
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 28, 2018

FGL HOLDINGS

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-37779
(Commission
File Number)

98-1354810
(IRS Employer
Identification No.)

Sterling House
16 Wesley Street
Hamilton HM CX, Bermuda

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (800) 445-6758

Former name or former address, if changed since last report.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

The following information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On February 28, 2018, FGL Holdings (the “Company”) issued a press release announcing its results of operations for the quarter ended December 31, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Report. In addition, the Company is including as Exhibit 99.2 to this report the related quarterly financial supplement.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	<u>Earnings Release of FGL Holdings dated February 28, 2018.</u>
99.2	<u>Financial Supplement of FGL Holdings dated February 28, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIDELITY & GUARANTY LIFE

/s/ Eric L. Marhoun

Eric L. Marhoun

General Counsel and Secretary

Dated: February 28, 2018

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Section 2: EX-99.1 (EXHIBIT 99.1)

FGL Holdings Reports Fourth Quarter 2017 Results

GEORGE TOWN, Cayman Islands: February 28, 2018 - FGL Holdings (NYSE: FG), a leading provider of annuities and life insurance, today announced financial results for the fourth calendar quarter of 2017.

- **On November 30, 2017, the company completed its previously announced merger of Fidelity & Guaranty Life with CF Corporation**
- **Annuity sales totaled \$623 million in the quarter, including \$462 million of fixed indexed annuities (FIA)**
- **Average assets under management increased to \$24.7 billion, up 25 percent over prior year primarily due to merger and purchase accounting effects, including the recognition of a \$1.2 billion net unrealized gain and \$1.7 billion purchase of Front Street Re**
- **In February 2018, the company completed a \$2.7 billion block trade as part of its planned portfolio repositioning activities, resulting in \$40 million higher annualized net investment income; yield increase was 150 basis points on the block trade and 20 basis points on the overall portfolio**

FGL Holdings reported operating results for the first period following the completion of the merger transaction. As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after the closing of the transaction are generally not comparable to the results of prior periods. Certain metrics, such as sales and policyholder account values, are not affected by PGAAP and are comparable to prior period data.

"In the fourth quarter, we finalized the merger with CF Corporation, began the relaunch of our company and worked to position it for future success," said Chris Littlefield, President and CEO of FGL Holdings. "We are pleased with the consistent and positive trends in assets under management and adjusted operating income, while net income was down largely due to the impact of tax reform and a one-time adjustment to the net deferred tax asset. Our FIA sales were \$462 million in the current quarter, up 9 percent from the sequential quarter. 2017 FIA sales were \$1.8 billion, down 9 percent from the prior year and in line with our plan and the overall industry decline. FIA sales across the industry were impacted by the uncertainty surrounding the Department of Labor fiduciary rule as well as from strong equity market performance, which can reduce consumer demand for safe money products. We are making good progress on repositioning our investment portfolio with the help of Blackstone and expect net investment spread to increase meaningfully over the next 12 to 24 months."

Because the merger transaction occurred during the quarter, information herein shows both portions of the current quarter. As such, the reader may find it helpful to view the entire three month results of the current quarter when comparing prior periods. Concurrent with the 10-K filing as of December 31, 2017, the company will report on a calendar year basis. The company presents the tables and financial results herein as follows:

- FGL (the Predecessor Company)--October 1 through November 30, 2017
- FG (the Successor Company)--December 1, 2017 and subsequent periods

The table below reconciles reported after-tax net (loss) to adjusted operating income (AOI) (Unaudited).

(In millions)	Period from December 1 to December 31, 2017	Period from October 1 to November 30, 2017	Period from October 1 to December 31, 2016 (Unaudited)
	FG (Successor)	FGL (Predecessor)	FGL
Reconciliation from Net (Loss) Income to AOI⁽¹⁾:			
Net (loss) income	\$ (102)	\$ 28	\$ 108
Effect of investment losses (gains), net of offsets	—	(6)	(1)
Effect of change in FIA embedded derivative discount rate, net of offsets	6	(10)	(92)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets	—	(1)	(10)
Effect of integration, merger related & other non-operating items	(8)	29	—
Net impact of Tax Cuts and Jobs Act	131	—	—
Effects of tax impact of affiliated reinsurance embedded derivative	(20)	—	—
Tax impact of adjusting items	(4)	(4)	36
Adjusted operating income	\$ 3	\$ 36	\$ 41

(1) Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.

