FGL Holdings Earnings Review

First Quarter 2019 Results

May 7, 2019

Legal Disclosures

- All data in this presentation are as of March 31, 2019, unless stated otherwise.
- 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," "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.

1Q Summary: Continued Growth & ROE Expansion

1Q19 Results	1Q19	vs. 1Q18
Total Annuity Sales	$1,053M	+35%
Fixed Index Annuity Sales	$668M	+53%
Adjusted Operating Income (AOI)	$82M	+34%
Common AOI Earnings per Share[1]	$0.37 EPS	+32%
AOI Return on Common Equity[2]	17.9%	+200 bps
Common Book Value per Share[2]	$7.15	+11% (vs 4Q)

[1]Based on 219.7M diluted weighted average common shares QTD 3/31/2019; see appendix for definition
[2]Excluding AOCI

Current Initiatives Driving Outperformance

- F&G is achieving solid growth in sales, earnings and ROE's, with multiple opportunities for continued outperformance

F&G Strategic Initiatives

- Organic growth
- Expansion of distribution channels
- Acquisitions
- Investment portfolio repositioning

F&G Edge

- Experienced leadership
- Disciplined expense management
- Performance culture
- Blackstone partnership

Multiple Levers to Expand

Current Sources of Capital

- Deployable capital = $250M
- Est. 2019 capital generation = ~$200M
- Undrawn revolver = $250M
- Additional levers available including reinsurance = $200M+

Current Shareholder Returns

- LTM AOI EPS, $1.27 equivalent to:
  - @ $8 / share price, 16%
  - @ $9 / share price, 14%
  - @ $10 / share price, 13%
  - @ $13 / share price, 10%

New Business

- Mid-teen returns
- Strong distribution
- Growing consumer demand
- F&G's growth ahead of market

Bermuda Re

- A key focus area for growth
- Block and flow deals

Acquisition

- Significant capabilities: Sponsors and F&G management
- Whole companies & blocks
- Upside potential in portfolio reallocation & operating leverage

Share Repurchase

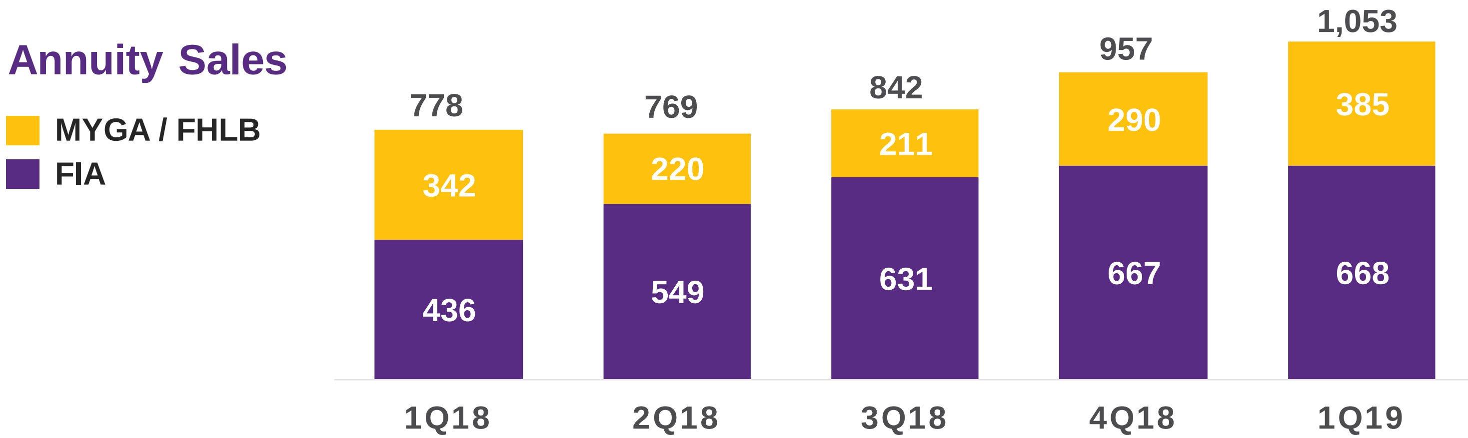
- Opportunistic approach, relative to other capital deployment alternatives

