FGL Holdings Earnings Review

First Quarter 2018

May 10, 2018

Legal Disclosures

- All data in this presentation are as of March 31, 2018, unless stated otherwise.
- As a result of its November 30, 2017 merger with CF Corp., F&G applied the acquisition method of accounting (purchase accounting or PGAAP) in 4Q17, including the initial recognition of most of the company's assets and liabilities at fair value and other merger related effects.
- F&G updated its Adjusted Operating Income (AOI) definition as to remove the residual impacts of fair value accounting on its FIA products, including gains and losses on derivatives hedging those policies. Management believes the revised measure enhances the understanding of the business, post-merger and is more useful and relevant to investors as compared to the previous definition which eliminated only the effects of changes in the interest rates used to discount the FIA embedded derivative. The revised definition of AOI appears in the Appendix.
- Caution regarding forward-looking statements:
  - This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of F&G's management and the management of its subsidiaries.
  - Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues," "outlook" or similar expressions. Factors that could cause actual results, events and developments to differ from those set forth in, or implied by, the statements set forth herein are discussed from time to time in F&G's filings with the SEC, as well as those of its predecessor companies—FGL and CFCO. You can find these filings on the SEC's website, www.sec.gov.
  - All forward-looking statements we describe herein are qualified by these cautionary statements and we can provide no assurance that the actual results, events or developments referenced herein will occur or be realized. F&G does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.
  - All estimates and forecasts for the effects of purchase accounting are preliminary and subject to change.
- Permission neither sought nor obtained with reference to third party sources.

F&G At Glance

- Headquartered in the Cayman Islands—operations in Des Moines, Baltimore, Bermuda
- Founded in 1959
- Completed transformative merger transaction in 4Q17 creating FGL Holdings (NYSE: FG)
- Employs 300 team members dedicated to serving policyholders and distribution partners
- Offers suite of competitive safe money products featuring principal protection and interest crediting upside based on market performance:
  - Fixed Indexed Annuities (FIA)
  - Multi-Year Guarantee Annuities (MYGA)
  - Indexed Universal Life (IUL)
- Distributes primarily through independent agents

Investment Thesis: The Case for F&G

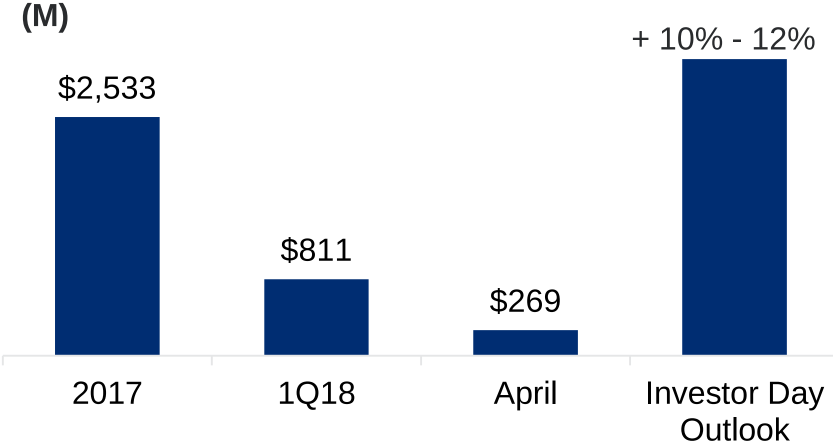
Attractive Demographic Trends → Growth	▶ Growing retirement population demand for safe money products: FIA, MYGA, IUL ▶ F&G grew AAUM by 8% CAGR[1] over past 3 years
Committed to Ratings Upgrade & Positioned for Further Growth	▶ Favorable ratings improvement outlook ▶ Lift in A.M. Best ratings expected to offer 10%+ growth within independent channel and access to regional bank/broker dealer channels
Scalable Platform	▶ Developing international platform: reinsurance opportunities and diversify sales ▶ Existing platform designed for growth with cost structure built to add assets and liabilities without adding incremental costs ▶ Opportunity to pursue accretive acquisitions from advantaged position
Blackstone Strategic Partnership	▶ Improved investment asset quality and volume ▶ Leading portfolio stewardship augments risk control; enhances portfolio mgmt. ▶ High quality investment portfolio…well-matched and progress on reposition
Strong Sponsorship and Leadership	▶ Strong sponsorship with Chinh Chu, Bill Foley, Fidelity National Financial and Blackstone ▶ Extensive insurance sector experience through multiple cycles ▶ Committed to driving profitable growth—both organic and inorganic