The Tax Cuts and Jobs Act of 2017 (Tax Reform) was enacted on December 22, 2017, reducing the statutory federal income tax rate from 35 percent to 21 percent effective January 1, 2018. The impact of Tax Reform was a reduction of net income for the quarter of \$131 million, or \$0.61 per share, due to the revaluation of net deferred tax assets at the time of enactment. The company excluded the net impact of Tax Reform from adjusted operating income. For 2016, the GAAP effective tax rate (ETR) was 35% and, for 2017, the underlying ETR was 31% primarily excluding the previously noted deferred tax asset write-off.

The current quarter results for December 2017 included net unfavorable items of (\$11) million or (\$0.05) per diluted share. The current quarter results for October and November 2017 included net favorable items of \$5 million or \$0.08 per diluted share. The prior year quarter included net favorable items of \$4 million, or \$0.07 per diluted share. All periods reflect the weighted average diluted shares then outstanding. The table below details notable items in each period.

Current Year Month of December 2017 (FG)	
• Net unfavorable adjustment related to higher intangible amortization due to equity market fluctuations	(\$9) million
• Unfavorable actual to expected mortality within single premium immediate annuity (SPIA) product line	(\$2) million
Current Year Months of October and November 2017 (FGL)	
• Net favorable adjustment related to lower DAC amortization due to unlocking	\$4 million
• Favorable actual to expected mortality within the SPIA product line	\$1 million
Prior Year Quarter (FGL)	
• Favorable actual to expected mortality within the SPIA product line	\$2 million
• Higher net investment income from bond prepayment income	\$2 million

Summary Financial Results (Unaudited)

(In millions, except per share data)	December 31, 2017	December 31, 2016
	FG (Successor)	FGL
Fixed indexed annuity sales ^{(1) (2)}	\$ 1,779	\$ 1,946
Total annuity sales ^{(1) (2)}	\$ 2,525	\$ 2,684
Average assets under management ⁽¹⁾	\$ 24,722	\$ 19,768
Weighted average basic shares	214.4	58.3
Weighted average diluted shares	214.4	58.4
Total common shares outstanding	214.4	59.0
Book value per common share	\$ 7.45	\$ 29.70
Book value per common share, excluding AOCI ⁽¹⁾	\$ 7.10	\$ 27.11

(In millions, except per share data)	Period from December 1 to December 31, 2017 (Unaudited)	Period from October 1 to November 30, 2017 (Unaudited)	Period from October 1 to December 31, 2016 (Unaudited)
	FG (Successor)	FGL (Predecessor)	FGL
Net investment spread - FIA ⁽¹⁾	2.67%	3.05%	3.00%
Net investment spread - All products ⁽¹⁾	2.01%	2.44%	2.29%
Net (loss) income	\$ (102)	\$ 28	\$ 108
Net (loss) income per diluted share	\$ (0.49)	\$ 0.47	\$ 1.85
Adjusted operating income ("AOI") ⁽¹⁾	\$ 3	\$ 36	\$ 41
AOI available to common shareholders per diluted share ⁽¹⁾	\$ —	\$ 0.62	\$ 0.70

See footnotes below.

Sales Results

In the discussions that follow, sales for the fourth quarter of 2017 are compared to those of the fourth quarter of 2016.

For the current quarter, sales of the company's core fixed indexed annuity (FIA) product were \$462 million, a 16 percent decrease over the prior year quarter. This decline is due to intentional pricing actions to achieve profitability and capital targets, the effects of Department of Labor (DOL) fiduciary rule and reduced appetite for safe money products given strong equity market performance. FIA sales increased 9 percent as compared to the third quarter of 2017. FIA sales levels in recent quarters reflect strong and productive relationships with our distribution partners. FIA sales were \$1.8 billion for the calendar year 2017, a decrease of 9 percent over the prior year and in line with company's objectives.

Sales of multi-year guarantee annuities (MYGA) were \$161 million in the current quarter as compared to \$97 million in the same period last year. Total annuity sales were \$623 million for the fourth quarter, a decrease of 4 percent compared to the fourth quarter of 2016. For the calendar year, total annuity sales were \$2.5 billion, a 6 percent decrease over the prior year.

