



PRESS RELEASE

F&G Annuities & Life Reports Second Quarter 2025 Results

Des Moines, Iowa – (August 6, 2025) – F&G Annuities & Life, Inc. (NYSE: FG) (F&G or the Company) a leading provider of insurance solutions serving retail annuity and life customers and institutional clients, today reported financial results for the second quarter ended June 30, 2025.

Net earnings attributable to common shareholders (net earnings) for the second quarter of \$35 million, or \$0.26 per diluted share (per share), compared to \$198 million, or \$1.55 per share, for the second quarter of 2024. Net earnings for the second quarter included \$49 million of net unfavorable mark-to-market effects and \$19 million of other unfavorable items; all of which are excluded from adjusted net earnings. Net earnings for the second quarter of 2024 included \$70 million of net favorable mark-to-market effects and \$11 million of other unfavorable items; all of which are excluded from adjusted net earnings.

Adjusted net earnings attributable to common shareholders (adjusted net earnings) for the second quarter of \$103 million, or \$0.77 per share, compared to \$139 million, or \$1.10 per share, for the second quarter of 2024. Adjusted net earnings include significant income and expense items and alternative investment portfolio returns from short-term mark-to-market movement that differ from long-term return expectations. Please see the “Second Quarter 2025 Results” and “Non-GAAP Measures and Other Information” sections for further explanation.

Second Quarter 2025 Highlights

- **Record assets under management, driven by record retail sales:** F&G achieved record assets under management before flow reinsurance of \$69.2 billion at the end of the second quarter, an increase of 13% over the second quarter of 2024. This included retained AUM of \$55.6 billion. F&G delivered \$4.1 billion of gross sales in the second quarter, one of our strongest sales quarters driven by record retail channel sales; net sales were \$2.7 billion
- **Excellent credit performance in the investment portfolio:** The investment portfolio is performing well, with 97% of fixed maturities being investment grade. It is well matched to our liability profile and diversified across asset types. Credit-related impairments have remained low and stable, averaging 6 basis points over the past five years and remained below pricing assumptions through the first half of 2025
- **Reported adjusted return on assets (ROA) includes short-term fluctuations in investment income from alternative investments:** Adjusted ROA of 71 basis points in the second quarter; adjusted ROA of 92 basis points over the last twelve months (LTM), as compared to 91 basis points in the second quarter 2024 LTM; reflects growing contributions from flow reinsurance and owned distribution
- **Growing adjusted return on equity (ROE) ex AOCI:** Adjusted ROE excluding AOCI (including short-term fluctuations in investment income from alternative investments) was 8.8% for the second quarter, up 40 bps as compared to 8.4% in the second quarter of 2024
- **On track to achieve our Investor Day targets:** We continue to make strong progress toward the medium-term targets set out at our 2023 Investor Day
- **Continued focus on organic growth and return of capital to shareholders:** F&G returned \$35 million of capital to shareholders from common and preferred dividends in the second quarter

Chris Blunt, F&G’s Chief Executive Officer, said, “We grew AUM before flow reinsurance to \$69.2 billion at the end of the second quarter, an increase of 13% from second quarter 2024, driven by strong sales. Our business is benefiting from increased scale, as our ratio of operating expense to AUM before flow reinsurance has decreased by 5 basis points from the second quarter of 2024, and we expect further improvement in the second half of the year. Our high quality investment portfolio is performing well and credit related impairments remain below our pricing assumption. Overall, we have had tremendous growth since FNF acquired F&G in June 2020, with a cumulative

58% increase in book value per share excluding AOCI since year-end 2020, to \$43.39 at the end of the second quarter.”

Mr. Blunt continued, “F&G benefits from both spread-based and fee-based earnings, including our flow reinsurance, middle market life insurance and owned distribution strategies which leverage our position as one of the industry’s largest distributors of annuities and life insurance. We remain confident that we will deliver on our medium-term Investor Day targets as we move further toward a more fee-based, higher margin and less capital intensive business model.”