1Q19 Sales Trend

1Q19 sales from all products totaled $1,121M, up 37% to PY

($M)

VPY: ↑ 35%



	1Q18	2Q18	3Q18	4Q18	1Q19
IUL[1]	6	7	7	8	8
Flow reinsurance[2]	33	54	45	53	60

- FIA sales ↑ 53% from 1Q18 to $668M, in line with 4Q18
- MYGA sales ↑ 97% from prior year quarter to $280M, driven by well-matched investment opportunities in the current environment
- Flow reinsurance deposits continue to build; $60M in 1Q19, including new deal signed in February
- IUL[1] ↑ 33% from 1Q18 to $8M, growing from small base; positive momentum following ratings upgrade
- Achieving mid-teens returns

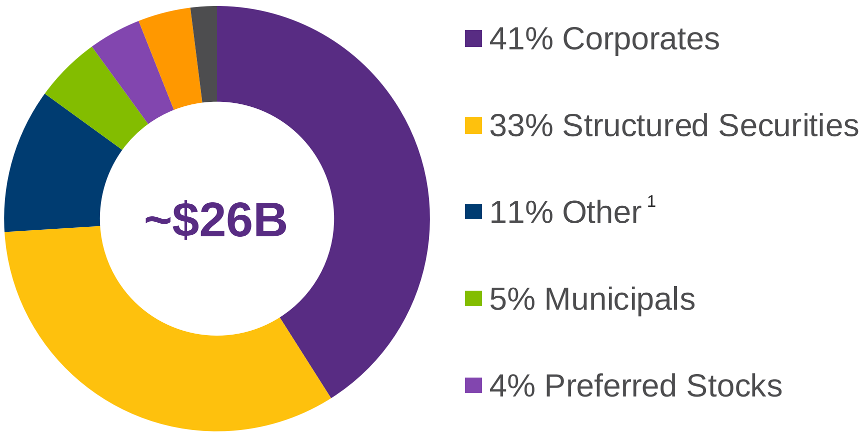
[1]IUL at annualized target premium—industry standard basis

Stable and Predictable Liability Profile

	GAAP Reserves	Liability Profile
FIA	$16.6B	► Relatively young book of business with average surrender period of 6 years and significant surrender charge protection ► Stable liability profile that performs well across array of economic conditions
MYGA	$3.6B	► Well positioned to support consistent ongoing sales with access to assets well-matched to the liability profile ► ~$300M rolled off in 1Q as anticipated from large 2014 program sales
SPIA & Other	$4.7B	► Run-off book of business ► Favorable mortality experience during 1Q on substandard risk block of $210M of reserves with average age 90+ years ► Standard risk block performing consistently with expected GAAP mortality experience
IUL	$0.5B	► Recent A.M. Best rating upgrade to A- supporting future growth ► Longer liability duration and annual renewal premiums provide portfolio investment diversification
	$25.4B	

