FGL Holdings Earnings Review

First Quarter 2020 Results

May 6, 2020

Legal Disclosures

All data in this presentation are as of March 31, 2020, 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.

1Q20 Key Highlights

Strong 1Q20 Sales, driven by FIA Sales up +24% YoY

Operating largely "business as usual" with 96% of employees working remotely

Confident in liquidity and capital position in current macroeconomic environment

Expanded spread margins through portfolio repositioning and disciplined crediting rate strategy

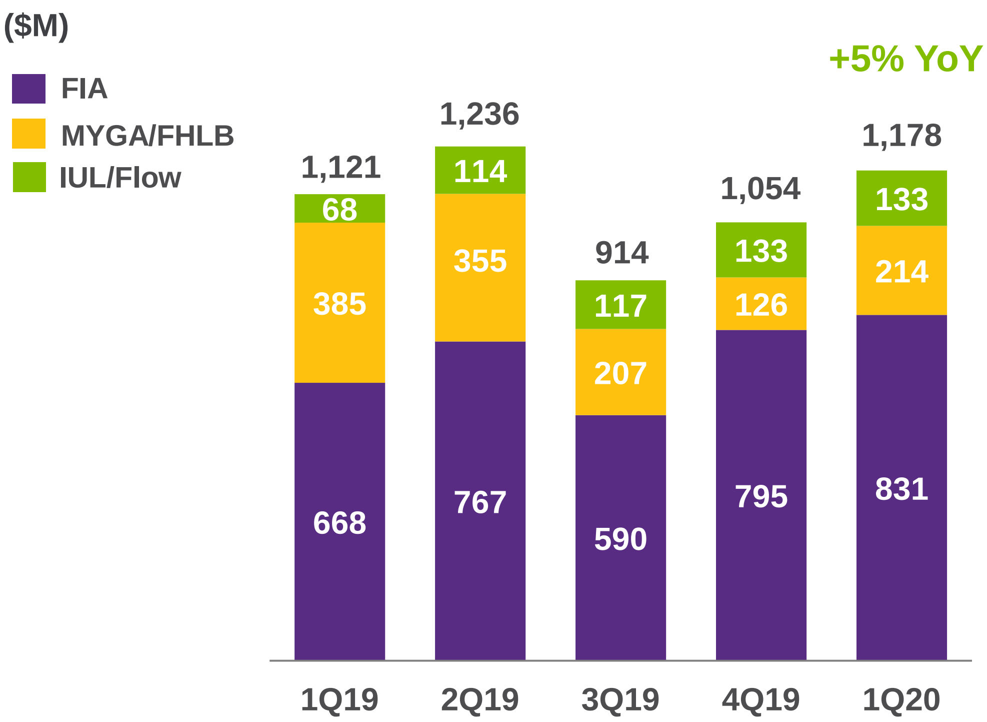
Merger with FNF remains on track with targeted closing by end of 2Q20 and no later than the beginning of 3Q20

F&G ANNUITIES & LIFE

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Strong 1Q20 Sales, Driven by Core FIA Product

Quarterly Sales Trend



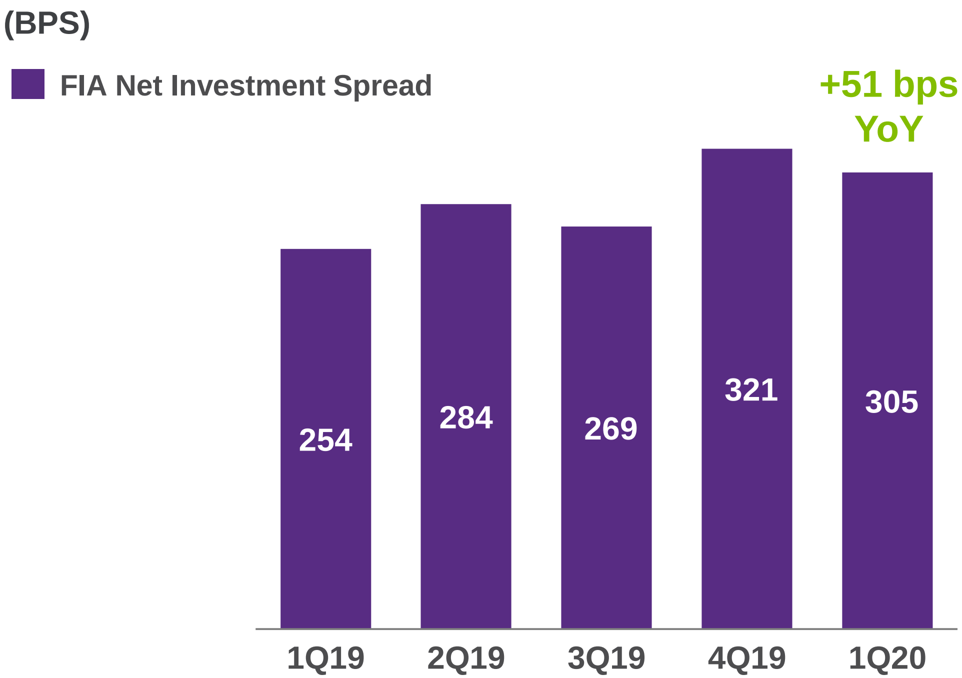
F&G's 1Q20 sales of $1.2B were strong with FIA sales at record levels

