A+	Stable
Fitch	AA+ (Very Strong – 2nd highest of 21 ratings) Upgraded in October 2007 from AA	Stable
Moody's	Aa2 (Excellent – 3rd highest of 21 ratings) Since 2003	Stable
S&P	AA+ (Very Strong – 2nd highest of 22 ratings) Upgraded in July 2008 from AA	Stable

- Guardian's ratings profile has been strong across all rating agencies over the last 10+ years

# 2

# Enterprise Risk Management

## Low Enterprise Risk Profile

### Guardian Risk Profile

- Very low product risk profile
  - Participating life insurance
  - Annual renewal of Group Benefits products
  - Conservative set of product guarantees
- Well managed investment portfolio
  - Diversified investments within asset classes
  - Avoided structured finance securities that were adversely impacted during the credit crisis
  - Dynamic hedging program protects capital
  - Strong focus on asset liability management
- Very low liquidity and withdrawal risks
- Very strong capital position
- Demonstrated willingness and ability to change course if risks dictate; as evidenced by exit from long-term care, medical products, Executive Benefits – COLI, stop loss and dental support organization business; and restrained Variable Annuity sales (exited from Variable Annuities with Living Benefit riders as of March 31, 2017)

### Managing Risks in Evolving Business and Regulatory Environments

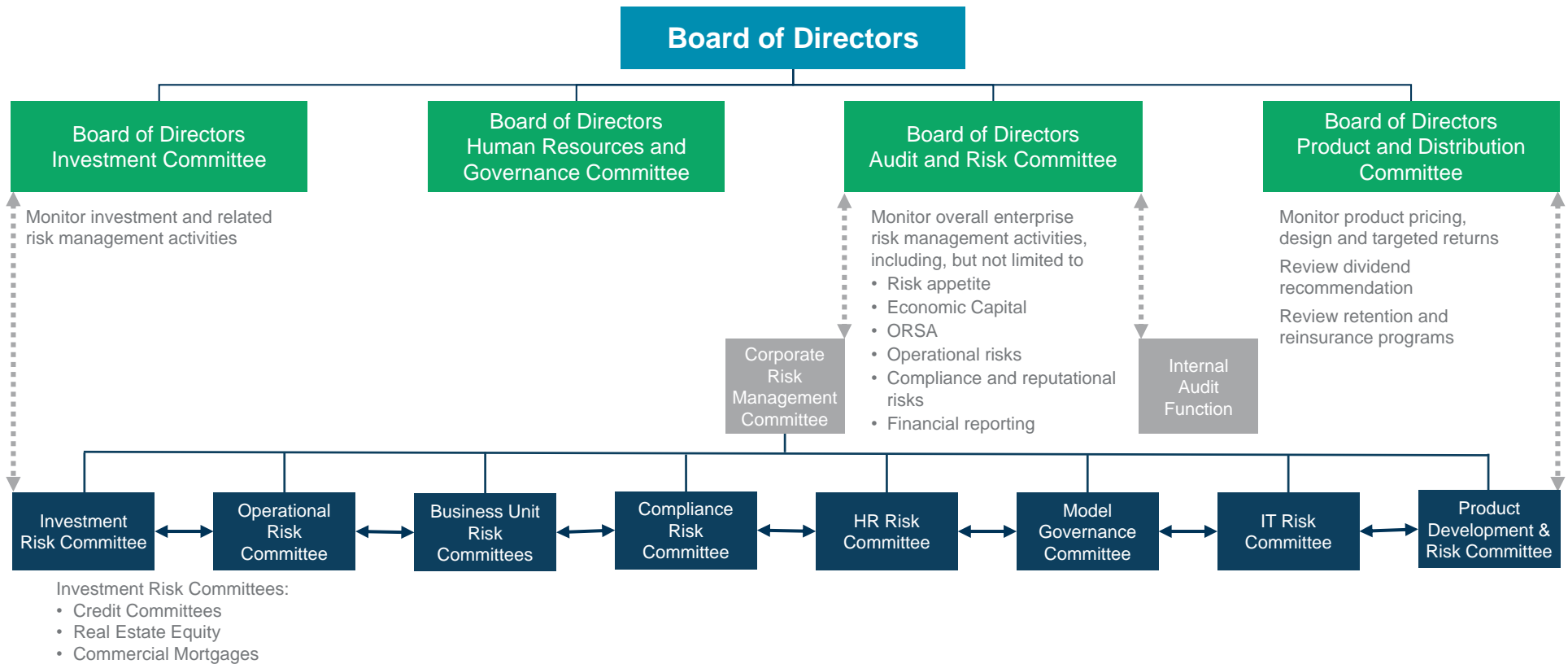
- Investments: Proactively reducing credit risk in anticipation of credit cycle turning
- Stress Testing: Enhanced focus and updates to stress scenarios to reflect changing market and economic conditions
- Insure Tech: Leveraging new technology, big-data analytics and AI to enhance risk assessment along with risk oversight of product development
- Cyber-security: Prioritized governance and strengthened controls over IT and Cyber-Security risks