Summary Financial Results¹

(In millions, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	2025	2024
Gross sales	\$ 4,106	\$ 4,420	\$ 7,008	\$ 7,915
Net sales	\$ 2,744	\$ 3,445	\$ 4,925	\$ 5,747
Assets under management (AUM)	\$ 55,565	\$ 52,208	\$ 55,565	\$ 52,208
Average assets under management (AAUM) YTD	\$ 54,521	\$ 50,181	\$ 54,521	\$ 50,181
AUM before flow reinsurance	\$ 69,161	\$ 61,370	\$ 69,161	\$ 61,370
Adjusted return on assets	0.71 %	0.98 %	0.71 %	0.98 %
Adjusted return on average equity (ex. AOCI)	8.8 %	8.4 %	8.8 %	8.4 %
Net earnings (loss)	\$ 35	\$ 198	\$ 10	\$ 309
Net earnings (loss) per share	\$ 0.26	\$ 1.55	\$ 0.08	\$ 2.45
Adjusted net earnings	\$ 103	\$ 139	\$ 194	\$ 247
Adjusted net earnings per share	\$ 0.77	\$ 1.10	\$ 1.48	\$ 1.97
Book value per common share	\$ 31.02	\$ 27.02	\$ 31.02	\$ 27.02
Book value per common share, excluding AOCI	\$ 43.39	\$ 42.52	\$ 43.39	\$ 42.52

Second Quarter 2025 Results

Record AUM before flow reinsurance was \$69.2 billion, an increase of 13% over \$61.4 billion at the end of the second quarter 2024. This included retained AUM of \$55.6 billion, an increase of 7% over \$52.2 billion at the end of the second quarter 2024. A rollforward of AUM can be found in the “Non-GAAP Measures and Other Information” section of this release.

Gross sales were \$4.1 billion, one of our best sales quarters in history, driven by record retail channel sales and strong pension risk transfer sales; our all-time record of \$4.4 billion was in the second quarter of 2024.

Record retail channel sales were more than \$3.6 billion, 13% higher than the second quarter of 2024; this reflects one of our best quarters for indexed annuities, as well as a record quarter for both indexed universal life and multiyear guaranteed annuity sales.

Institutional market sales were \$0.5 billion of pension risk transfer sales, compared to \$1.2 billion in the second quarter of 2024 with \$0.9 billion of funding agreements and \$0.3 billion of pension risk transfer sales. Institutional sales are opportunistic and volumes vary quarter to quarter.

Net sales were \$2.7 billion, compared to \$3.4 billion in the second quarter of 2024; this reflects third party flow reinsurance at varying ceded amounts in line with capital targets.

Adjusted net earnings of \$103 million, or \$0.77 per share, compared to \$139 million, or \$1.10 per share for the second quarter of 2024. Adjusted net earnings include significant income and expense items and alternative

¹See definition of non-GAAP measures below

investment portfolio returns from short-term mark-to-market movement that differ from long-term return expectations.

- **Adjusted net earnings of \$103 million, or \$0.77 per share, for the second quarter of 2025.** Investment income from alternative investments was \$83 million, or \$0.62 per share, below management's long-term expected return of approximately 10%
- **Adjusted net earnings of \$139 million, or \$1.10 per share, for the second quarter of 2024** included \$16 million, or \$0.12 per share, of expense from actuarial model updates and refinements. Investment income from alternative investments was \$20 million, or \$0.15 per share, below management's long-term expected return of approximately 10%

As compared to the prior year quarter, adjusted net earnings reflect asset growth, higher fees from accretive flow reinsurance, higher owned distribution margin and disciplined expense management driving scale benefit; partially offset by higher interest expense on debt.

Capital and Liquidity Highlights

Total F&G equity attributable to common shareholders, excluding AOCI, was \$5.9 billion, or \$43.39 per share, as of June 30, 2025. This reflects an increase of \$0.08 per share during the quarter, including \$0.62 per share increase from adjusted net earnings and other; partially offset by \$0.36 per share net decrease for mark-to-market movements and \$0.18 per share decrease from capital actions.