- **FIA sales up 24%** vs. 1Q19
- **Total Sales up 5%** vs. 1Q19, driven by strong FIA sales
- **AAUM up 12%** vs. 1Q19, driven by net new business asset flows

FIA – Fixed indexed annuity
MYGA – Multi-year guaranteed annuity
FHLB – Federal Home Loan Bank funding agreement
IUL – Indexed universal life insurance
Flow – Flow reinsurance
AAUM – Average assets under management
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

FIA Net Investment Spread Expansion

FIA Net Investment Spread



1Q20 FIA investment spread increased 51 bps vs. 1Q19

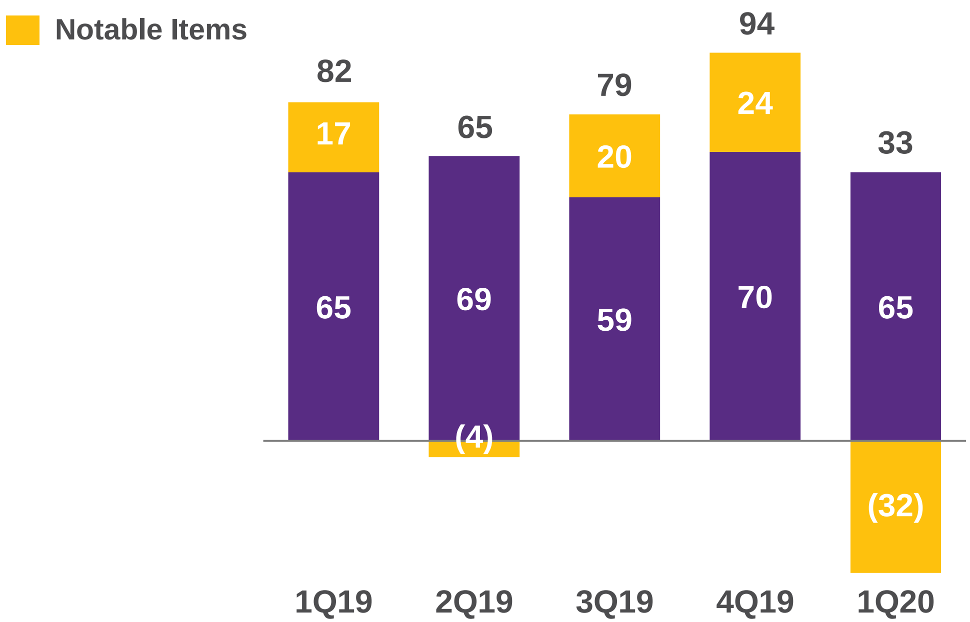
- Strong and sustainable spread margin driven by attractive FIA liability profile and duration-matched portfolio
- Net investment spread benefiting from investment portfolio repositioning and alternative asset buildout
- Ongoing management of interest credited and option costs to maintain spreads and targeted returns
- Consistently achieving or exceeding targeted lifetime returns
- Net investment spread declined (16) bps vs. 4Q19, driven by lower floating rate income

FIA Net Investment Spread = Portfolio Earned Yield – Interest Credits & Option Costs
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Stable Core Earnings in 1Q20

Adjusted Operating Income (AOI)

($M)



Net Income	$163M	$38M	$58M	$217M	($346M)
Net Income EPS	$0.74	$0.17	$0.26	$1.02	($1.62)
AOI EPS	**$0.37**	**$0.30**	**$0.36**	**$0.44**	**$0.15**
AOI ROE[2]	**17.9%**	**18.3%**	**19.3%**	**20.0%**	**16.8%**

1Q20 Adjusted Operating Income (AOI); in line with prior year, excluding notable items

- 1Q20 unfavorable notable items of ($32M):
  - ($21M) tax valuation allowance[1]
  - ($5M) unfavorable SPIA mortality
  - ($4M) commission expense true-up
  - ($2M) project expenses
- 16.8% AOI ROE[2]