[1]Excludes the additional growth due to purchase accounting and merger effects

Financial Performance

Key Performance Trends

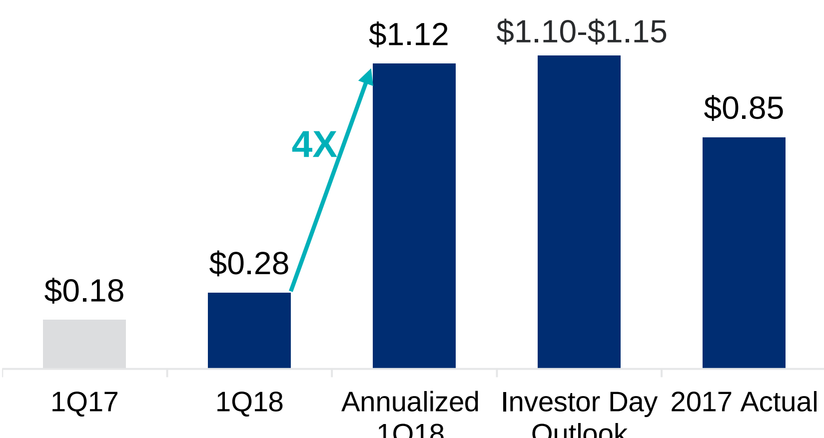
Annuity Sales[1]



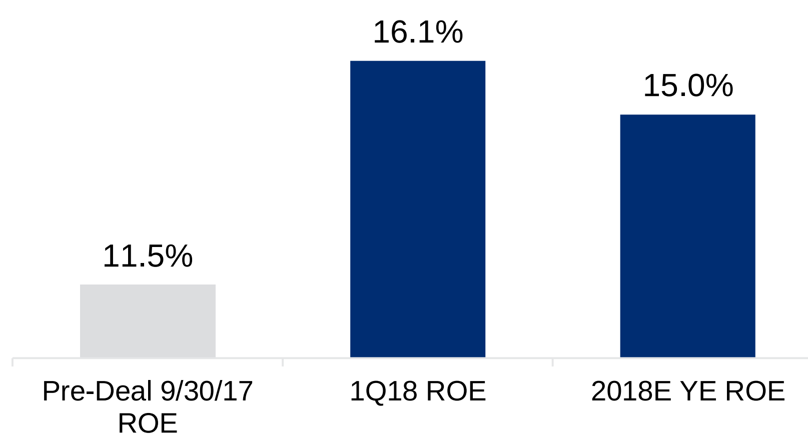
Portfolio Repositioning[2]

	Target Timing	Annualized Net Investment Income Uplift
Phase 1 – Block Trade	✓	**~$40M**
Phase 2 – Shift into Structured Securities	**2018**	**~$75M**
Phase 3 – Alternatives	**2018 / 2019**	**~$100M - $125M**

Earnings per Share[3]



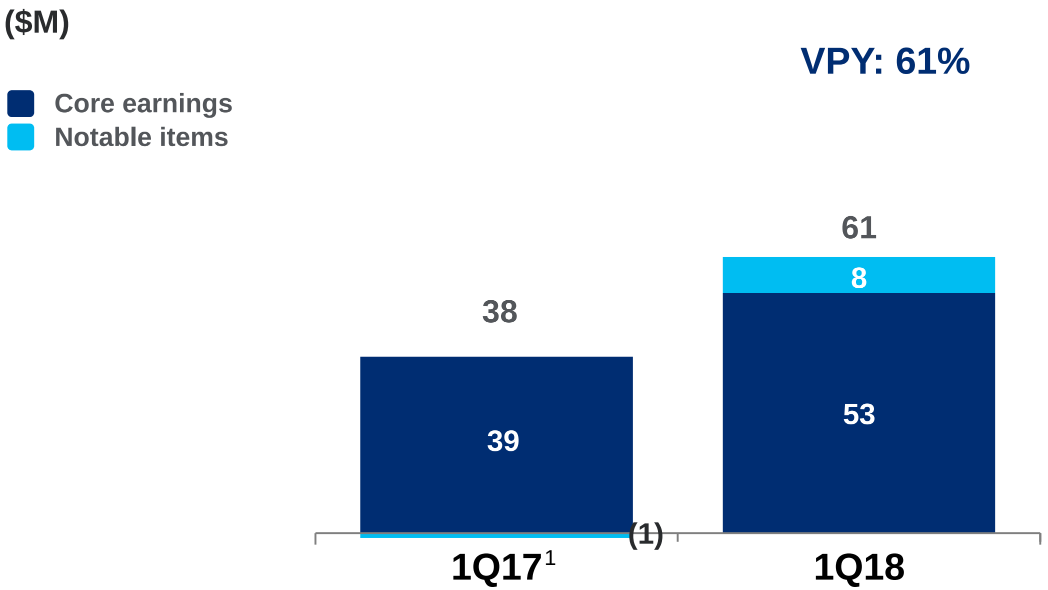
AOI Return on Common Equity[4]