Book value per common share excluding AOCI as of March 31, 2025	\$ 43.31
Adjusted net earnings and other	0.62
Book value per common share excluding AOCI, before capital actions & mark-to-market	\$ 43.93
Capital actions	(0.18)
Book value per common share excluding AOCI, before mark-to-market	\$ 43.75
Mark-to-market movement	(0.36)
Book value per common share excluding AOCI as of June 30, 2025	\$ 43.39

During the second quarter, F&G has returned capital to shareholders from common and preferred dividends of \$35 million, as compared to \$32 million in the second quarter of 2024.

Earnings Conference Call

Members of F&G's senior management team will host a conference call with the investment community to discuss F&G's second quarter 2025 results on Thursday, August 7, 2025, beginning at 9:00 a.m. Eastern Time. The conference call will be broadcast live over F&G's Investor Relations website at investors.fglife.com. A replay will also be available at the same location.

About F&G

F&G is committed to helping Americans turn their aspirations into reality. F&G is a leading provider of insurance solutions serving retail annuity and life customers and institutional clients and is headquartered in Des Moines, Iowa. For more information, please visit fglife.com.

Use of Non-GAAP Financial Information

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, this presentation includes non-GAAP financial measures, which the Company believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. Management believes these non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Our non-GAAP financial 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 presentation of this financial information is not intended to be considered in isolation of or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. By disclosing these non-GAAP financial measures, the Company believes it offers investors a greater understanding of, and an enhanced level of transparency into, the means by which the Company's management operates the Company. Any non-GAAP

measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings, net earnings attributable to common shareholders, or any other measures derived in accordance with GAAP as measures of operating performance or liquidity. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are provided within.

Forward-Looking Statements and Risk Factors

This press release contains forward-looking statements that are subject to known and unknown risks and uncertainties, many of which are beyond our control. Some of the forward-looking statements can be identified by the use of terms such as “believes”, “expects”, “may”, “will”, “could”, “seeks”, “intends”, “plans”, “estimates”, “anticipates” or other comparable terms. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: general economic conditions and other factors, including prevailing interest and unemployment rate levels and stock and credit market performance; consumer spending; government spending; the volatility and strength of the capital markets; investor and consumer confidence; foreign currency exchange rates; commodity prices; inflation levels; changes in trade policy; tariffs and trade sanctions on goods; trade wars; supply chain disruptions; natural disasters, public health crises, international tensions and conflicts, geopolitical events, terrorist acts, labor strikes, political crisis, accidents and other events; concentration in certain states for distribution of our products; the impact of interest rate fluctuations; equity market volatility or disruption; the impact of credit risk of our counterparties; changes in our assumptions and estimates regarding amortization of our deferred acquisition costs, deferred sales inducements and value of business acquired balances; regulatory changes or actions, including those relating to regulation of financial services affecting (among other things) underwriting of insurance products and regulation of the sale, underwriting and pricing of products and minimum capitalization and statutory reserve requirements for insurance companies, or the ability of our insurance subsidiaries to make cash distributions to us; and other factors discussed in “Risk Factors” and other sections of F&G's Form 10-K and other filings with the Securities and Exchange Commission (SEC).

SOURCE: F&G Annuities & Life, Inc.

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F&G ANNUITIES & LIFE, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)
(Unaudited)