[1]Reflects reversal of 3Q19 notable item

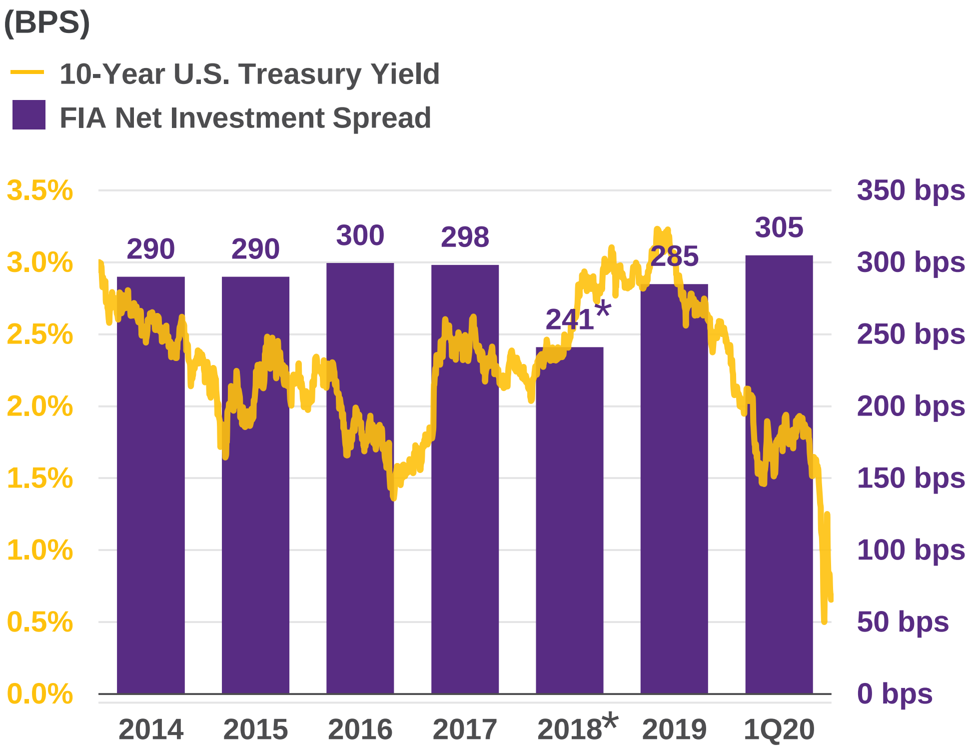
[2]Reflects twelve month rolling average

Note: Earnings and ROE figures reflect common shareholder metrics

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Track Record of FIA Net Investment Spread Management

FIA Net Spread vs. 10-Year UST Yield



Despite volatility in interest rates, we have a long track record of consistently managing FIA net spread

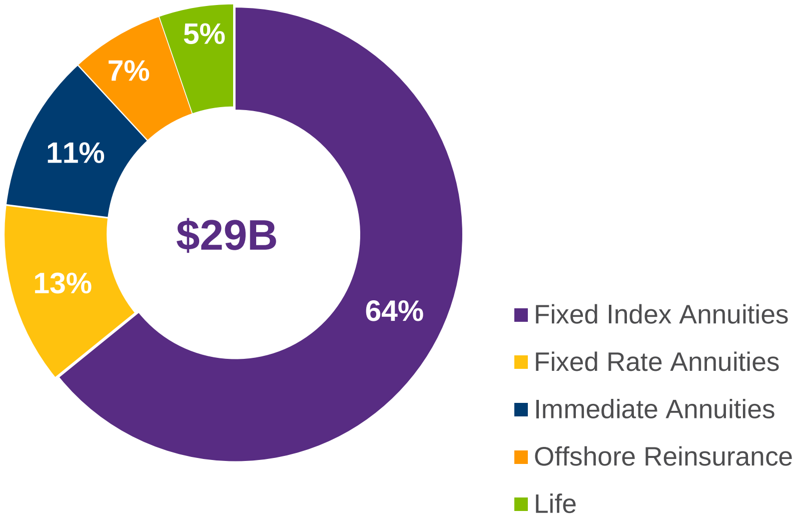
- Ability to continuously re-price inforce annually by managing cost of crediting and caps
- New business can be re-priced monthly, further mitigating interest rate impact on spread

**Non-economic impacts of purchase accounting decreased net investment spread in 2018*

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Stable Liability Profile

GAAP Net Reserves[1,2]