[1]Annuity sales include International
[2]Annualized net investment income shown before intangibles amortization and taxes 3
[3]AOI EPS available to common shareholders is based on post-merger 214 M shares outstanding in all time periods for comparability
[4]Adjusted operating return on common shareholders' equity excluding AOCI (non-GAAP)

GAAP Earnings Trend

Adjusted Operating Income (AOI)[1] - Quarter Ended 3/31



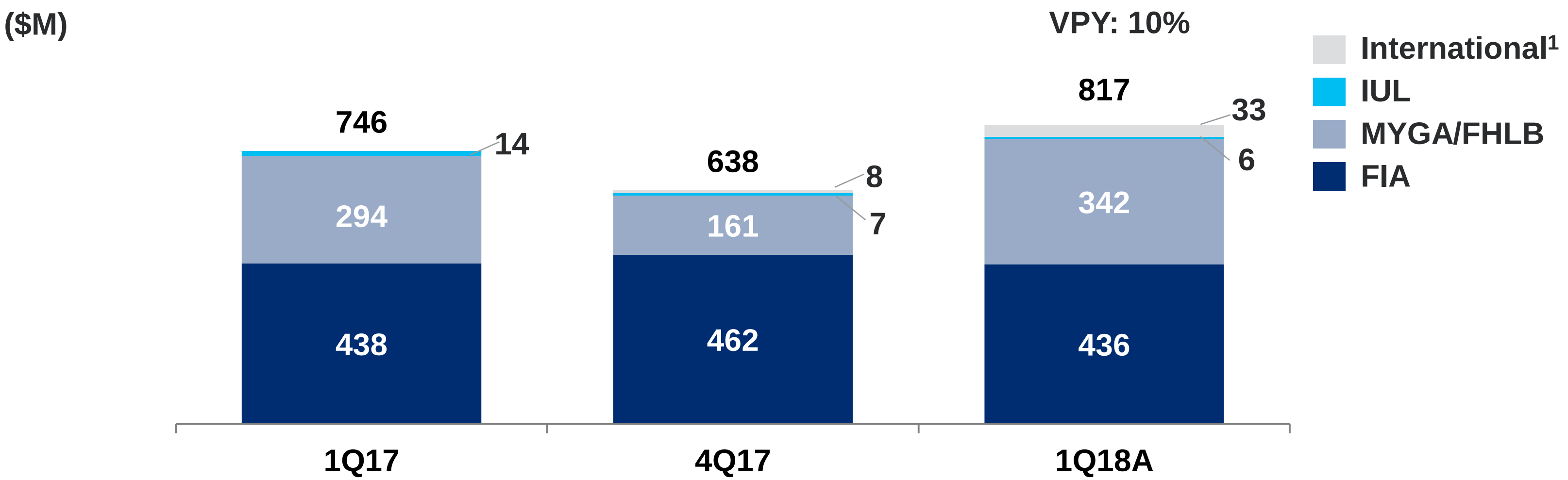
	1Q17	1Q18
GAAP Net Income	$22	$52
AOI EPS[2]	$0.18	$0.28
AOI ROE[3]	NM	16.1%

$61M reported common AOI in 1Q18, up 61%

- Core underlying earnings continue to expand from new business, stable net investment spreads and disciplined expense management
- 1Q18 included $8M net favorable; primarily SPIA mortality
- 1Q17 included ($1M) net unfavorable items
  - ($3M) higher DAC amortization due to equity market fluctuations
  - ($1M) 1x costs; partially offset by
  - $3M SPIA favorable mortality

[1]Adjusted operating income available to common shareholders (non-GAAP); prior and current periods reflect the current definition thereby excluding M&A costs and preferred dividends for all reporting periods
[2]AOI EPS available to common shareholders based on post-merger 214M shares outstanding in all time periods for comparability
[3]Adjusted operating return on common shareholders' equity excluding AOCI (Non-GAAP)