Assets	June 30, 2025	December 31, 2024
Investments		
Fixed maturity securities available for sale, at fair value, (amortized cost of \$53,157), net of allowance for credit losses of \$97 at June 30, 2025	\$ 50,193	\$ 46,317
Preferred securities, at fair value	249	270
Equity securities, at fair value	92	145
Derivative investments	931	792
Mortgage loans, net of allowance for credit losses of \$75 at June 30, 2025	6,940	5,926
Investments in unconsolidated affiliates (certain investments at fair value of \$272 at June 30, 2025)	4,301	3,565
Other long-term investments	998	580
Policy loans	125	104
Short-term investments	760	2,410
Total investments	\$ 64,589	\$ 60,109
Cash and cash equivalents	1,884	2,264
Reinsurance recoverable, net of allowance for credit losses of \$18 at June 30, 2025	15,777	13,369
Goodwill	2,179	2,179
Prepaid expenses and other assets (certain assets held at fair value of \$18 million at June 30, 2025)	967	950
Other intangible assets, net	5,943	5,572
Market risk benefits asset	213	189
Income taxes receivable	6	—
Deferred tax asset, net	258	299
Total assets	\$ 91,816	\$ 84,931
Liabilities and Equity		
Contractholder funds	\$ 59,813	\$ 56,404
Future policy benefits	9,463	8,749
Market risk benefits liability	711	549
Accounts payable and accrued liabilities	2,568	2,219
Income taxes payable	—	5
Notes payable	2,235	2,171
Funds withheld for reinsurance liabilities	12,469	10,758
Total liabilities	\$ 87,259	\$ 80,855
Equity		
Preferred stock \$0.001 par value; authorized 25,000,000 shares as of June 30, 2025; outstanding and issued shares of 5,000,000 as of June 30, 2025	—	—
Common stock \$0.001 par value; authorized 500,000,000 shares as of June 30, 2025; outstanding and issued shares of 134,653,564 and 135,863,553 as of June 30, 2025, respectively	—	—
Additional paid-in-capital	3,747	3,464
Retained earnings	2,394	2,440
Accumulated other comprehensive income (loss) ("AOCI")	(1,670)	(1,923)
Treasury stock, at cost (1,209,989 shares as of June 30, 2025)	(33)	(30)
Total F&G Annuities & Life, Inc. shareholders' equity	\$ 4,438	\$ 3,951
Non-controlling interests	119	125
Total equity	\$ 4,557	\$ 4,076
Total liabilities and equity	\$ 91,816	\$ 84,931

F&G ANNUITIES & LIFE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
SECOND QUARTER INFORMATION
(In millions, except per share data)
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues				
Life insurance premiums and other fees	\$ 608	\$ 487	\$ 1,097	\$ 1,205
Interest and investment income	682	684	1,348	1,300
Owned distribution revenues	23	18	39	41
Recognized gains and (losses), net	51	(17)	(212)	195
Total revenues	1,364	1,172	2,272	2,741
Benefits and expenses				
Benefits and other changes in policy reserves	993	608	1,517	1,769
Market risk benefit (gains) losses	(4)	20	105	9
Depreciation and amortization	158	147	311	270
Personnel costs	77	69	144	135
Other operating expenses	42	46	83	104
Interest expense	41	28	81	58
Total benefits and expenses	1,307	918	2,241	2,345
Earnings (loss) before income taxes	57	254	31	396
Income tax expense (benefit)	15	50	10	76
Net earnings (loss)	42	204	21	320
Less: Non-controlling interests	2	1	2	2
Net earnings (loss) attributable to F&G	40	203	19	318
Less: Preferred stock dividend	5	5	9	9
Net earnings (loss) attributable to F&G common shareholders	\$ 35	\$ 198	\$ 10	\$ 309
Net earnings (loss) attributable to F&G common shareholders per common share				
Basic	\$ 0.26	\$ 1.60	\$ 0.08	\$ 2.49
Diluted	\$ 0.26	\$ 1.55	\$ 0.08	\$ 2.45
Weighted average common shares used in computing net earnings (loss) per common share				
Basic	133	124	130	124
Diluted	134	131	131	130

Non-GAAP Measures and Other Information

RECONCILIATION OF NET EARNINGS (LOSS) TO ADJUSTED NET EARNINGS (LOSS)