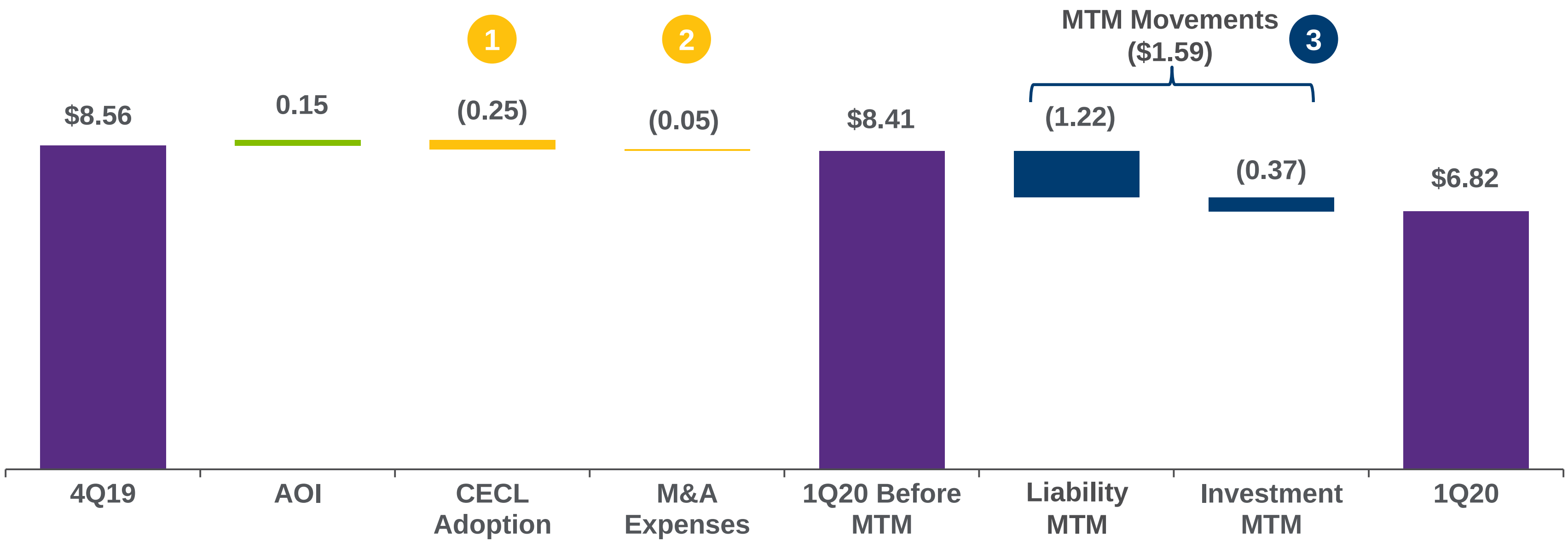
Liability Profile

- Primarily Fixed Indexed Annuities and Fixed Annuities, with growing IUL book
- Asset and liability cash flows are well matched
- New business and in-force actively managed to maintain pricing IRR targets and net spread
- 87% of in-force is surrender charge protected; actual surrenders and lapses are consistent with pricing

Annuity Metrics[1]	FIA and Fixed Annuities
Weighted-average life[3]	6 years
% Surrender charge protected	87%
Average remaining surrender charge (% of account value)	8%
Average cost of option cost/interest credited	2.1%
Distance to guaranteed minimum crediting rates	86 bps

[1]Quarter ended 3/31/20 and where applicable, crediting costs and distance consider the spot costs of index and fixed credits
[2]GAAP net reserves comprised $32B contractholder funds and future policy benefits, net of $3B reinsurance recoverable
[3]Reflects effective duration of liabilities
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Book Value per Share (ex. AOCI) Roll-Forward



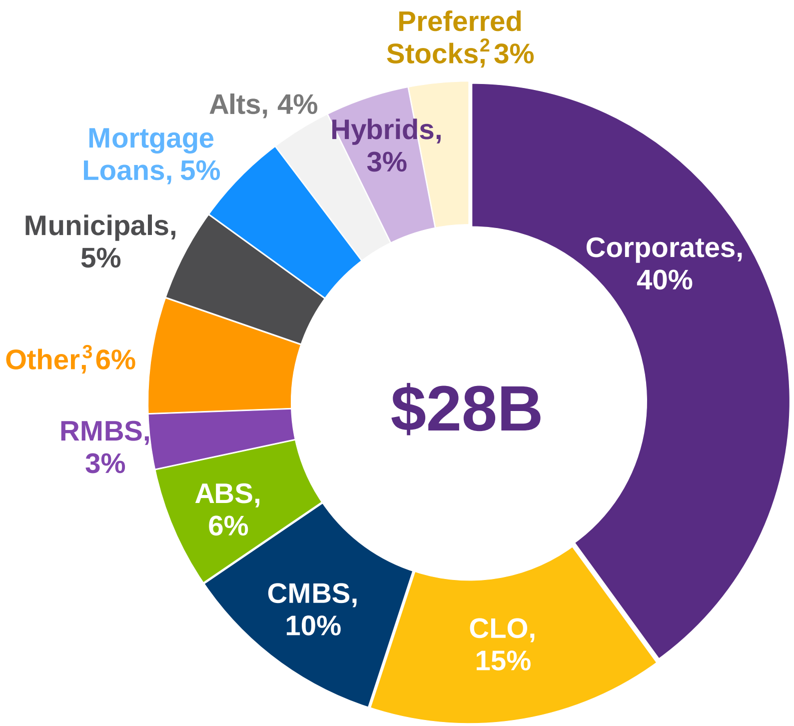
1. **Current Expected Credit Losses (CECL):** ($0.25) per share related to adoption of new accounting standard and 1Q allowance movement
2. **Merger transaction (M&A) expenses:** ($0.05) per share, primarily related to FNF merger agreement
3. **Mark-to-Market:** ($1.59) per share from emerging asymmetry in accounting for assets and liabilities; these market-driven impacts are **excluded from AOI** but reflected in GAAP net income. As a reminder, these movements can be positive or negative depending on market movements:
   - **Liability Mark-to-Market:** ($1.22) per share or ($270M) reduction from:
     - ($1.12) per share unfavorable FIA related and embedded derivatives and fair value accounting for international subsidiaries
     - ($0.10) per share preferred shares remarketing embedded derivative
   - **Investment Mark-to-Market:** ($0.37) per share unrealized preferred stocks[1] market value change

[1]Preferred stocks are 88% investment grade and have an average NAIC rating of 2.1
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

F&G Investment Portfolio Update

1Q20 Investment Portfolio Overview

Investment Portfolio by Asset Class[1]



Average NAIC 1.5

The investment portfolio is diversified across a wide variety of asset classes; additionally…

- Net earned yield was 4.38% in 1Q20
  - New business invested at 4.47% in 1Q20, inclusive of 5% allocation to alternatives
- ~15% of the portfolio in floating rate assets
- Funded alternative assets of $1.1B, or approximately 4% of portfolio
  - 55% of alternatives commitments are still undrawn

[1]At amortized cost

[2]Preferred stocks are 88% investment grade and have an average NAIC rating of 2.1