1Q19 Investment Portfolio

Investment Portfolio by Asset Class

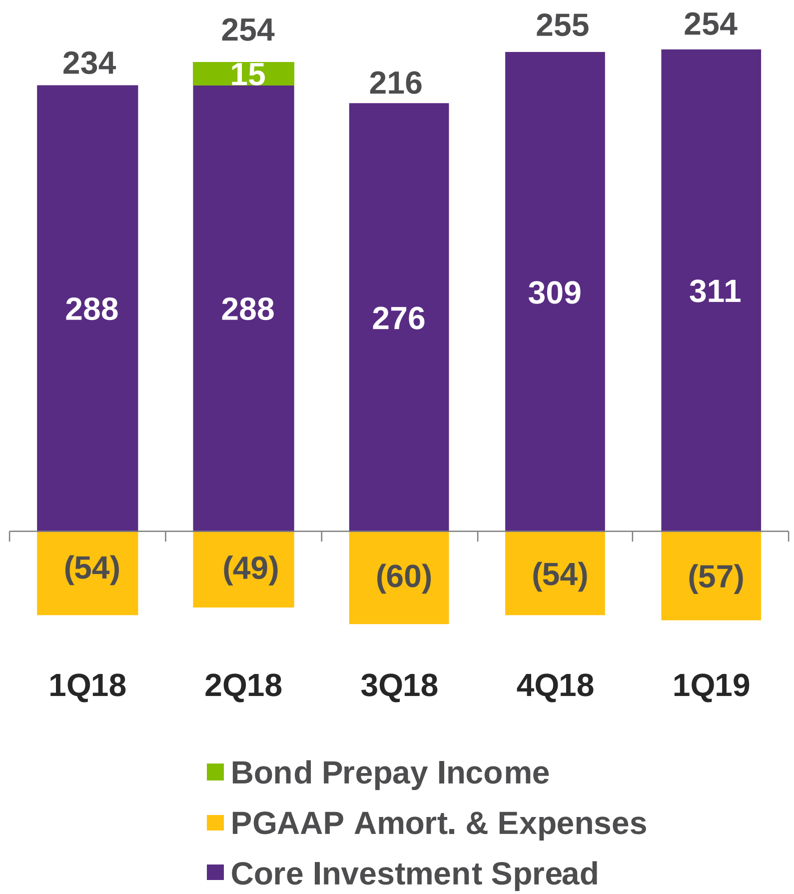


- Stable liabilities drive asset allocation
- Average net earned yield 4.47% (incl. PGAAP), new purchases at 4.93% net earned yield
- $500M BBB de-risking completed 1Q19, consistent with our disciplined approach regarding portfolio risk management
- Duration gap well within targeted +/- one year while maintaining high average quality at ~1.5 average NAIC
- Funded alternative assets $650M or 2.5% as of 3/31, projecting 3.5% by year end
- 4.75% net yield expected for FY 2019; momentum to build throughout year

[1]Consists of commercial and residential mortgage loans, derivatives, policy loans, common stock and cash/cash equivalents

FIA Net Investment Spread

(BPS)

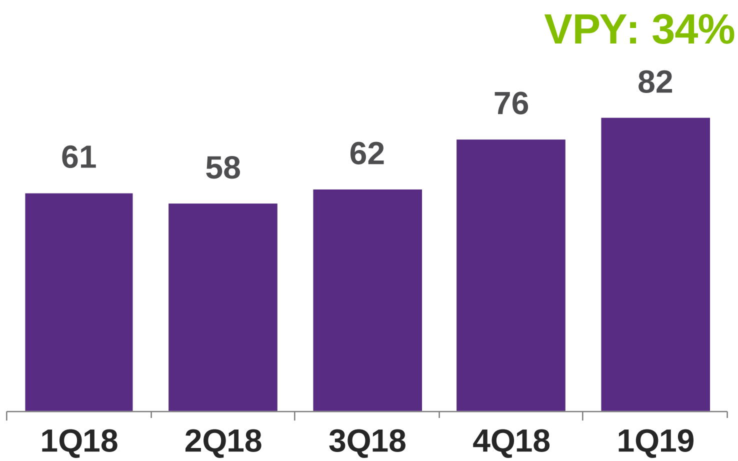


- FIA liabilities are stable, predictable and well-managed
  - Stable interest credited & option costs
- Maintaining pricing discipline
- Consistently achieving or exceeding targeted lifetime returns
- 1Q19 includes higher cash balances from planned BBB de-risking actions and expected MYGA maturities

Quarterly Earnings Trend

Adjusted Operating Income (AOI)[1]

($M)