Indexed universal life (IUL) sales in the quarter were \$7 million compared to \$17 million last year. The decline in IUL sales reflects the company's focus on quality of new business and pricing discipline to achieve profitability and capital targets. IUL sales were \$36 million for the current calendar year compared to \$60 million in the prior year.

Investment Portfolio Performance

The investment portfolio is performing well and in line with expectations. Asset purchases over the latest 12 months were at an average new money yield of 5.12%. Asset purchases during the fourth quarter were \$1.1 billion at an average new money yield of 4.73 percent, primarily reflecting purchases in investment grade corporate bonds and structured securities. The average NAIC rating for the portfolio is approximately 1.6.

Following the merger, the company implemented purchase accounting whereby it reset all balance sheet amounts to fair market value. Overall, fair value balance sheet amounts have an impact on earnings as they change and are amortized over time. As of the date of the merger, the company completed its mark-to-market valuation of the investment portfolio, a non-cash adjustment, resulting in a net unrealized gain of approximately \$1.2 billion. This premium will be amortized over time, net of offsets for value of business acquired (VOBA) amortization and taxes. Average assets under management (AAUM) were \$24.7 billion at December 31, 2017, reflecting an increase of \$3.9 billion over the sequential quarter comprised of the previously noted \$1.2 billion purchase accounting mark-to-market, the inclusion of acquired \$1.9 billion Front Street Re and FGL Holdings, and \$0.8 billion other miscellaneous items. A reconciliation of AAUM can be found in the non-GAAP measurements section of this release.

Net investment income was \$266 million in the fourth calendar quarter of 2017, up \$5 million or 2 percent from the sequential quarter. Net investment income was (\$7) million lower in December, before amortization of intangibles and taxes, from purchase accounting amortization of the portfolio net unrealized gain which is non-cash in nature. The average earned yield on the total portfolio in the quarter was 4.31 percent, down approximately 70 basis points from the sequential quarter primarily due to the significant increase in AAUM noted above, the inclusion of only one month of net investment income for Front Street Re and the \$7 million of unfavorable premium amortization related to the fair value mark on the investment portfolio.

Net investment spread across all product lines was 201 basis points in the fourth quarter of 2017 compared to an historical sequential quarter spread of 244 basis points. The decline was due to the effects of purchase accounting on the earned yield noted above, while interest credited and option costs were consistent with prior periods. Net investment spreads for fixed indexed annuities declined from approximately 300 basis points for the historical sequential quarter to 267 basis points in the fourth quarter of 2017 due to the purchase accounting impacts on earned yield. On a Statutory basis, the yield on the investment portfolio remained unchanged on an economic basis at 5.17 percent in the fourth calendar quarter of 2017.

Capital Management & Rating Trends

- GAAP book value per common share at December 31, 2017 was \$7.45 on a reported basis; book value per common share excluding accumulated other comprehensive income (AOCI) was \$7.10, with 214.4 million common shares outstanding as of December 31, 2017. For book value per common share excluding accumulated other comprehensive income, the unfavorable impact of one-time Tax Reform effects was (\$0.61) per share and the unfavorable impact of merger transaction costs was (\$0.36) per share.
- During the quarter, the Company refinanced and increased its unsecured revolving credit facility to \$250 million from \$150 million. The remaining undrawn amount available is \$145 million.
- Strong capital position with estimated combined statutory risk-based capital (RBC) ratio of approximately 500% at year-end.
- Most rating agencies have completed their review of our credit ratings following the merger
 - S&P Global provided a two notch upgrade on the financial strength rating for Fidelity & Guaranty Life Insurance Company to 'BBB+', with Stable rating outlook, and a two notch upgrade on the issuer credit rating for Fidelity & Guaranty Life Holdings, Inc. to 'BB+', with a Positive rating outlook.
 - Fitch upgraded the issuer credit rating for Fidelity & Guaranty Life Holdings, Inc. one notch to 'BB+' and the senior note rating one notch to 'BB'.
 - A.M. Best outlook remains "Under Review with developing implications" at this time.