[3]Other consists of commercial and residential mortgage loans, derivatives, policy loans, common stock and cash/cash equivalents

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

A High Quality Investment Portfolio

Well Diversified, Tightly Matched Portfolio

$28B of invested assets; 95% of fixed income is rated investment grade, including corporate and structured securities

- Investment portfolio is well-matched; asset and liability duration within <0.5 years
- At 3/31/20, the unrealized loss position on the portfolio was ($1.8B), or 6% of the portfolio
  - Unrealized loss on investment portfolio securities in AOCI largely driven by higher credit spreads from market dislocation and volatility in March
  - As of 4/30/20, we estimate approximately 1/3 of this unrealized loss position has reversed
- 6% of the portfolio[1] has exposure to energy-related sectors
  - Half of energy-related exposure is to integrated and midstream operators who are less exposed to changes in commodity prices
- We estimate 10% of the portfolio[1] has exposure to sectors that are more sensitive to COVID-19 impacts
  - Sectors include transportation, travel and lodging, consumer cyclical, and retail
  - 91% of this exposure is investment grade

[1]Includes alternatives exposure
AOCI – Accumulated Other Comprehensive Income
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Proactive Portfolio De-Risking

Actions We've Taken

Starting in 2018, we took proactive action to improve investment portfolio quality

- In 2018, Blackstone Insurance Solutions ("BIS") repositioned a portion of the portfolio into investment grade structured assets
- In 2019, we sold nearly $1B of lower quality BBB corporate exposure, including energy, and reallocated to higher quality corporate bonds, structured securities, and mortgage loans
- The current environment has allowed us to allocate toward higher quality securities given the dislocation seen in recent market volatility and to seek attractive risk-adjusted spreads
- Going forward, we do not expect material changes to our investment strategy

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Investment Portfolio Stress Testing

Stress Testing Methodology

- Multiple stress scenarios are modeled by F&G and BIS investments and risk teams
- Stress scenarios are updated based on market conditions
- Risk limits and impacts are reviewed at least quarterly with management and the Board of Directors
    - In times of heightened market volatility, management reviews occur with as-needed frequency

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

New Severe Stress Testing Presentation

Severe Stress Test Assumptions

Given the current economic environment, we are presenting a more severe stress test than the moderate scenario provided in 1Q19. The analysis assumes:

- Cumulative default rates similar to experience in 2008-2009 for Corporate Credit and CMBS, including:
  - Corporate default rates of 2.3% for BBB and 10.9% for B-rated securities
  - CMBS default rates of 1.7% for BBB and 21.2% for B-rated securities
- For CLOs, since there have been no defaults to date in CLOs 2.0, to be conservative, we used the 10-year weighted average default rates as of 2017 for CLOs 1.0, as this period includes 2008 defaults:
  - Default rates of 1.4% for BBB and 16.5% for B
- Applying cumulative 2008 and 2009 corporate default rates and instantaneous shock effectively **doubles observed annual default rate relative to 2008-2009 Great Financial Crisis**
- Credit spread widening to 560 to 2,700 basis points, depending on the asset class and rating (consistent with spreads in the Great Financial Crisis)
- Pre-tax mark-to-market on preferred equity securities[1] of (20%) and alternatives of (28%)

[1]Preferred stocks are 88% investment grade and have an average NAIC rating of 2.1

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Severe Stress Test Results

Severe Stress by Asset Class

Credit Losses by Asset Class	GAAP Loss ($M After DAC & Taxes)
Corporate Fixed Income	$101
Hybrids	$12
Municipal Bonds	$6
Commercial Mortgage-Backed Securities	$6
Mortgage Loans	$4
Emerging Market Debt	$4
Residential Mortgage-Backed Securities	$4
Collateralized Loan Obligations	$3
Asset-Backed Securities	$2
Sub-Total Credit Default Losses	**$142**
Credit Loss Compared to 2019 AOI	*0.4x*

Mark-to-Market by Asset Class	GAAP Loss ($M After DAC & Taxes)
Alternatives (MTM)	$176
Preferred Stocks (MTM)	$122
Sub-Total Mark-to-Market U/R Losses	**$298**
Total Credit Loss and MTM Impact	**$440**
Credit Loss + MTM Compared to 2019 AOI	*1.4x*

Manageable Impact

The severe stress test still results in a manageable impact before management actions

- Credit losses of $142M represents impact of “front-loaded” default experience and represents 0.4x 2019 AOI
- Mark-to-market impact on alternatives and preferreds[1] is **unrealized** and would be expected to recover over time, consistent with historical and recent experience
- **Severe stress impact** of $440M represents 1.4x 2019 AOI

In a moderate stress scenario with assumptions similar to those presented in our 1Q19 stress test, we estimate an impact of 1.0x AOI

[1]Preferred stocks are 88% investment grade and have an average NAIC rating of 2.1

Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

Stable & Strong Capital Profile

We are confident in our capital and liquidity position in the current environment. The merger with FNF is on track, and under FNF's ownership, we expect to jump start our launch into new distribution channels and accelerate our path toward higher ratings