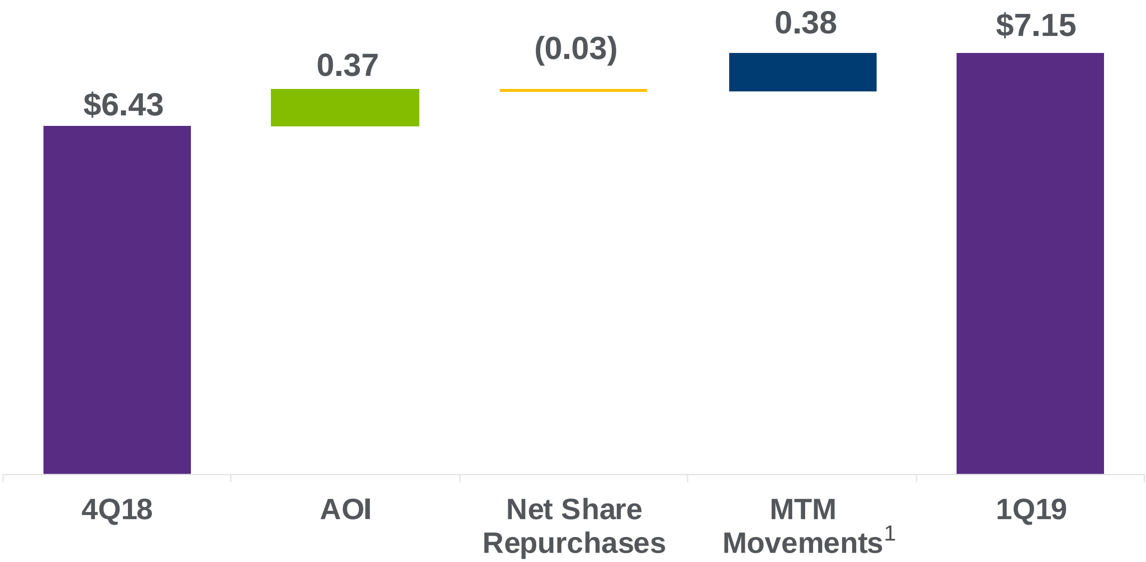
	1Q18	2Q18	3Q18	4Q18	1Q19
Net Income	$58	$33	$49	($156)	$163
AOI EPS[1]	$0.28	$0.27	$0.29	$0.34	$0.37
AOI ROE[2]	15.9%	15.3%	15.3%	16.6%	17.9%

Strong performance continues across all key metrics

- 34% year-over-year AOI growth
- AOI excluding favorable items in both periods grew > 20% year-over-year
- AOI return on equity remains strong in the mid-teens
- Core performance driven by ongoing asset growth, expanding spread with reposition and disciplined expense management

[1]Earnings, EPS, and ROE reflect common shareholder metrics and post-merger definitions.
[2]Reflects 12-month rolling average

BVPS Roll-Forward



- ▶ Underlying business fundamentals deliver strong core BVPS growth, up 6% from 4Q18
- ▶ 1Q BVPS partially rebounding from favorable mark-to-market
- ▶ Deployed $30 million of capital to share repurchases in 1Q

[1]Mark to market impacts include preferred equity investments, F&G preferred stock embedded derivative, FIA liability embedded derivative and other International subsidiary MTM movements

F&G Investment Portfolio Update

F&G’s Portfolio Positioning and Investment Summary

What We Determined

- Valuation and credit quality of the most liquid corporates were becoming stretched
- A flat curve did not compensate for an aggressive duration posture
- The most liquid securities exhibited the most questionable underwriting standards

Actions Taken

- Reduced allocation to NAIC 1 and NAIC 2 rated corporate bonds
- Allocated to floating/less rate sensitive securities with similar NAIC ratings
- Used knowledge of liability profile to effect allocation to less liquid securities with better downside protection

Results

- Improved risk profile
- Greater asset diversification
- Strengthened ALM profile

F&G Portfolio Reposition Recap

	Target Timing	Rotation Size	
Phase 1 – Block Trade	✓	**$2.7B**	▶ +147 bps lift on trade at 4.93% reinvest ▶ Run rate uplift $39M
Phase 2 – Shift into Structured Securities	✓	**$4.1B**	▶ $4.1B rotation at 5.14% net yield ▶ Run rate uplift $55M
Phase 3 – Alternatives	**Fully committed by YE 2019**	**Grade to 5% over time**	▶ $1.7B committed and $650M funded at 1Q19; add'l $100M funded in 1Q19 ▶ Targeted funding of 3.5% by year end 2019 with additional $300M funded ▶ Well diversified by sector (credit, real estate, equity strategies) and vintage ▶ Targeting a lifetime 12% net return

Stress Testing Philosophy and Framework

Overview

- Risk limits and impacts reviewed quarterly with management and board
- Multiple stress scenarios are modeled by F&G and BIS risk teams
- Stress scenarios updated based upon market conditions, including recession scenario (at right)