Appointment of Tom Sanzone to Board of Directors

The Company announced the appointment of Tom Sanzone to its board of directors effective as of February 28. Tom serves as Chief Executive Officer of Black Knight, Inc. (NYSE: BKI), a premier provider of software and data and analytics to the mortgage and consumer loan, real estate and capital markets vertical. Tom has more than 25 years of experience in the financial services industry. Prior to joining Black Knight (formerly known as Black Knight Financial Services), Tom was Executive Vice President at Booz Allen Hamilton, where he led the firm's commercial financial services business. Tom also held senior level positions at Merrill Lynch, Credit Suisse, Citigroup and Salomon Brothers. In 2015, HousingWire recognized Tom with its HW Vanguard Award, and the Jacksonville Business Journal selected Tom for its Ultimate CEO award. In 2016, Tom was also recognized by Ernst & Young as EY Entrepreneur of the Year - Florida (Technology Category). Tom earned his bachelor's degree in computer science from Hofstra University, which presented him in 2014 with the Alumnus of the Year award.

Timing of the Company's Form 10-K Filing

The Company has elected to delay the filing of its Form 10K in order to finalize the disclosure of the recently completed merger between CF Corp and FGL, as well as the related activities required under purchase accounting and a shift of its reporting period from fiscal to calendar year-end.

The Company plans to file a Form 12b-25 with the Securities and Exchange Commission on March 2. This filing provides the Company an additional 15 day period in which to submit its Form 10-K and still be deemed a timely filer.

The Company does not anticipate any changes from the results reported in this earnings release.

FGL HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS - (Unaudited)

(In millions, except share data)

	December 31, 2017	September 30, 2017	September 30, 2016
	Successor	Predecessor	Predecessor
ASSETS			
Investments:			
Fixed maturity securities, available-for-sale, at fair value (amortized cost: December 31, 2017 - \$21,475; September 30, 2017 - \$20,063; September 30, 2016 - \$18,521)	\$ 21,590	\$ 21,154	\$ 19,411
Equity securities, available-for-sale, at fair value (amortized cost: December 31, 2017 - \$764; September 30, 2017 - \$733; September 30, 2016 - \$640)	761	773	683
Derivative investments	492	413	276
Short term investments	25	—	—
Commercial mortgage loans	548	547	595
Other invested assets	188	185	60
Total investments	23,604	23,072	21,025
Related party loans	—	71	71
Cash and cash equivalents	1,215	885	864
Accrued investment income	211	231	214
Funds withheld for reinsurance receivables, at fair value	756	—	—
Reinsurance recoverable	2,506	3,375	3,464
Intangibles, net	844	1,129	1,026
Deferred tax assets, net	163	—	—
Goodwill	470	—	—
Other assets	160	202	371
Total assets	\$ 29,929	\$ 28,965	\$ 27,035
LIABILITIES AND SHAREHOLDERS' EQUITY			
Contractholder funds	\$ 21,844	\$ 20,792	\$ 19,251
Future policy benefits, including \$728 at fair value at December 31, 2017	4,751	3,412	3,467
Funds withheld for reinsurance liabilities	2	1,083	1,172
Liability for policy and contract claims	78	67	55
Debt	307	300	300
Revolving credit facility	105	105	100
Deferred tax liability, net	—	62	10
Other liabilities	867	897	746
Total liabilities	27,954	26,718	25,101
Commitments and contingencies			
Shareholders' equity:			
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 375,000 shares issued and outstanding at December 31, 2017; \$.01 par value, 50,000,000 shares authorized, no shares issued at September 30, 2017 and September 30, 2016, respectively)	—	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 214,370,000 issued and outstanding at December 31, 2017; \$.01 par value, 500,000,000 shares authorized, 58,933,415 and 58,956,127 issued and outstanding at September 30, 2017 and September 30, 2016, respectively)	—	1	1
Additional paid-in capital	2,060	716	714
Retained earnings (Accumulated deficit)	(160)	1,000	792
Accumulated other comprehensive income	75	543	439
Treasury stock, at cost (no shares at December 31, 2017; 568,847 shares at September 30, 2017; 537,613 shares at September 30, 2016)	—	(13)	(12)

Total shareholders' equity	1,975	2,247	1,934
Total liabilities and shareholders' equity	\$ 29,929	\$ 28,965	\$ 27,035

FGL HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - (Unaudited)
(In millions, except per share data)