# 2

# Enterprise Risk Management

## Formal Risk Governance Structure

Guardian has a formal risk governance and organizational structure to monitor and manage enterprise risk with assigned responsibilities

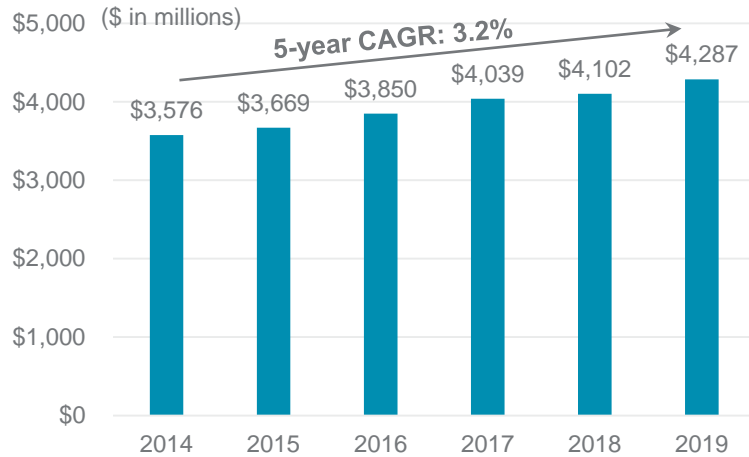


# 3

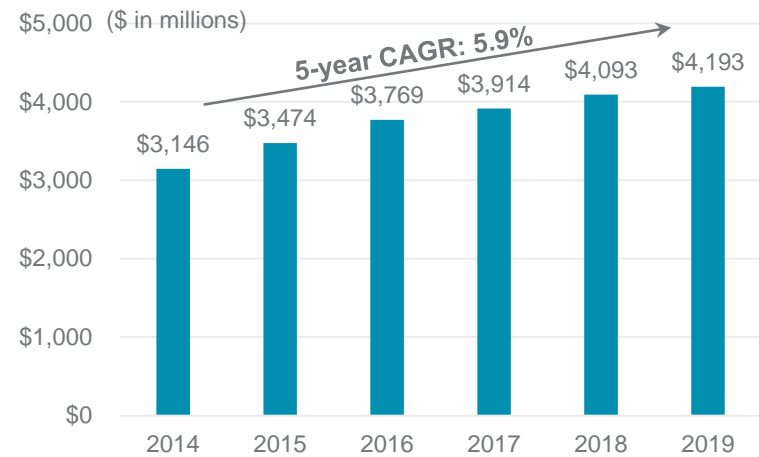
## Profitable Growth

### Premium / Assets Under Management Growth

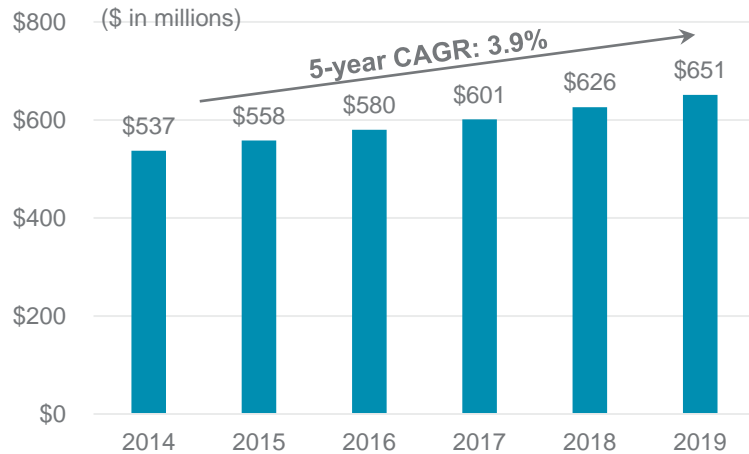
#### Individual Life



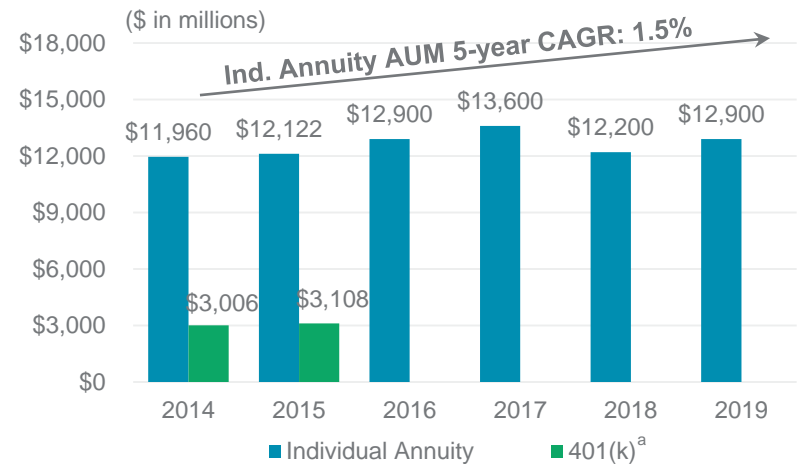
#### Group Benefits



#### Individual Disability



#### Individual Annuity (AUM)



(a) 401(k) business was sold in 2016



# 3

## Profitable Growth Increased Capital Generation

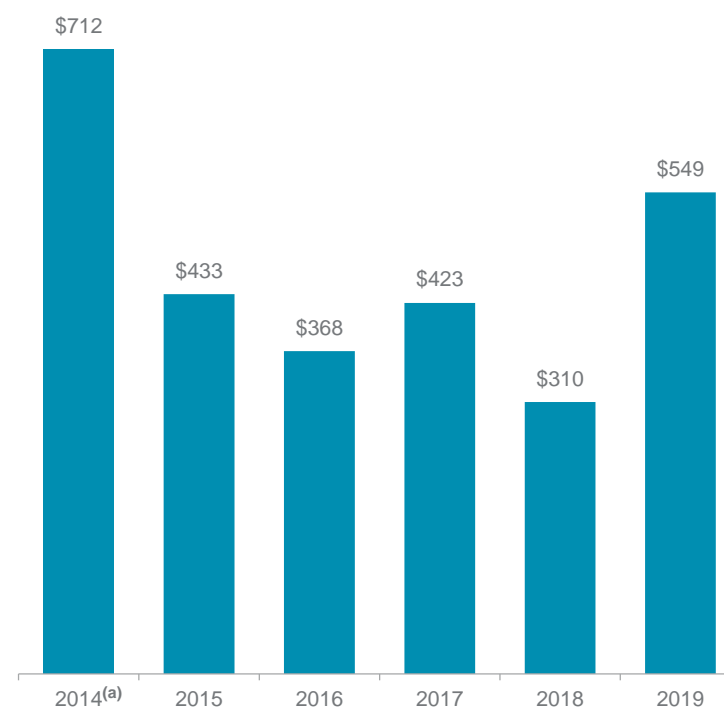
(\$ in millions)	Year ended December 31,					
	2014	2015	2016	2017	2018	2019
Premiums	\$6,999	\$7,334	\$7,768	\$8,112	\$8,381	\$8,737
Net investment income	2,146 <sup>(a)</sup>	1,985	2,052	2,106	2,132	2,304
Other income <sup>(b)</sup>	397	376	421	441	344	431
<b>Total revenue</b>	<b>\$9,542</b>	<b>\$9,695</b>	<b>\$10,241</b>	<b>\$10,659</b>	<b>\$10,857</b>	<b>\$11,472</b>
Benefit payments to policyholders	3,858	4,104	4,293	4,449	4,535	5,055
Total benefits and expenses	8,027	8,289	8,885	9,241	9,461	10,006
<b>Gain from operations before taxes and dividends</b>	<b>\$1,515</b>	<b>\$1,406</b>	<b>\$1,356</b>	<b>\$1,418</b>	<b>\$1,396</b>	<b>\$1,466</b>
<b>Net income</b>	<b>\$712</b>	<b>\$433</b>	<b>\$368</b>	<b>\$423</b>	<b>\$310</b>	<b>\$549</b>

Note: Statutory financials for parent company level

(a) Includes BLICOA dividend in 2014 of \$304 million

(b) Includes Amortization of IMR, which was \$53 million, \$74 million, and \$99 million for the years ending 2019, 2018, and 2017 respectively

### Statutory Net Income



# 4 Productivity and Expense Management

**Guardian's profitability has been consistently above peer mutual average, while the company continues efforts to reduce expenses and invest in profitable growth areas**

**Guardian performed favorably in 2019 compared to its main competitors (Northwestern Mutual, New York Life, MassMutual):**