Recession Scenario Inputs

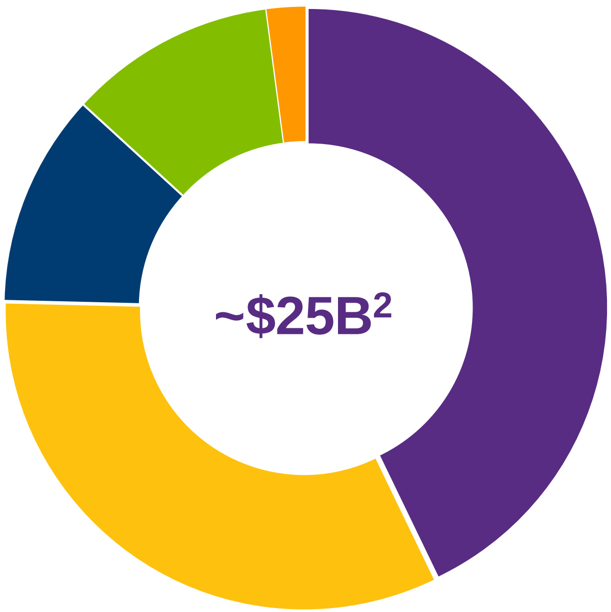
- UST Curve: ↓100bps
- Spreads (IG/HY): +150/+400bps
- Equity Market: ↓25%
- Fixed Income defaults: investment grade 1% and high yield 13%
- MTM on Preferred: ↓20%
- MTM on Alternatives: ↓15%

Model Sensitivities

- Portfolio market value changes evaluated using actual OTTI and recovery experience
- Default loss and recovery rate levels reflect structured asset historical experience

Portfolio Stress Testing – Results

($M)



	$ Loss
US Corporates and equivalents	70
Non-US Corp and equivalents	5
Stuctured Securities	5
Other[1]	0
After-Tax Impairment	**$ 80**
Alternatives MTM	50
Preferred Stock MTM	120
After-Tax Impairment & MTM	**$ 250**

- After-tax estimated impairments of $80M represents ~3 years of annual defaults assumed in pricing and expected product lifetime returns
- Mark-to-market on alternatives and preferreds typically recover over time, consistent with historical and recent experience
- Allocation to structured securities insulates the portfolio in times of stress
- $250M is less than LTM AOI of $278M

[1]Consists of Hybrid, NA RMBS, CML, AFI, Municipals and Govt/Agency
[2]Excludes derivatives and cash & cash equivalents

Managing Liquidity in a Stressed Environment

- Stable liability profile historically performs well in a recessionary environment with multiple levers to effectively manage lapse behavior
- Other management actions include: selling assets at a gain, accessing credit facilities, and modifying portfolio mix and liquidity profile

Liquidity Levers:

- Liquid securities portfolio: $13B highly liquid securities
- Excess Capital: 250M
- Undrawn Revolver$: $250M
- FHLB Capacity: ~$1B available

Ample sources to effectively manage liquidity

Appendix

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

	March 31, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: March 31, 2019 - $21,908; December 31, 2018 - $22,219)	$ 21,605	$ 21,109
Equity securities, at fair value (cost: March 31, 2019 - $1,226; December 31, 2018 - $1,526)	1,171	1,382
Derivative investments	305	97
Mortgage loans	674	667
Other invested assets	755	662
Total investments	24,510	23,917
Cash and cash equivalents	1,357	571
Accrued investment income	238	216
Funds withheld for reinsurance receivables, at fair value	837	757
Reinsurance recoverable	3,113	3,190
Intangibles, net	1,421	1,359
Deferred tax assets, net	283	343
Goodwill	467	467
Other assets	220	125
Total assets	**$ 32,446**	**$ 30,945**