1Q18 Total Sales



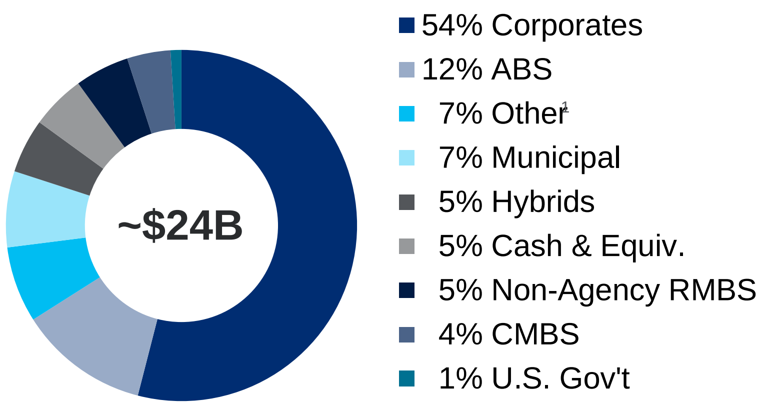
1Q18 sales totaled $817M, up 10% to prior year (PY) and up 28% to sequential quarter

- ► FIA at $436M, in line with prior year
  - ► Maintaining sales momentum amidst competitive environment
  - ► Lower safe money product sales early in quarter amidst strong equity markets
  - ► Department of Labor fiduciary rule vacated; monitoring potential Supreme Court appeal
- ► MYGA sales plus $200M FHLB funding agreement, ↑ 16% to PY
- ► IUL at $6M, ↓ 57% vs. PY which reflects focus on quality of new business and pricing discipline
- ► Continue to achieve strong double digit IRR's above target

[1]4Q17 reflects post merger International sales for December

Investment Portfolio

Investment Portfolio by Asset Class



High quality (avg. NAIC 1.6) **fixed income portfolio**

- **Core investment portfolio performing well**
  - NII increased to $263M in 1Q18, ↑ 6%
  - AAUM increased to $25B, ↑ $4.8B or 24% due to purchase accounting, addition of Front Street Re and net sales
  - Average earned yield was 4.21%, ↓ 69 bps due to PGAAP; otherwise stable
- **1Q18 notable items**
  - Asset purchases $3.7B @ average new money yield of 4.99%:
    - $2.7B block trade in corporate securities, resulting in $40M annualized net investment income lift
    - $1.0B in investment grade corporate bonds and structured securities

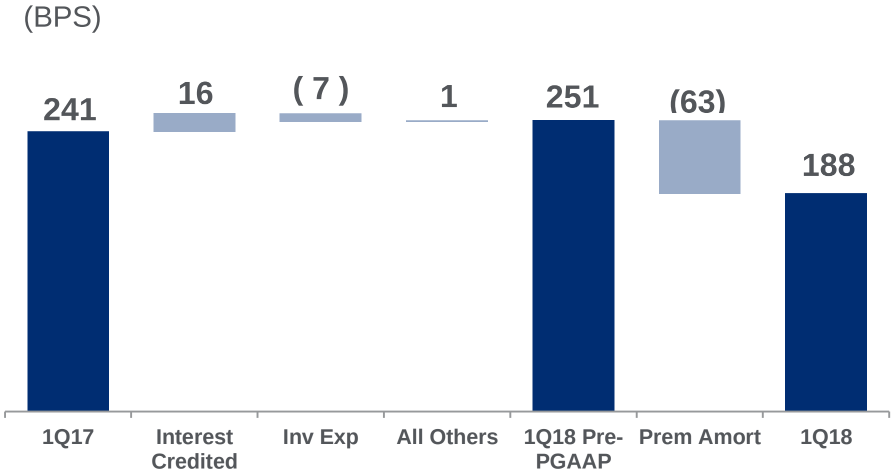
Note: GAAP investment portfolio totals ~$24B investments, including cash and cash equivalents

[1] Other consists of commercial mortgage loans, derivatives, preferred stocks, policy loans and common stock

GAAP Net Investment Spread

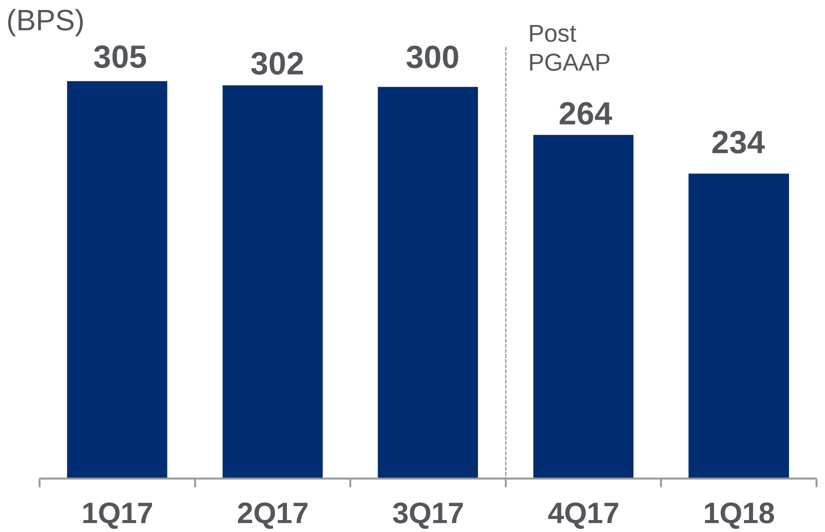
- ► Net investment spread stable for all products, with recent periods at ~240-250 bps before reset to ~190 bps to reflect purchase accounting effect on portfolio yield and AAUM
- ► Steady trend for FIA spread from 300 bps; reset to 234 bps due to full quarter of post merger purchase accounting
- ► Inforce spread expected to improve as portfolio repositioning is completed