	Year ended September 30,					
	Period from December 1 to December 31, 2017 (Unaudited)	Period from October 1 to November 30, 2017 (Unaudited)	Period from October 1 to December 31, 2016 (Unaudited)	2017	2016	2015
	Successor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
Revenues:						
Premiums	\$ 3	\$ 7	\$ 11	\$ 42	\$ 70	\$ 58
Net investment income	92	174	240	1,005	923	851
Net investment gains (losses)	42	146	51	316	19	(37)
Insurance and investment product fees and other	28	35	38	167	127	89
Total revenues	165	362	340	1,530	1,139	961
Benefits and expenses:						
Benefits and other changes in policy reserves	141	227	20	843	791	578
Acquisition and operating expenses, net of deferrals	16	51	28	137	119	113
Amortization of intangibles	1	36	123	193	54	64
Total benefits and expenses	158	314	171	1,173	964	755
Operating income	7	48	169	357	175	206
Interest expense	(2)	(4)	(6)	(24)	(22)	(24)
Income before income taxes	5	44	163	333	153	182
Income tax expense	(107)	(16)	(55)	(110)	(56)	(64)
Net (loss) income	\$ (102)	\$ 28	\$ 108	\$ 223	\$ 97	\$ 118
Less Preferred stock dividend	2	—	—	—	—	—
Net income (loss) available to common shareholders	\$ (104)	\$ 28	\$ 108	\$ 223	\$ 97	\$ 118
Net income (loss) per common share						
Basic	\$ (0.49)	\$ 0.48	\$ 1.85	\$ 3.83	\$ 1.67	\$ 2.03
Diluted	\$ (0.49)	\$ 0.47	\$ 1.85	\$ 3.83	\$ 1.66	\$ 2.02
Weighted average common shares used in computing net income (loss) per common share:						
Basic	214,370,000	58,341,112	58,280,532	58,319,517	58,275,013	58,117,884
Diluted	214,370,000	58,494,043	58,366,009	58,415,187	58,578,163	58,360,841
Cash dividend per common share	\$ —	\$ 0.07	\$ 0.07	\$ 0.26	\$ 0.26	\$ 0.26

RECONCILIATION OF BOOK VALUE PER COMMON SHARE EXCLUDING AOCI (Unaudited)

(In millions, except per share data)	December 31, 2017	September 30, 2017	September 30, 2016
	Successor	Predecessor	Predecessor
Reconciliation to total shareholder's equity:			
Total shareholder's equity	\$ 1,975	\$ 2,247	\$ 1,934
Less: AOCI	75	543	439
Less: Preferred equity	377	—	—
Total shareholder's equity excluding AOCI	<u>\$ 1,523</u>	<u>\$ 1,704</u>	<u>\$ 1,495</u>
Total common shares outstanding	214.4	58.9	59.0
Weighted average common shares outstanding - basic	214.4	58.3	58.3
Weighted average common shares outstanding - diluted	214.4	58.4	58.6
Book value per common share	\$ 7.45	\$ 38.13	\$ 32.80
Book value per common share, excluding AOCI ⁽¹⁾	\$ 7.10	\$ 28.92	\$ 25.36

RECONCILIATION OF ASSETS UNDER MANAGEMENT (AAUM) (Unaudited)

(In billions)	AAUM
AAUM as of September 30, 2017	\$ 20.8
Purchase accounting mark-to-market valuation of investment portfolio	1.2
Inclusion of acquired Front Street Re and FGL Holdings	1.9
Sales volumes	0.3
Other items	0.5
AAUM as of December 31, 2017	<u>\$ 24.7</u>

Footnotes:

- (1) Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.
- (2) Reflects 11-months Predecessor and 1-month Successor for December 31, 2017.

Purchase Accounting

On November 30, 2017, Fidelity & Guaranty Life completed its merger transaction with CF Corp, emerging as FGL Holdings. As of the merger date, the company applied the acquisition method of accounting (purchase accounting or PGAAP), including the initial recognition of most of FGL's and Front Street Re assets and liabilities at fair value, and the recognition of goodwill and other merger-related intangible assets. Prior period results are not restated for the new basis of accounting, which is used in the preparation of future financial statements and related disclosures.

Non-GAAP Measures

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Reconciliations of such measures to the most comparable GAAP measures are included herein.

AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate (i) the impact of net investment gains including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, (iii) the effect of change in fair value of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of

extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 35%, as appropriate. While these adjustments are an integral part of the overall performance of FG, market conditions and/or the non-recurring or non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

Net investment spread is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return, inclusive of hedging costs, provided to policyholders.

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.

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.

Sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. For GAAP purposes annuity and IUL sales are recorded as deposit liabilities (i.e. contract holder funds). Management believes that presentation of sales as measured for management purposes enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

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.

Conference Call and Earnings Release

This press release and the financial supplement will be posted to the Company's website at investors.fglife.bm.

FGL Holdings will conduct a conference call on Thursday, March 1, 2018 at 10:00 a.m. ET to discuss fourth quarter 2017 results. The event can be accessed the following ways:

- For internet webcast, visit investors.fglife.bm/investors at least 15 minutes prior to the start of the call to register.
- For conference call, dial 877-883-0383 (U.S. callers) or 412-902-6506 (International callers) approximately 10 minutes prior to the start of the call. The access code is 6742331.
- A replay of the event via webcast will be available after the call at investors.fglife.bm/investors.
- A replay of the event via telephone will be available by dialing 877-344-7529 (U.S. callers) or 412-317-0088 (International callers). The access code is 10116560.

The replay information will be available through March 22, 2018.

About FGL Holdings

FGL Holdings, an insurance holding company, helps middle-income Americans prepare for retirement. Through its subsidiaries, the company is a leading provider of annuity and life insurance products. FGL Holdings, domiciled in the Cayman Islands, trades on the New York Stock Exchange under the ticker symbol FG. For more information, please visit www.fglife.bm.

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This document contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. 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 FG's management and the management of FG's subsidiaries (including target businesses). Forward-looking statements are generally identifiable by use of the words

"believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of FG's assumptions and estimates; FG's and its insurance subsidiaries' ability to maintain or improve financial strength ratings; FG's ability to manage its business in a highly regulated industry; regulatory changes or actions; the impact of FG's reinsurers failing to meet their assumed obligations; restrictions on FG's ability to use captive reinsurers; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; FG's ability to protect its intellectual property; the ability to maintain or obtain approval of the Iowa Insurance Department and other regulatory authorities as required for FG's operations; and other factors discussed in FG's most recent Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, and Fidelity & Guaranty Life's Annual Report on Form 10-K for the year ended September 30, 2017, which can be found at the SEC's website www.sec.gov.

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. FG 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 operation results, except as required by law.

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Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2



Investor Supplement
Period from December 1 to December 31, 2017
(Year Ended December 31)

The financial statements and financial exhibits included herein are unaudited. These financial statements and exhibits should be read in conjunction with the Company's periodic reports on Form 10-K, Form 10-Q and Form 8-K.

Fidelity & Guaranty Life ("FGL"; NYSE: FGL), a former majority owned subsidiary of HRG Group, Inc. ("HRG"; NYSE: HRG), completed the merger with CF Corporation (NASDAQ: CFCO) ("CF Corp") and its related entities ("CF Entities"), on November 30, 2017. As a result of the Business Combination completed November 30, 2017, CF Corp changed their name to FGL Holdings (NYSE: FG). For accounting purposes, FGL Holdings was determined to be the acquirer and FGL was deemed the acquired party and accounting predecessor. In addition, on November 30, 2017 CF Corp acquired all of the issued and outstanding shares of Front Street Re (Cayman) Ltd. and Front Street Re. Ltd (collectively "FSR Companies"). Our financial statement presentation includes the financial statements of FGL and its subsidiaries as "Predecessor" for the periods prior to the completion of the Business Combination and FGL Holdings, including the consolidation of FGL and its subsidiaries and FSR Companies, as "Successor" for periods from and after the Closing Date. Our Consolidated Financial Statements are presented: (i) unaudited as of December 31, 2017 and for the period December 1, 2017 to December 31, 2017 (Successor); (ii) unaudited for the period October 1, 2017 to November 30, 2017 (Predecessor); (iii) for the unaudited period October 1, 2016 to December 31, 2016 (Predecessor); and (iv) as of September 30, 2017 and 2016, and for each of the years in the

three year period ended September 30, 2017 (Predecessor).