Favorable Ratings Outlook

Rating	A.M. Best	S&P	Fitch[2]	Moody's
Financial Strength Rating[1]	**A-** Stable	**BBB+** *Credit Watch Positive*	**BBB+** *Rating Watch Positive*	**Baa2** *Review for Upgrade*

Solid Foundation in the Current Environment

Sources of Liquidity

$350M Available Operational Cash

$250M Undrawn Revolver

$12B Highly Liquid Securities[4]

Strong Solvency Ratio

425% Estimated RBC Ratio[3]

Strong Capital and Surplus Position

Solid Leverage Position

Debt/Capital Ratio of 22.4%, excl. AOCI[5]

Senior Note $550M Maturity Not Due Until 2025

[1]Reflects financial strength rating for primary insurance operating subsidiaries
[2]F&G Re is currently rated BBB- with a Stable outlook from Fitch
[3]Reflects company action level RBC on aggregate, combined basis for insurance operating subsidiaries including impacts of Tax Reform
[4]Includes the market value of corporate, municipal, and government bonds
[5]Rating Agency Adjusted Debt/Capital excl. AOCI of 31.6% at 3/31/20
Note: Refer to the appendix for definitions and reconciliations of non-GAAP measures

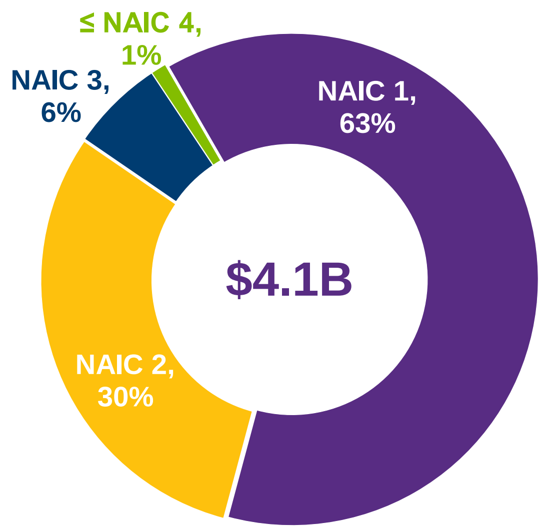
Appendix

CLO Portfolio Overview

Subordination by Tranche

Tranche	Weighted Avg. Subordination
AAA	51%
AA	29%
A	19%
BBB	14%
BB/B	8%
Total	20%

CLO by NAIC Rating



Portfolio Details

- The CLO portfolio is $4.1B, or 15% of the total investment portfolio
- We focus on superior credit enhancement, demonstrated by the strong weighted average subordination of 20%
- 93% of exposure is investment grade; on a look through basis:
  - 87% of the CLO portfolio is in broadly syndicated loans; 13% is in middle market collateral
  - 5% of the underlying collateral is in the hospitality/gaming sectors
  - <3% of the underlying collateral is in energy
- Assuming loan recovery rates drop to 50% from the long term average of 65%, the annual default rate on loans for the life of the CLO would need to be approximately 7% and 5%, before BBB and BB tranches, respectively, are impaired

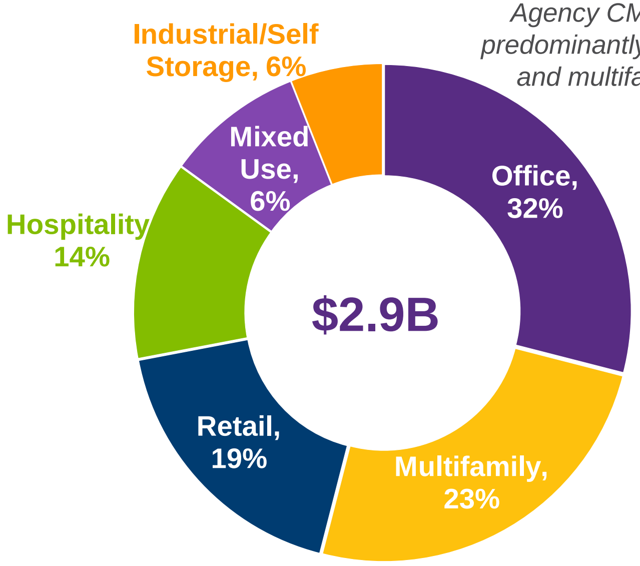
CMBS Portfolio Overview

Low LTV in First Lien Loans

Key Statistics	
First Lien Loans	100%
Weighted Average Loan-to-Value (LTV)	55%

Sector Distribution

Well-diversified by collateral with Agency CMBS and SASBs predominantly focused on office and multifamily properties



CMBS Portfolio Details

Low LTV, first lien loans in seasoned structures

- The CMBS portfolio is $2.9B, or ~10% of the total investment portfolio - no holdings are first loss positions, and the portfolio has a low average LTV ratio of 56%
- Portfolio construction is focused on seasoned structures that benefit from amortization, property price appreciation, and performance transparency at the time of acquisition
- Sub-sectors are well diversified by type and underlying collateral, including Agency CMBS, SASB, and conduit CMBS
  - Largest underlying collateral is office and multifamily at 32% and 23%, respectively
  - Lodging and retail represent 14% and 19%, respectively, each with average ratings of BBB+
- Conduit CMBS highlights:
  - Conduit A and higher: senior to first loss securities that represent 16% of the structure
  - Conduit BBB and below: predominantly investment grade (~90%) with 62% LTV and conservative underwriting and focused on appropriate seasoning:
    - Weighted average origination date is 2015
    - Prior to COVID 19, property prices had appreciated considerably since 2015[1]