Year over Year trend – All products



Quarterly spread trend – All products

Quarterly spread trend – FIA products



Portfolio Repositioning Progress

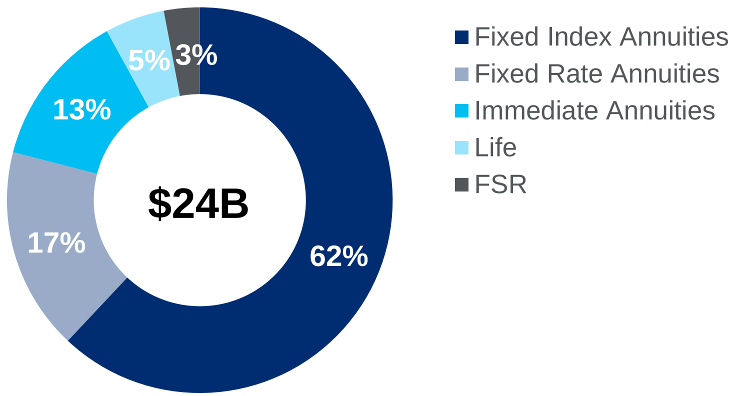
Blackstone Insurance Solutions (BIS) continues to execute the FG portfolio repositioning

	Repositioning Update	Target Timing	GAAP Net Investment Income Uplift[1]
Phase 1 – Capital Markets Access	▶ Ongoing benefit from Blackstone's capital markets scale / access ▶ Block trade in 1Q18 replaced $2.7B of assets yielding ~3.5% with assets yielding ~5.0%	✓	**~$40M**
Phase 2 – Investment Grade Repositioning	▶ Rotation into structured / bespoke investment grade securities; target ~$4B	**2018**	**~$75M**
Phase 3 – Alternatives	▶ Increase in alternative assets; target allocation of 5% of the portfolio ▶ Identified strong pipeline of alternative funds ▶ Approved commitments to eight alternatives funds with commitments of >$500M across infrastructure, private equity and credit funds	**2018 / 2019**	**~$100M - $125M**

[1]Annualized net investment income shown before intangibles amortization and taxes

A Profitable and Stable In-force Book

U.S. GAAP Net Reserves [1,2]



Liability Profile

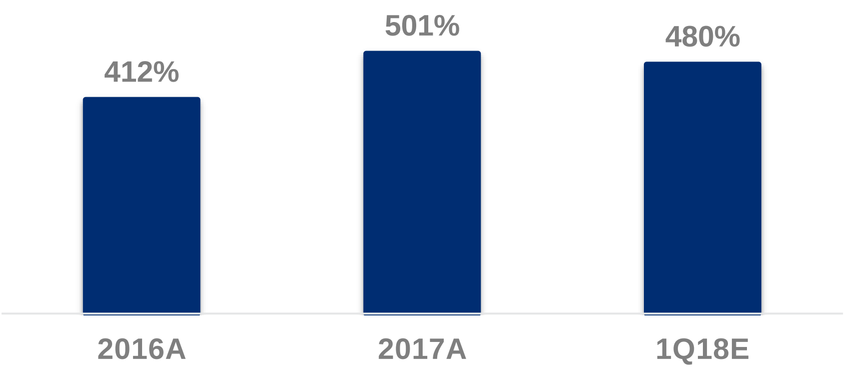
- Primarily FIAs and FAs; with growing indexed life book
- Asset and liability cash flows are well matched
- Surrender charges and market value adjustments protect against disintermediation in rising interest rate environment
- During accumulation, customer's money credited with interest linked to an index strategy…e.g., S&P 500
- New business and in-force actively managed to maintain pricing IRR targets
- Distance between current and guaranteed crediting cost allows flexibility to maintain spreads as needed

Annuity Metrics [1]	Fixed Indexed Annuities	Fixed Rate Annuities
Weighted-average life[3]	7 years	4 years
% Surrender charge protected	84%	81%
Average remaining surrender charge (% of account value)	8%	6%
% Subject to MVA	33%	79%
Average cost of option cost/interest credited	1.9%	3.3%
Distance to guaranteed minimum crediting rates	57bps	143bps