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds	$ 23,881	$ 23,387
Future policy benefits, including $797 and $725 at fair value at March 31, 2019 and December 31, 2018, respectively	4,677	4,641
Funds withheld for reinsurance liabilities	653	722
Liability for policy and contract claims	70	64
Debt	541	541
Other liabilities	873	700
Total liabilities	**30,695**	**30,055**
Shareholders' equity:		
Preferred stock ($.0001 par value, 100,000,000 shares authorized, 406,510 and 399,033 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively)	—	—
Common stock ($.0001 par value, 800,000,000 shares authorized, 221,660,974 and 221,660,974 issued and outstanding at March 31, 2019 and December 31, 2018, respectively)	—	—
Additional paid-in capital	2,007	1,998
Retained earnings (Accumulated deficit)	(6)	(167)
Accumulated other comprehensive income (loss)	(216)	(937)
Treasury stock, at cost (4,328,077 shares at March 31, 2019; 600,000 shares at December 31, 2018	(34)	(4)
Total shareholders' equity	1,751	890
Total liabilities and shareholders' equity	**$ 32,446**	**$ 30,945**

Consolidated Statements of Operations

FGL Holdings Consolidated Statement of Operations

	Three months ended	
	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Revenues:		
Premiums	$ 16	$ 18
Net investment income	289	263
Net investment gains (losses)	240	(191)
Insurance and investment product fees and other	55	48
Total revenues	600	138
Benefits and expenses:		
Benefits and other changes in policy reserves	339	(39)
Acquisition and operating expenses, net of deferrals	44	40
Amortization of intangibles	29	27
Total benefits and expenses	412	28
Operating income	188	110
Interest expense	(8)	(6)
Income (loss) before income taxes	180	104
Income tax expense	(9)	(39)
Net income (loss)	$ 171	$ 65
Less Preferred stock dividend	8	7
Net income (loss) available to common shareholders	$ 163	$ 58
Net income (loss) per common share:		
Basic	$ 0.74	$ 0.27
Diluted	$ 0.74	$ 0.27
Weighted average common shares used in computing net income per common share:		
Basic	219,645,679	214,370,000
Diluted	219,681,528	214,370,000
Cash dividend per common share	$ 0.01	$ —

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/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 impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries, (iii) the tax effect of affiliated reinsurance embedded derivative, (iv) the effect of change in fair value of the reinsurance related embedded derivative, (v) the effect of integration, merger related & other non-operating items, (vi) impact of extinguishment of debt, and (vii) 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, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Beginning with the quarter ended March 31, 2018, the Company updated its AOI definition 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. Periods shown prior to March 31, 2018 have not been adjusted to reflect the new definition. Beginning with the quarter ended December 31, 2018, the Company updated its AOI definition to remove the incremental change due to the impact of the fair value accounting election for international subsidiaries. Management believes this revision will enhance the understanding of our business as the Company executes its growth strategy through international third party assumed business and is more relevant to investors as the impact of fair value accounting election can create an increases/decreases in the assumed liabilities that does not match the increase/decrease of the corresponding assets. This change will be applied on a prospective basis as the Company executes its growth strategy through international third party assumed reinsurance.
- ***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 the same items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.
- ***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 stockholders.

Non-GAAP Measures and Definitions

Non-GAAP Measures (continued):

- ***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.
- ***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.
- ***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.
- ***GAAP 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.
- ***Statutory Book Value per Common Share (including and excluding Interest maintenance reserve ("IMR") and asset valuation reserve ("AVR"))*** is calculated as Fidelity & Guaranty Life Insurance Company ("FGL Insurance")'s statutory basis capital and surplus plus the international insurance entities' common shareholder's equity and related distributable capital, excluding AOCI divided by the total number of shares of common stock outstanding at FGL Holdings. Statutory Book Value per Common Share excluding IMR and AVR is calculated as FGL Insurance's statutory basis capital and surplus excluding IMR and AVR plus the international insurance entities' common shareholder's equity and related distributable capital, excluding AOCI, divided by the total number of shares of common stock outstanding at FGL Holdings. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of our primary insurance entities.
- ***Return on Average Common Shareholders' Equity*** is calculated by dividing net income (loss) available to common shareholders by total average Common Shareholders' Equity. Average Common Shareholders Equity 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 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 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 to be a useful measure internally and for investors and analysts to assess the level of return driven by the Company that is attributable to common shareholders.