Non-GAAP Financial Measures

This document contains certain non-GAAP financial measures commonly used in our industry that, together with the relevant GAAP measures, may enhance a user's ability to analyze the Company's operating performance and capital position for the periods presented. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures. Because the Company's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing the Company's non-GAAP financial measures to those of other companies.

FGL HOLDINGS
Financial Supplement
December 31, 2017
(All periods are unaudited)

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FGL HOLDINGS
Consolidated Financial Highlights

	One Month Ended		Two Months Ended		Three Months Ended		
	December 31, 2017		November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor		Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions, except per share data)						
Revenues:							
Premiums	\$ 3		\$ 7	\$ 16	\$ 12	\$ 3	\$ 11
Net investment income	92		174	261	257	247	240
Net investment gains (losses)	42		146	117	67	81	51
Insurance and investment product fees and other	28		35	41	44	44	38
Total revenues	165		362	435	380	375	340
Net income (loss)	\$ (102)		\$ 28	\$ 61	\$ 32	\$ 22	\$ 108
Adjusted Operating Income ("AOI") (1)	\$ 3		\$ 36	\$ 63	\$ 37	\$ 36	\$ 41
Dividends on preferred stock	(2)		—	—	—	—	—
AOI available to common shareholders	1		36	63	37	36	41
Per Unrestricted Common Shares Amounts:							
Basic:							
Net (loss) income available to common shareholders	\$ (0.49)		\$ 0.48	\$ 1.06	\$ 0.54	\$ 0.38	\$ 1.85
AOI available to common shareholders (1)	\$ —		\$ 0.62	\$ 1.08	\$ 0.63	\$ 0.62	\$ 0.70
Diluted:							
Net (loss) income available to common shareholders	\$ (0.49)		\$ 0.47	\$ 1.06	\$ 0.54	\$ 0.38	\$ 1.85
AOI available to common shareholders (1)	\$ —		\$ 0.62	\$ 1.08	\$ 0.63	\$ 0.62	\$ 0.70
Dividends Paid to Common Shareholders Per Share	\$ —		\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065
At Period End							
Cash and cash equivalents	\$ 1,215		\$ 924	\$ 885	\$ 799	\$ 887	\$ 632
Total investments	\$ 23,604		\$ 23,326	\$ 23,072	\$ 22,627	\$ 21,813	\$ 21,076
Total assets	\$ 29,929		\$ 29,227	\$ 28,965	\$ 28,402	\$ 27,897	\$ 26,952
Contractholder funds	\$ 21,844		\$ 21,083	\$ 20,792	\$ 20,342	\$ 20,052	\$ 19,486
Future policy benefits	\$ 4,751		\$ 3,401	\$ 3,412	\$ 3,423	\$ 3,435	\$ 3,453
Debt (including revolving credit facility)	\$ 412		\$ 405	\$ 405	\$ 405	\$ 405	\$ 400
Total equity	\$ 1,975		\$ 2,284	\$ 2,247	\$ 2,113	\$ 1,908	\$ 1,752
Total equity excluding Accumulated Other Comprehensive Income (AOCI)	\$ 1,900		\$ 1,729	\$ 1,704	\$ 1,646	\$ 1,617	\$ 1,599
Common shares issued and outstanding	214.37		59.00	58.93	58.99	58.99	58.98
GAAP Book value per common share (1)	\$ 7.45		\$ 38.71	\$ 38.13	\$ 35.82	\$ 32.34	\$ 29.70
GAAP Book value per common share excluding AOCI (1)	\$ 7.10		\$ 29.31	\$ 28.92	\$ 27.90	\$ 27.41	\$ 27.11
Debt to total Capitalization excluding AOCI (1)	17.8%		19.0%	19.2%	19.7%	20.0%	20.0%
Return on average common shareholders' equity excluding AOCI (1)	N/M		6.5%	14.6%	7.8%	5.5%	27.9%

FGL HOLDINGS

Financial Supplement - December 31, 2017

(unaudited)

	One Month Ended	Two Months Ended		Three Months Ended		
	December 31, 2017	November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Statutory Book value per share	\$ 4.26	\$ 25.91	\$ 25.91	\$ 25.18	\$ 26.06	\$ 22.43
Statutory Book value per share excluding IMR and AVR	\$ 6.92	\$ 34.99	\$ 34.99	\$ 34.30	\$ 35.28	\$ 32.18