[1]RCA CPPI US All Property Commercial Price Index from June 30, 2015 to March 31, 2020

Book Value per Share Definitions

- **Reported GAAP Book Value:** GAAP accounting requires unrealized gains and losses on available for sale securities in the investment portfolio flow through an equity account on the balance sheet called Accumulated Other Comprehensive Income, or AOCI
- **Movement in Interest Rates and Spreads Drive Mark-to-Market:** This mark-to-market for these unrealized gains and losses is largely driven by the movement of interest rates and spreads and can cause volatility in reported GAAP Equity
- **Book Value excluding AOCI:** It is standard industry practice to calculate equity-based metrics on 'Common shareholders' equity excluding AOCI.' We have formally defined this metric in the appendix of this presentation and in our Quarterly Financial Supplement (QFS):
  - This approach is preferred since including AOCI in Equity can distort the economics of a life insurance company, as securities in the investment portfolio are typically held until maturity (i.e, the unrealized gain or loss does not become realized)
  - We believe management, investors, rating agencies and regulators pay significant attention to Book Value excluding AOCI
- **Unrealized Gains and Losses are Typically "Looked Through":** A life insurance company does not typically get "credit" for the equity in AOCI driven by the unrealized gains and losses on available for sale securities
  - If a life insurance company had a large unrealized gain, it would typically not want to monetize this gain - monetizing the gain would require the company to pay taxes on the gain and presumably reinvest at a lower available market rate
  - We believe the Statutory accounting concept of Interest Maintenance Reserve (IMR) also dis-incentivizes investment portfolio transactions entered into due to interest rate movements (either at a gain or loss)

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

	March 31, 2020		December 31, 2019	
	(Unaudited)		(Unaudited)	
ASSETS				
Investments:				
Fixed maturity securities, available-for-sale, at fair value (amortized cost: March 31,2020 - $22,836; December 31, 2019 - $22,914 and allowance for expected credit losses: March 31, 2020 - $44; December 31, 2019 - $0)	$	21,140	$	23,726
Equity securities, at fair value (cost: March 31, 2020 - $1,052; December 31, 2019 - $1,069)		915		1,071
Derivative investments, at fair value		188		587
Mortgage loans (allowance for expected credit losses: March 31, 2020 - $11; December 31, 2019 - $0)		1,769		1,267
Other invested assets		1,491		1,303
Total investments		25,503		27,954
Cash and cash equivalents		776		969
Accrued investment income		251		228
Funds withheld for reinsurance receivables, at fair value		2,050		2,172
Reinsurance recoverable (allowance for expected credit losses: March 31, 2020 - $22; December 31, 2019 $0)		3,186		3,213
Intangibles, net		2,029		1,455
Deferred tax assets, net		264		61
Goodwill		467		467
Other assets		211		195
Total assets	**$**	**34,737**	**$**	**36,714**

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

LIABILITIES AND SHAREHOLDERS' EQUITY				
Contractholder funds	$	26,226	$	25,684
Future policy benefits, including $1,904 and $1,953 at fair value at March 31, 2020 and December 31, 2019, respectively		5,658		5,735
Funds withheld for reinsurance liabilities		821		831
Liability for policy and contract claims		73		71
Debt		543		542
Revolving credit facility		—		—
Other liabilities		944		1,108
Total liabilities		**34,265**		**33,971**
Shareholders' equity:				
Preferred stock ($.0001 par value, 100,000,000 shares authorized, 437,841 and 429,789 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively)		—		—
Common stock ($.0001 par value, 800,000,000 shares authorized, 221,972,602 and 221,807,598 issued and outstanding at March 31, 2020 and December 31, 2019, respectively)		—		—
Additional paid-in capital		2,041		2,031
Retained earnings (Accumulated deficit)		(72)		300
Accumulated other comprehensive income (loss)		(1,428)		481
Treasury stock, at cost (8,652,400 shares at December 31, 2019; 600,000 shares at December 31, 2018		(69)		(69)
Total shareholders' equity		472		2,743
Total liabilities and shareholders' equity	$	**34,737**	$	**36,714**

Consolidated Statements of Operations

FGL Holdings Consolidated Statement of Operations

	Three months ended			
	March 31, 2020 (Unaudited)		March 31, 2019 (Unaudited)	
Revenues:				
Premiums	$	10	$	16
Net investment income		317		289
Net investment gains (losses)		(692)		240
Insurance and investment product fees and other		30		55
Total revenues		(335)		600
Benefits and expenses:				
Benefits and other changes in policy reserves		(41)		339
Acquisition and operating expenses, net of deferrals		96		44
Amortization of intangibles		(61)		29
Total benefits and expenses		(6)		412
Operating income (loss)		(329)		188
Interest expense		(8)		(8)
Income (loss) before income taxes		(337)		180
Income tax (expense) benefit		(1)		(9)
Net income (loss)	$	(338)	$	171
Less Preferred stock dividend		8		8
Net income (loss) available to common shareholders	$	(346)	$	163
Net income (loss) per common share:				
Basic	$	(1.62)	$	0.74
Diluted	$	(1.62)	$	0.74
Weighted average common shares used in computing net income (loss) per common share:				
Basic		213.16		219.65
Diluted		213.16		219.68
Cash dividend per common share	$	0.01	$	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. 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. The following represents the definitions of non-GAAP measures used by the FGL Holdings.