Non-GAAP Measures and Definitions

Non-GAAP Measures (continued):

- ***Return on Average Common Shareholders Equity Excluding AOCI*** is calculated by dividing net income (loss) 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 Excluding AOCI 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 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 to be a useful measure internally and for investors and analysts to assess the level of return drive by the Company that is attributable to common shareholders
- ***Adjusted Operating Return on Average Common Shareholders' Equity Excluding AOCI*** 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 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.
- ***Debt-to-Capital excluding AOCI*** 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.
- ***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 provided to policyholders, inclusive of hedging costs.
- ***Investment Book Yield*** on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return on the Company's income generating invested assets.

Non-GAAP Measure Reconciliations

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

	Three months ended				
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions, except per share data)				
Net income (loss)	$ 171	$ (148)	$ 56	$ 40	$ 65
Adjustments to arrive at AOI:					
Effect of investment losses (gains), net of offsets (a)	(70)	174	38	37	39
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	(17)	77	(30)	(9)	(63)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	19	—	—	—	—
Effect of integration, merger related & other non-operating items	(3)	25	4	3	8
Effects of extinguishment of debt	—	—	—	(2)	—
Tax effect of affiliated reinsurance embedded derivative	—	(15)	—	—	15
Net impact of Tax Cuts and Jobs Act (d)	—	—	3	—	—
Tax impact of adjusting items	(10)	(29)	(2)	(4)	4
AOI	$ 90	$ 84	$ 69	$ 65	$ 68
Dividends on preferred stock	(8)	(8)	(7)	(7)	(7)
AOI available to common shareholders	$ 82	$ 76	$ 62	$ 58	$ 61
Per diluted common share:					
Net income (loss) available to common shareholders	$ 0.74	$ (0.70)	$ 0.23	$ 0.15	$ 0.27
Adjustments to arrive at AOI:					
Effect of investment (gains) losses, net of offsets (a)	(0.32)	0.78	0.18	0.17	0.18
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	(0.08)	0.35	(0.14)	(0.04)	(0.29)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	0.09	—	—	—	—
Effect of integration, merger related & other non-operating items	(0.01)	0.11	0.02	0.01	0.04
Effects of extinguishment of debt	—	—	—	(0.01)	—
Tax effect of affiliated reinsurance embedded derivative	—	(0.07)	—	—	0.07
Net impact of Tax Cuts and Jobs Act (d)	—	—	0.01	—	—
Tax impact of adjusting items	(0.05)	(0.13)	(0.01)	(0.01)	0.01
AOI available to common shareholders per diluted share	$ 0.37	$ 0.34	$ 0.29	$ 0.27	$ 0.28

(a) Amounts are net of offsets related to value of business acquired ("VOBA"), deferred acquisition cost ("DAC"), deferred sale inducement ("DSI"), unearned revenue ("UREV") amortization and cost of reinsurance intangible, as applicable.
(b) The updated definition removes the fair value impacts of assumed reinsurance by our international subsidiaries for periods after September 30, 2018.
(c) Adjustment is not applicable for periods from March 31, 2018 through September 30, 2018, subsequent to the Business Combination as the affiliated reinsurance agreement and related activity are eliminated via consolidation for U.S. GAAP reporting.
(d) The Company recorded an immaterial out of period adjustment related to the December 1, 2017 fair value of the deferred income tax valuation allowance acquired from the Business Combination. See "Note 2. Significant Accounting Policies and Practices" of the Company's Form 10-K for additional information.

Non-GAAP Measure Reconciliations

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

(In millions, except per share data)	March 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
Reconciliation to total shareholders' equity:		
Total shareholders' equity	$ 1,751	$ 890
Less: AOCI	(216)	(937)
Less: Preferred equity	414	406
Total common shareholders' equity excluding AOCI [1]	$ 1,553	$ 1,421
Total common shares outstanding	217.3	221.1
Weighted average common shares outstanding - basic	219.6	220.9
Weighted average common shares outstanding - diluted	219.7	220.9
Book value per common share including AOCI [1]	$ 6.15	$ 2.19
Book value per common share excluding AOCI[1]	$ 7.15	$ 6.43

Rollforward of Assets Under Management (AAUM) (Unaudited)

(In billions)	AAUM
AAUM as of March 31, 2018	$ 25.0
Net new business asset flows	1.9
Reinsurance cession to Kubera	(0.7)
Purchase accounting mark-to-market valuation of investment portfolio	(0.3)
AAUM as of March 31, 2019	$ 25.9