[1]Quarter ended 3/31/18 and where applicable, crediting costs and distance consider the spot costs of index and fixed credits
[2]GAAP net reserves comprised $27B contractholder funds and future policy benefits, net of $3B reinsurance recoverable
[3]Reflects effective duration of liabilities

Capital & Ratings Update

Risk-Based Capital (RBC)[1]



Current Ratings

Current Ratings	S&P	A.M. Best	Fitch	Moody's
Issuer Credit Rating[2]	BB+ / Positive		BB+ / Stable	Ba3 / Stable
Financial Strength Rating[3]	BBB+ / Stable	B++ / Positive	BBB / Stable	Baa2 / Stable
Senior Unsecured Notes Rating	BB+	bb+ / Positive	BB / Stable	Ba2 / Stable

- Consistently improving capital levels; expect to maintain > 450% RBC (company action level)
- $550M aggregate principal 5.50% senior notes due 2025 issued in April; debt to capitalization, excluding AOCI, at 19% and, on rating agency adjusted basis at 27%
  - Proceeds used to repay $435M revolver draw and existing senior notes; remainder of proceeds to be used for general corporate purposes
- Deployable capital[4] ~$400M available for general purposes
- Following merger, rating agencies removed "Credit Watch" outlook; S&P and Fitch provided rating upgrades while A.M. Best upgraded to Positive Outlook

[1]Reflects company action level RBC on aggregate, combined basis for Fidelity & Guaranty Life Insurance Company and F&G Re Ltd, including impacts of Tax Reform in 1Q18
[2]Reflects issuer credit rating for FGL Holdings.
[3]Reflects financial strength rating for insurance operating subsidiaries.
[4] Defined as: (a) capital > 425% RBC, (b) available debt capacity and (c) holding company cash and invested assets

Appendix

Consolidated Balance Sheets

FGL Holdings Condensed Consolidated Balance Sheets (Unaudited)

(In millions)	March 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: March 31, 2018 - $21,738; December 31, 2017 - $21,475)	$ 21,366	$ 21,590
Equity securities, at fair value (amortized cost: March 31, 2018 - $780; December 31, 2017 - $764)	769	761
Derivative investments	293	492
Short term investments	—	25
Commercial mortgage loans	528	548
Other invested assets	276	188
Total investments	23,232	23,604
Related party loans	—	—
Cash and cash equivalents	1,157	1,215
Accrued investment income	240	211
Funds withheld for reinsurance receivables at fair value	748	756
Reinsurance recoverable	2,495	2,494
Intangibles, net	954	856
Deferred tax assets, net	258	176
Goodwill	476	476
Other assets	105	141
Total assets	$ 29,665	$ 29,929

Consolidated Balance Sheets

FGL Holdings Condensed Consolidated Balance Sheets (Unaudited)

(In Millions)	March 31, 2018	December 31, 2017
	Successor	Successor
LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds (a)	$ 22,083	$ 21,844
Future policy benefits, including $712 and $728 at fair value at March 31, 2018 and December 31, 2017, respectively (b)	4,711	4,751
Funds withheld for reinsurance liabilities	—	—
Liability for policy and contract claims (c)	70	78
Debt	307	307
Revolving credit facility	135	105
Deferred tax liability, net	—	—
Other liabilities	717	892
Total liabilities	28,023	27,977
Shareholders' equity:		
Preferred stock ($.0001 par value, 100,000,000 shares authorized, 377,417 and 375,000 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively)	—	—
Common stock ($.0001 par value, 800,000,000 shares authorized, 214,370,000 issued and outstanding at March 31, 2018 and December 31, 2017, respectively)	—	—
Additional paid-in capital	2,039	2,037
(Accumulated deficit) Retained earnings	(119)	(160)
Accumulated other comprehensive (loss) income	(278)	75
Treasury stock, at cost (no shares at March 31, 2018; no shares at December 31, 2017	—	—
Total shareholders' equity	1,642	1,952
Total liabilities and shareholders' equity	$ 29,665	$ 29,929
Equity attributable to preferred shareholders (1)	$ 384	$ 377

(1) Refer to "Non-GAAP Financial Measures" for further details

(a) Contractholder funds include amounts on deposit for annuity and universal life contracts plus the fair value of future index credits and guarantees on our FIA and IUL products.

(b) Future policy benefits include the present value of future benefits on our traditional life insurance products and life contingent SPIA contracts.

(c) Liability for policy and contract claims represents policyholder pending claims.