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 changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses recognized in operations, but excluding realized 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, and (v) the effect of integration, merger related & other non-operating items. 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.

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 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.

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.

Non-GAAP Measures and Definitions

Non-GAAP Measures (continued):

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.

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 driven by the Company that is attributable to common shareholders.

Non-GAAP Measures and Definitions

<u>**Non-GAAP Measures (continued):**</u>

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 calculated as 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.

Sales (FIA Sales and Total Retail Annuity 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. Annuity and IUL sales are recorded as deposit liabilities (i.e. contractholder funds) within the Company's unaudited condensed consolidated financial statements in accordance with GAAP. 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.

Non-GAAP Measure Reconciliations

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

	Three months ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions, except per share data)				
Net income (loss)	$ (338)	$ 225	$ 65	$ 46	$ 171
Adjustments to arrive at AOI:					
Effect of investment losses (gains), net of offsets (a)	133	(34)	(44)	(22)	(70)
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)	287	(134)	63	69	(17)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(39)	—	18	(10)	19
Effect of integration, merger related & other non-operating items	34	11	(6)	(3)	(3)
Tax impact of adjusting items	(36)	34	(10)	(7)	(10)
AOI	$ 41	$ 102	$ 86	$ 73	$ 90
Dividends on preferred stock	(8)	(8)	(7)	(8)	(8)
AOI available to common shareholders	$ 33	$ 94	$ 79	$ 65	$ 82
Per diluted common share:					
Net income (loss) available to common shareholders	$ (1.62)	$ 1.02	$ 0.26	$ 0.17	$ 0.74
Adjustments to arrive at AOI:					
Effect of investment (gains) losses, net of offsets (a)	0.62	(0.16)	(0.20)	(0.10)	(0.32)
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)	1.35	(0.63)	0.29	0.32	(0.08)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(0.18)	—	0.08	(0.05)	0.09
Effect of integration, merger related & other non-operating items	0.16	0.05	(0.03)	(0.01)	(0.01)
Tax impact of adjusting items	(0.18)	0.16	(0.04)	(0.03)	(0.05)
AOI available to common shareholders per diluted share	$ 0.15	$ 0.44	$ 0.36	$ 0.30	$ 0.37

(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.

Non-GAAP Measure Reconciliations

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

(In millions, except per share data)	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Reconciliation to total shareholders' equity:		
Total shareholders' equity	$ 472	$ 2,743
Less: AOCI	(1,428)	481
Less: Preferred equity	446	438
Total common shareholders' equity excluding AOCI	$ 1,454	$ 1,824
Total common shares outstanding	213.32	213.16
Book value per common share including AOCI	$ 0.12	$ 10.81
Book value per common share excluding AOCI	$ 6.82	$ 8.56

Reconciliation of ROE to Adjusted Operating ROE

(In millions, except per share data)	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Reconciliation to total shareholders' equity:	(2.2%)	29.4%
AOCI	0.1%	0.3%
Return on average common shareholders' equity, excluding AOCI	(2.1%)	29.7%
Aggregate adjustments to arrive at AOI available to common shareholders’	18.9%	(9.7%)
Adjusted Operating return on common shareholders’ equity, excluding AOCI	16.8%	20.0%

Non-GAAP Measure Reconciliations

Rollforward of Average Assets Under Management (AAUM) (Unaudited)

(In billions)		AAUM YTD
AAUM as of March 31, 2019	**$**	**25.9**
Net new business asset flows		2.4
Reinsurance transactions		0.9
Reinsurance cession to Kubera		(0.2)
Purchase accounting mark-to-market valuation of investment portfolio		(0.1)
AAUM as of March 31, 2020	**$**	**28.9**

Disclaimers

Certain countries have been susceptible to epidemics, most recently COVID-19, which may be designated as pandemics by world health authorities. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which F&G invests), and thereby is expected to adversely affect the performance of F&G’s investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to F&G’s portfolio and the performance of its investments.

Although the current CLO portfolio reflected in this presentation is consistent with the investment strategy, there is no guarantee that the future investments made will continue to be identical to the make-up of the current portfolio. Moreover, the future investments to be made may differ substantially from the investments included in the current portfolio. Therefore, subject to any relevant investment limitations, the current portfolio parameters, industry concentration, rating concentration, spread distribution and other factors related to the current portfolio could all be materially different than those of the future portfolio acquired.

CLO impairment statistics generated from Intex model and include key assumptions as follows: Interest rates based on current Intex curve, annual prepayment rate of 20%, Recovery lag = 12 months, CLO redeemed at AAA payoff date in standard CLO run, reinvestment price = 99.75, reinvestment rate = 3 month LIBOR + 325 bps, and no reinvestment post Reinvestment Period. Average default and recovery rates are sourced from J.P. Morgan, as of December 31, 2019.