(In millions)	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Reconciliation of net earnings (loss) to adjusted net earnings attributable to common shareholders ¹				
Net earnings (loss) attributable to common shareholders	\$ 35	\$ 198	\$ 10	\$ 309
Non-GAAP adjustments				
Recognized (gains) and losses, net				
Net realized and unrealized (gains) losses on fixed maturity available-for-sale securities, equity securities and other invested assets	12	(37)	27	(85)
Change in allowance for expected credit losses	19	21	41	22
Change in fair value of reinsurance related embedded derivatives	61	(10)	102	8
Change in fair value of other derivatives and embedded derivatives	(13)	8	(62)	69
Recognized (gains) losses, net	79	(18)	108	14
Market related liability adjustments	(16)	(71)	87	(126)
Purchase price amortization	18	19	33	41
Transaction costs, other and non-recurring items	8	(3)	9	(3)
Non-controlling interest	(2)	(2)	(4)	(5)
Income taxes adjustment	(19)	16	(49)	17
Adjusted net earnings attributable to common shareholders ¹	\$ 103	\$ 139	\$ 194	\$ 247

¹See definition of non-GAAP measures below

- **Adjusted net earnings of \$103 million, or \$0.77 per share, for the second quarter of 2025.** Investment income from alternative investments was \$83 million, or \$0.62 per share, below management's long-term expected return of approximately 10%
- **Adjusted net earnings of \$139 million, or \$1.10 per share, for the second quarter of 2024** included \$16 million, or \$0.12 per share, of expense from actuarial model updates and refinements. Investment income from alternative investments was \$20 million, or \$0.15 per share, below management's long-term expected return of approximately 10%
- **Adjusted net earnings of \$194 million, or \$1.48 per share, for the first six months ended June 30, 2025** included \$16 million, or \$0.12 per share, of income from a reinsurance true-up adjustment. Investment income from alternative investments was \$146 million, or \$1.11 per share, below management's long-term expected return of approximately 10%
- **Adjusted net earnings of \$247 million, or \$1.97 per share, for the first six months ended June 30, 2024** included \$16 million, or \$0.12 per share, of expense from actuarial model updates and refinements; partially offset by \$2 million, or \$0.02 per share, of other income items. Investment income from alternative investments was \$72 million, or \$0.56 per share, below management's long-term expected return of approximately 10%

RECONCILIATION OF TOTAL EQUITY, TOTAL EQUITY EXCLUDING ACCUMULATED OTHER COMPREHENSIVE INCOME (AOCI), BOOK VALUE PER SHARE AND BOOK VALUE PER SHARE EXCLUDING AOCI

(In millions)	Three months ended		
	June 30, 2025	March 31, 2025	December 31, 2024
Total F&G Annuities & Life, Inc. shareholders' equity	4,438	4,363	3,951
Less: Preferred stock	250	250	250
Total F&G equity attributable to common shareholders	4,188	4,113	3,701
Less: AOCI	(1,670)	(1,734)	(1,923)
Total F&G equity attributable to common shareholders, excluding AOCI	\$ 5,858	\$ 5,847	\$ 5,624
Common shares outstanding	135	135	127
Book value per common share	\$ 31.02	\$ 30.47	\$ 29.14
Book value per common share, excluding AOCI	\$ 43.39	\$ 43.31	\$ 44.28

ASSETS UNDER MANAGEMENT (AUM) ROLLFORWARD, AVERAGE ASSETS UNDER MANAGEMENT (AAUM) AND AUM BEFORE FLOW REINSURANCE

(In millions)	Three months ended		
	June 30, 2025	March 31, 2025	December 31, 2024
AUM at beginning of period	\$ 54,546	\$ 53,817	\$ 52,464
Net new business asset flows	1,763	1,790	2,270
Net flow reinsurance to third parties	(744)	(1,395)	(1,046)
Net capital transaction proceeds (disbursements)	—	334	129
AUM at end of period ¹	\$ 55,565	\$ 54,546	\$ 53,817
AAUM YTD ¹	\$ 54,521	\$ 53,877	\$ 51,574
AUM before flow reinsurance	\$ 69,161	\$ 67,398	\$ 65,274