Condensed Consolidated Statements of Operations

FGL Holdings Condensed Consolidated Statement of Operations (Unaudited)

	Three months ended	
	March 31, 2018	March 31, 2017
(In millions)		Predecessor
	(Unaudited)	(Unaudited)
Revenues:		
Premiums	$ 18	$ 3
Net investment income	263	247
Net investment (losses) gains	(191)	81
Insurance and investment product fees and other	41	44
Total revenues	131	375
Benefits and expenses:		
Benefits and other changes in policy reserves	(18)	268
Acquisition and operating expenses, net of deferrals	40	33
Amortization of intangibles	16	33
Total benefits and expenses	38	334
Operating income	93	41
Interest expense	(6)	(6)
Income before income taxes	87	35
Income tax expense	(35)	(13)
Net income	$ 52	$ 22
Less preferred stock dividend	7	—
Net income available to common shareholders	$ 45	$ 22
Net income per common share		
Basic	$ 0.21	$ 0.38
Diluted	$ 0.21	$ 0.38
Weighted average common shares used in computing net income per common share:		
Basic	214,370,000	58,326,396
Diluted	214,370,000	58,382,130
Cash dividend per common share	$ —	$ 0.065

Non-GAAP Measures and Definitions

While management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace GAAP financial results and should be read in conjunction with those GAAP results.

Non-GAAP Measures:

- **Adjusted operating income** (AOI) is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate (i) the impact of net investment gains including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains / losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in fair values of FIA-related derivatives and embedded derivatives, net of hedging costs, (iii) the tax effect of change in fair value of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 21%, as appropriate. While these adjustments are an integral part of the overall performance of FG, market conditions and/or the non-recurring or non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.
- **AOI available to common shareholders** is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate (i) the impact of net investment gains / losses including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in fair values of FIA-related derivatives and embedded derivatives, net of hedging costs, (iii) the tax effect of change in fair value of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs act. All adjustments to AOI available to common shareholders are net of the corresponding impact on amortization of intangibles. The income tax impact related to these adjustments is measured using an effective tax rate of 21%, as appropriate. While these adjustments are an integral part of the overall performance of FG, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.
- **Average assets under management** (AAUM) is the sum of (i) total invested assets at amortized cost, excluding derivatives; (ii) related party loans and investments; (iii) accrued investment income; (iv) funds withheld at fair value; (v) the net payable/receivable for the purchase/sale of investments and (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.
- **Yield on AAUM** is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.
- **Net investment spread** is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return, inclusive of hedging costs, provided to policyholders.
- **Investment book yield** on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. The Predecessor considered this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of returned on their income generating invested assets.

Non-GAAP Measures and Definitions—Continued

Non-GAAP Measures (continued):

- **Sales** are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. For GAAP purposes annuity and IUL sales are recorded as deposit liabilities (i.e. contract holder funds). Management believes that presentation of sales as measured for management purposes enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.
- **Common shareholders' equity** is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.
- **Common shareholders' equity excluding AOCI** is based on Common Shareholders Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.
- **Adjusted operating return on common shareholders' equity excluding AOCI** is a non-GAAP financial measure. It is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points for the successor until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.
- **Book value per common share including and excluding AOCI** is calculated as Common Shareholders' Equity and Common Shareholders Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.
- **Total capitalization excluding AOCI** is based on shareholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts to help assess the capital position of the Company.
- **Debt-to-capital** ratio is computed by dividing total debt by total capitalization excluding AOCI. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.
- **Rating agency adjusted debt to capitalization, excluding AOCI** is computed by dividing the sum of total debt and 50% Equity Available to Preferred Shareholders by total capitalization excluding AOCI less a 50% credit for Equity Available to Preferred Shareholders. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.
- **Equity available to preferred shareholders** is equal to the product of (a) the number of preferred shares outstanding plus share dividends declared but not yet issued and (b) the original liquidation preference amount per share. Management considers this non-GAAP measure to provide useful information internally and to investors and analysts to assess the level of equity that is attributable to preferred stock holders.

Non-GAAP Measure Reconciliations

Reconciliation From Net Income to Adjusted Operating Income (AOI) (Unaudited)

(In millions)	Three Months Ended	
	March 31, 2018	March 31, 2017
Reconciliation from Net (Loss) Income to AOI:	**FG (Successor)**	**FGL (Predecessor)**
Net income	$ 52	$ 22
Effect of investment losses (gains), net of offsets [a]	39	15
Effect of change in FIA embedded derivative discount rate, net of offsets [a]	—	(2)
Effect of changes in fair values of FIA related derivatives, embedded derivatives and hedging costs [a] [b] [d]	(46)	—
Effect of change in fair value of reinsurance related embedded derivative, net of offsets [a] [c]	—	8
Effect of integration, merger related & other non-operating items	8	2
Tax effect of affiliated reinsurance embedded derivative [d]	15	—
Tax impact of adjusting items	—	(7)
AOI	$ 68	$ 38
Dividends on preferred stock [d]	(7)	—
AOI available to common shareholders	$ 61	$ 38

(a) Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC), and deferred sale inducement (DSI) amortization.
(b) The Company adjusted its non-GAAP measure to remove the residual impacts of fair value accounting on its FIA products, post-merger.
(c) Applicable to the Predecessor only due to the merger.
(d) Applicable to the Successor only.

