

2023 Dividend Schedule Questions & Answers

For Use in Responding to Inquiries

1. What is MassMutual's dividend schedule for 2023?

MassMutual has announced an estimated 2023 dividend payout of \$1.9 billion to eligible participating policyowners, the highest payout in our 171-year history and reflecting a 6.00% dividend interest rate (DIR).

The dividend and dividend interest rate (DIR) are determined annually, subject to change and are not guaranteed. Dividends for eligible participating life insurance policies primarily consist of investment, mortality and expense components. The DIR is used to determine the investment component of the dividend. It is not the rate of return on the policy and should not be the sole basis for comparing insurers or policy performance.

2. How will this impact MassMutual's position relative to other companies?

With the 2023 estimated payout we expect MassMutual will deliver a leading DIR among our core mutual competitors for the 17th consecutive year – a period in which we will have paid nearly \$26 billion in dividends to our policyowners.

Together with our dedicated financial professionals, our broad product portfolio with solutions for each stage of life, and a personalized digital experience that we are constantly enhancing, we are well-positioned to help people navigate these challenging times – and help millions more secure their future and protect the ones they love.

3. How is MassMutual positioned for the long-term?

- With the 2023 estimated payout, we expect MassMutual will deliver a leading DIR among our core mutual competitors for the 17th consecutive year – a period in which we will have paid nearly \$26 billion in dividends to our policyowners.
- During that same time, we have significantly grown our business while delivering ongoing value to our policyowners.
 - **Established ourselves as a whole life leader, doubling the industry growth rate.** We have grown our whole life sales at 12% while the industry has grown at 6%, making us the No. 2 writer of whole life.¹
 - **More than doubled our protection in force to \$918 billion.**² We have helped more people protect their families and loved ones, creating financial security and confidence in a highly uncertain world.
 - **More than tripled our total adjusted capital to over \$33 billion.**² We have enhanced our financial strength and flexibility as we continue to invest in our growth and provide a better experience for our policyowners.

- **Paid more than \$65 billion in benefits.**² Above all, we have delivered on our commitments, whether it was helping families endure the financial loss of a loved one, allowing workers recovering from an accident or illness without financial stress, or enabling people to live their retirement dreams.

4. **The dividend interest rate remained the same compared to 2022, but my/my client's dividend is different than it was last year. Why is that?**

The dividend interest rate is only one factor considered in setting a dividend schedule. A policy's dividend is derived primarily from three sources: investment, mortality and expense experience. Dividends vary by a number of factors, including policy series, issue age, policy year, gender, policy loan rate and underwriting class, as well as changes in experience – and therefore can fluctuate year over year.

It's important to note that the dividend and dividend interest rate (DIR) are determined annually, subject to change and are not guaranteed. The DIR is used to determine the investment component of the dividend. It is not the rate of return on the policy and should not be the sole basis for comparing insurers or policy performance.

5. **MassMutual has historically talked about its ownership of other strategic businesses as a strategic differentiator. What does the 2023 dividend schedule say about the performance of these businesses?**

Our 2023 dividend payout is a strong, prudent statement of our strength and stability in a highly challenging and uncertain economic environment. For example, we've seen the worst first half for the equity markets since 1970, and 2022 was the first time the S&P 500 declined for three straight quarters since the financial crisis in 2009. While the 10-year U.S. Treasury yield has risen this year due to the Federal Reserve's efforts to tamp down inflation, rates remain highly volatile, with swings of up to 80 basis points occurring within weeks of each other – and even 20 basis points in a single day.

- While these dynamics have fueled an overall economic slowdown, offsetting some of these pressures are our excellent overall operating fundamentals and our portfolio of strategic businesses and investments, which continues to be a distinct competitive advantage for MassMutual.
- This broad and diverse portfolio – including our non-participating insurance businesses and our ownership interests in global asset management and other strategic investments – continues to generate steady earnings in a range of economic conditions. These include:
 - Excellent annuity sales, which are up significantly in 2022 across channels – including MassMutual Financial Advisors and MassMutual Strategic Distributors –

as consumers seek stable lifetime income solutions from financially strong companies like ours.

- Strong growth from our Institutional Solutions channel, where our mutual structure, financial strength, market expertise, and long-term investment approach help us meet the needs of entities and institutions of varying sizes and industries.
- Continued top line growth from MassMutual Ascend³, reflecting its excellent competitive position with fixed and fixed indexed annuities in the bank channel.

6. With interest rates rising, why is our DIR unchanged for 2023?

While the 10-year U.S. Treasury yield – the most widely watched interest rate benchmark tied to many financial products and loans – has risen this year due to the Federal Reserve's efforts to tamp down inflation, rates remain highly volatile, with swings of up to 80 basis points occurring within weeks of each other – and even 20 basis points in a single day.

In addition, while the rise in interest rates enables the company to reinvest maturing investments into higher new money rates, the assets backing our whole life policies also tend to be longer in duration, so the benefits of reinvesting in higher rates are realized over time.

Therefore, maintaining a 6.00% dividend interest rate¹ (DIR) for the 2023 payout reflects our long-term commitment to providing a competitive dividend to our eligible participating policyowners and is a strong, prudent statement of our strength and stability in a highly challenging and uncertain economic environment.

¹LIMRA U.S. Retail Life Insurance Sales Survey, Q2 2022

²As of June 30, 2022.

³Registered index-linked annuities (RILAs) are issued by MassMutual Ascend, a wholly owned subsidiary of MassMutual. All guarantees are subject to the claims-paying ability of MassMutual Ascend.