SALES HIGHLIGHTS

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Indexed annuities ("FIA/RILA")	\$ 1,701	\$ 1,648	\$ 3,162	\$ 3,085
Fixed rate annuities ("MYGA")	1,907	1,475	2,469	2,802
Total annuity	3,608	3,123	5,631	5,887
Indexed universal life ("IUL")	53	44	96	86
Funding agreements ("FABN/FHLB")	—	915	525	1,020
Pension risk transfer ("PRT")	445	338	756	922
Gross sales⁽¹⁾	4,106	4,420	7,008	7,915
Sales attributable to flow reinsurance to third parties	(1,362)	(975)	(2,083)	(2,168)
Net sales⁽¹⁾	\$ 2,744	\$ 3,445	\$ 4,925	\$ 5,747

¹See definition of non-GAAP measures below

DEFINITIONS

The following represents the definitions of non-GAAP measures used by F&G:

Adjusted Net Earnings attributable to common shareholders

Adjusted net earnings attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings attributable to common shareholders is calculated by adjusting net earnings (loss) attributable to common shareholders to eliminate:

- (i) Recognized (gains) and losses, net: 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; and the effects of changes in fair value of the reinsurance related embedded derivative and other derivatives, including interest rate swaps and forwards;
- (ii) Market related liability adjustments: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost; the impact of initial pension risk transfer deferred profit liability losses, including amortization from previously deferred pension risk transfer deferred profit liability losses; and the changes in the fair value of market risk benefits by deferring current period changes and amortizing that amount over the life of the market risk benefit;
- (iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset and the change in fair value of liabilities recognized as a result of acquisition activities);
- (iv) Transaction costs: the impacts related to acquisition, integration and merger related items;
- (v) Other and “non-recurring,” “infrequent” or “unusual items”: Other adjustments include removing any charges associated with U.S. guaranty fund assessments as these charges neither relate to the ordinary course of the Company’s business nor reflect the Company’s underlying business performance, but result from external situations not controlled by the Company. Further, Management excludes certain items determined to be “non-recurring,” “infrequent” or “unusual” from adjusted net earnings when incurred if it is determined these expenses are not a reflection of the core business and when the nature of the item is such that it is not reasonably likely to recur within two years and/or there was not a similar item in the preceding two years;
- (vi) Non-controlling interest on non-GAAP adjustments: the portion of the non-GAAP adjustments attributable to the equity interest of entities that F&G does not wholly own; and
- (vii) Income taxes: the income tax impact related to the above-mentioned 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 F&G, 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. Adjusted net earnings should not be used as a substitute for net earnings (loss). However, we believe the adjustments made to net earnings (loss) in order to derive adjusted net earnings provide an understanding of our overall results of operations.

Adjusted Weighted Average Diluted Shares Outstanding

Adjusted weighted average diluted shares outstanding is the same as weighted average diluted shares outstanding except for periods in which our preferred stocks are calculated to be dilutive to either net earnings attributable to common shareholders or adjusted net earnings attributable to common shareholders, but not both, or there is a net earnings loss attributable to common shareholders on a GAAP basis, but positive adjusted net earnings attributable to common shareholders using the non-GAAP measure. The above exceptions are made to include relevant diluted shares when dilution occurs and exclude relevant diluted shares when dilution does not occur for adjusted net earnings attributable to common shareholders.

Management considers this non-GAAP financial measure to be useful internally and for investors and analysts to assess the level of return driven by the Company that is available to common shareholders.

Adjusted Net Earnings attributable to common shareholders per Diluted Share

Adjusted net earnings attributable to common shareholders per diluted share is calculated as adjusted net earnings plus preferred stock dividend (if the preferred stock has created dilution). This sum is then divided by the adjusted weighted-average diluted shares outstanding.

Management considers this non-GAAP financial measure to be useful internally and for investors and analysts to assess the level of return driven by the Company that is available to common shareholders.

Adjusted Return on Assets attributable to Common Shareholders

Adjusted return on assets attributable to common shareholders is calculated by dividing year-to-date annualized adjusted net earnings attributable to common shareholders by year-to-date AAUM. Return on assets is comprised of net investment income, less cost of funds, flow reinsurance fee income, owned distribution margin and less expenses (including operating expenses, interest expense and income taxes) consistent with our adjusted net earnings definition and related adjustments. Cost of funds includes liability costs related to cost of crediting as well as other liability costs. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing financial performance and profitability earned on AAUM.