Non-GAAP Measure Reconciliations

Reconciliation of Book Value Per Common Share Excluding AOCI (Unaudited)

(In millions, except per share data)	March 31, 2018 FG (Successor)	December 31, 2017 FG (Successor)
Reconciliation to total shareholders' equity:		
Total shareholders' equity	$ 1,642	$ 1,952
Less: AOCI	(278)	75
Less: Preferred equity	384	377
Total common shareholders' equity excluding AOCI	$ 1,536	$ 1,500
Total common shares outstanding	214.4	214.4
Weighted average common shares outstanding - basic	214.4	214.4
Weighted average common shares outstanding - diluted	214.4	214.4
Book value per common share including AOCI	$ 5.87	$ 7.35
Book value per common share excluding AOCI	$ 7.17	$ 7.00

Rollforward of Assets Under Management (AAUM) (Unaudited)

(In billions)	AAUM
AAUM as of March 31, 2017	$ 20.2
Purchase accounting mark-to-market valuation of investment portfolio	1.2
Inclusion of acquired Front Street Re and FGL Holdings	1.9
Sales volumes	1.4
Other items	0.3
AAUM as of March 31, 2018	$ 25.0

Quarterly Trend (Updated AOI Definition)

Reconciliation from Net (Loss) Income to Adjusted Operating Income ("AOI ")

	Three Months Ended				
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
(Dollars in millions, except per share data)					
Reconciliation from Net Income (Loss) to AOI					
Net income (loss)	$ 52	$ (74)	$ 61	$ 32	$ 22
Effect of investment (gains) losses, net of offsets (a)	39	(6)	(5)	4	15
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	—	(4)	3	(4)	(2)
Effect of changes in fair values of FIA related derivatives and embedded derivatives, net of hedging costs (a) (b) (d)	(46)	—	—	—	—
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	—	(1)	5	8	8
Effect of integration, merger related & other non-operating items	8	21	2	5	2
Net impact of Tax Cuts and Jobs Act	—	131	—	—	—
Effects of tax impact of affiliated reinsurance embedded derivative (d)	15	(20)	—	—	—
Tax impact of adjusting items	—	(8)	(1)	(3)	(7)
Adjusted operating income	$ 68	$ 39	$ 65	$ 42	$ 38
Dividends on preferred stock	(7)	(2)	—	—	—
AOI available to common shareholders	$ 61	$ 37	$ 65	$ 42	$ 38
Per diluted common share:					
Net income (loss)	$ 0.21	$ (0.36)	$ 0.28	$ 0.15	$ 0.10
Effect of investment (gains) losses, net of offsets (a)	0.18	(0.03)	(0.02)	0.02	0.07
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	—	(0.02)	0.01	(0.02)	(0.01)
Effect of changes in fair values of FIA related derivatives and embedded derivatives, net of hedging costs (a) (b) (d)	(0.22)	—	—	—	—
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c))	—	—	0.02	0.04	0.04
Effect of integration, merger related & other non-operating items	0.04	0.1	0.01	0.02	0.01
Net impact of Tax Cuts and Jobs Act	—	0.61	—	—	—
Effects of tax impact of affiliated reinsurance embedded derivative (d)	0.07	(0.09)	—	—	—
Tax impact of adjusting items	—	(0.04)	—	(0.01)	(0.03)
Adjusted operating income	$ 0.28	$ 0.17	$ 0.30	$ 0.20	$ 0.18
Diluted common shares outstanding (b) (e)	214.4	214.4	214.4	214.4	214.4
Common shareholders' equity excluding AOCI	1,536				
Adjusted operating return on common shareholders equity, excluding AOCI	16.1 %				

(a) Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC) and deferred sale inducement (DSI) amortization. Applicable to the Predecessor only due to the merger.
(b) The Company adjusted its non-GAAP measure to remove the residual impacts of fair value accounting on its FIA products, post-merger.
(c) Applicable to the Predecessor only due to the merger.
(d) Applicable to the Successor only.
(e) Diluted common shares for all periods have been adjusted to reflect the impact of the merger.