- #2 in ROC pre-tax before dividend with 19.8% in 2019 (vs. peer average of 17.1%)
- #1 in ROC pre-tax after dividend with 6.7% in 2019 (vs. peer average of 2.1%)
- #1 in ROA pre-tax before dividend with 2.4% in 2019 (vs. peer average of 1.5%)
- #1 in ROA pre-tax after dividend with 0.8% in 2019 (vs. peer average of 0.2%)
- #1 in pre-tax Operating Income as percentage of premium after dividend with 6.4% in 2018 (vs. peer average of 2.8%)

**Expense ratios<sup>(a)</sup> for Guardian's core business were in line with or better than peer mutual average in 2019**

- Individual Life: 18.3% (ranks #2, peer average: 20.4%)

(a) Expense ratios include general insurance expenses and commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).  
Source: SNL Financial

# 5

## Continued Investment in Business

### Continued investments to grow and increase distribution productivity and capacity

<b>Group Benefits</b>	<ul style="list-style-type: none"> <li>Investing resources to expand group employee benefits business that is capital-light and generates a non-interest rate sensitive revenue stream</li> <li>Strategy to grow faster than the market by enhancing our customer experience, maintaining top tier shelf with distribution partners and expansion through technology enabled distribution platforms, expanding market reach into the worksite markets, and operating efficiencies through integrated teams for combination sales of Disability and Absence Management products</li> </ul>
<b>Distribution</b>	<ul style="list-style-type: none"> <li>Invested significant resources in expanding and strengthening our distribution, including expansion into the worksite market, and facilitating the succession of general agencies</li> <li>Continue to expand our digital direct to consumer strategy to complement our traditional General Agency system and expand our reach to new customers</li> <li>Management team remains committed to distribution excellence to generate profitable growth for the company</li> </ul>
<b>Client service</b>	<ul style="list-style-type: none"> <li>Specific customer segments are targeted via appropriate channels, leveraging technology to deliver products and service more efficiently</li> <li>Remain committed to providing superior service that has been recognized by such organizations as J.D. Power and DALBAR</li> </ul>
<b>Technology Initiatives</b>	<ul style="list-style-type: none"> <li>Fully implement artificial intelligence, machine learning and robotic process automation across businesses</li> <li>Big data and analytics</li> </ul>

### Acquisitions that expand service platform and strengthen Guardian's ability to deliver key products and services

<b>Aon Hewitt's absence-management admin business (Dec 2015)</b>	<ul style="list-style-type: none"> <li>The Acquisition of Aon Hewitt's absence- management admin business makes Reed Group a leading absence management services provider - the largest exclusive absence management provider and the second largest third party administrator</li> </ul>
<b>Broadshore Capital Partners (Jan 2019)</b>	<ul style="list-style-type: none"> <li>Further expanded our real estate assets under management strategic growth initiative by acquiring a majority interest in Broadshore Capital Partners LLC, a national real estate investment management company</li> <li>Natural progression of Guardian's 2010 investment in Broadshore to increase fee-based, non-interest rate sensitive revenue stream</li> </ul>

# Investment Summary

- ✓ Commitment to mutual status with long-term, profitable track record
- ✓ Accomplished and deep management
- ✓ Diversified and industry-leading product portfolio
- ✓ Highly productive career agent system
- ✓ Solid, conservative balance sheet
- ✓ High quality investment portfolio
- ✓ Strong enterprise risk management
- ✓ Consistently top-tier financial strength ratings

**Additional Financial Information**

# Appendix

# Financial Summary

(\$ in Millions)	2014	2015	2016	2017	2018	2019
<b>Selected Income Statement Data</b>						
Premiums, Annuity Considerations and Fund Deposits	\$6,999	\$7,334	\$7,768	\$8,112	\$8,381	\$8,737
Net Investment Income	2,146	1,985	2,052	2,106	2,132	2,304
Total Revenue	9,542	9,695	10,241	10,659	10,857	11,472
Total Benefits and Expenses	8,027	8,289	8,885	9,241	9,461	10,006
Net Income	712	433	368	423	310	549
<b>Selected Balance Sheet Data</b>						
Total Invested Assets	\$40,633	\$43,180	\$46,919	\$50,455	\$53,070	\$56,602
Total Assets	45,296	48,121	51,884	55,569	58,489	62,205
Reserves for Policy Benefits	34,856	37,031	39,369	41,778	44,258	46,532
Surplus Notes	845	845	845	1,197	1,198	1,199
Total Surplus	5,692	6,090	6,172	6,684	7,172	7,616

Note: Statutory financials for parent company level  
Source: Statutory filings, SNL Financial

 Guardian®