Adjusted Return on Average Common Shareholder Equity, excluding AOCI

Adjusted return on average common shareholder equity is calculated by dividing the rolling four quarters adjusted net earnings attributable to common shareholders, by total average F&G equity attributable to common shareholders, excluding AOCI. Average equity attributable to common shareholders, excluding AOCI for the twelve month rolling period is the average of 5 points throughout the period. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, changes in instrument-specific credit risk for market risk benefits and discount rate assumption changes for the future policy benefits, management considers this non-GAAP financial measure to be a useful internally and for investors and analysts to assess the level return driven by the Company's adjusted earnings.

Assets Under Management (AUM)

AUM is comprised of the following components and is reported net of reinsurance assets ceded in accordance with GAAP:

- (i) total invested assets at amortized cost, excluding investments in unconsolidated affiliates, owned distribution and derivatives;
- (ii) investments in unconsolidated affiliates at carrying value;
- (iii) related party loans and investments;
- (iv) accrued investment income;
- (v) the net payable/receivable for the purchase/sale of investments; and
- (vi) cash and cash equivalents excluding derivative collateral at the end of the period.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio that is retained.

AUM before Flow Reinsurance

AUM before Flow Reinsurance is comprised of AUM plus flow reinsured assets, including certain block reinsured assets that have the characteristics of flow reinsured assets.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio including reinsured assets.

Average Assets Under Management (AAUM) (Quarterly and YTD)

AAUM is calculated as AUM 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 retained assets.

Book Value per Common Share, excluding AOCI

Book value per Common share, excluding AOCI is calculated as total F&G equity attributable to common shareholders 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.

Debt-to-Capitalization Ratio, excluding AOCI

Debt-to-capitalization ratio is computed by dividing total aggregate principal amount of debt by total capitalization (total debt plus total equity, excluding AOCI). Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.

Return on Average F&G common shareholder Equity, excluding AOCI

Return on average F&G common shareholder equity, excluding AOCI is calculated by dividing the rolling four quarters net earnings (loss) attributable to common shareholders, by total average F&G equity attributable to common shareholders, excluding AOCI. Average F&G equity attributable to common shareholders, excluding AOCI for the twelve month rolling period is the average of 5 points throughout the period. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, changes in instrument-specific credit risk for market risk benefits and discount rate assumption changes for the future policy benefits, management considers this non-GAAP financial measure to be useful internally and for investors and analysts to assess the level of return driven by the Company that is available to common shareholders.

Sales

Annuity, IUL, funding agreement and non-life contingent PRT 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. Sales from these products are recorded as deposit liabilities (i.e., contractholder funds) within the Company's consolidated financial statements in accordance with GAAP. Life contingent PRT sales are recorded as premiums in revenues within the consolidated financial statements. 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.

Total Capitalization, excluding AOCI

Total capitalization, excluding AOCI is based on total equity excluding the effect of AOCI and the total aggregate principal amount of debt. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, changes in instrument-specific credit risk for market risk benefits and discount rate assumption changes for the future policy benefits, 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.

Total Equity, excluding AOCI

Total equity, excluding AOCI is based on total 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, changes in instrument-specific credit risk for market risk benefits and discount rate assumption changes for the future policy benefits, 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 total equity.

Total F&G Equity attributable to common shareholders, excluding AOCI

Total F&G equity attributable to common shareholder, excluding AOCI is based on total F&G Annuities & Life, Inc. shareholders' equity excluding the effect of AOCI and preferred stocks, including additional paid-in-capital. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, changes in instrument-specific credit risk for market risk benefits and discount rate assumption changes for the future policy benefits, management considers this non-GAAP financial measure to be useful internally and for investors and analysts to assess the level of return driven by the Company that is available to common shareholders.