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

N/M - Not meaningful

FGL HOLDINGS
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)
ASSETS					
Investments:					
Fixed maturity securities, available-for-sale, at fair value (amortized cost: December 31, 2017 - \$21,475; September 30, 2017 - \$20,063; September 30, 2016 - \$18,521)	\$ 21,590	\$ 21,154	\$ 20,766	\$ 20,052	\$ 19,437
Equity securities, available-for-sale, at fair value (amortized cost: December 31, 2017 - \$764; September 30, 2017 - \$733; September 30, 2016 - \$640)	761	773	774	712	696
Derivative investments	492	413	361	351	314
Short term investments	25	—	—	—	—
Commercial mortgage loans	548	547	550	579	582
Other invested assets	188	185	176	119	47
Total investments	<u>23,604</u>	<u>23,072</u>	<u>22,627</u>	<u>21,813</u>	<u>21,076</u>
Related party loans	—	71	71	71	71
Cash and cash equivalents	1,215	885	799	887	632
Accrued investment income	211	231	204	225	201
Funds withheld for reinsurance receivables at fair value	756	—	—	—	—
Reinsurance recoverable	2,506	3,375	3,390	3,426	3,444
Intangibles, net	844	1,129	1,097	1,184	1,228
Deferred tax assets, net	163	—	—	87	68
Goodwill	470	—	—	—	—
Other assets	160	202	214	204	232
Total assets	<u>\$ 29,929</u>	<u>\$ 28,965</u>	<u>\$ 28,402</u>	<u>\$ 27,897</u>	<u>\$ 26,952</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Contractholder funds	\$ 21,844	\$ 20,792	\$ 20,342	\$ 20,052	\$ 19,486
Future policy benefits, including \$728 at fair value at December 31, 2017	4,751	3,412	3,423	3,435	3,453
Funds withheld for reinsurance liabilities	2	1,083	1,106	1,134	1,142
Liability for policy and contract claims	78	67	57	60	53
Debt	307	300	300	300	300
Revolving credit facility	105	105	105	105	100
Deferred tax liability, net	—	62	11	—	—
Other liabilities	867	897	945	903	666
Total liabilities	<u>27,954</u>	<u>26,718</u>	<u>26,289</u>	<u>25,989</u>	<u>25,200</u>

FGL HOLDINGS

Financial Supplement - December 31, 2017

(unaudited)

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
Shareholders' equity:					
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 375,000 shares issued and outstanding at December 31, 2017; \$.01 par value, 50,000,000 shares authorized, no shares issued at September 30, 2017 and September 30, 2016, respectively)	—	—	—	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 214,370,000 issued and outstanding at December 31, 2017; \$.01 par value, 500,000,000 shares authorized, 58,933,415 and 58,956,127 issued and outstanding at September 30, 2017 and September 30, 2016, respectively)	—	1	1	1	1
Additional paid-in capital	2,060	716	716	715	715
Retained earnings (Accumulated deficit)	(160)	1,000	942	914	896
Accumulated other comprehensive income	75	543	467	291	153
Treasury stock, at cost (no shares at December 31, 2017; 568,847 shares at September 30, 2017; 537,613 shares at September 30, 2016)	—	(13)	(13)	(13)	(13)
Total shareholders' equity	1,975	2,247	2,113	1,908	1,752
Total liabilities and shareholders' equity	\$ 29,929	\$ 28,965	\$ 28,402	\$ 27,897	\$ 26,952
Equity attributable to preferred shareholders (1)	\$ 377	\$ —	\$ —	\$ —	\$ —

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

Quarterly Summary - Most Recent 5 Quarters

	One Month Ended	Two Months Ended		Three Months Ended		
	December 31, 2017	November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor (Unaudited)	Predecessor (Unaudited)	Predecessor (Unaudited)	Predecessor (Unaudited)	Predecessor (Unaudited)	Predecessor (Unaudited)
(Dollars in millions, except per share data)						
Revenues:						
Traditional life insurance premiums	\$ 3	\$ 6	\$ 10	\$ 7	\$ —	\$ 10
Life contingent immediate annuity	—	1	6	5	3	1
Net investment income	92	174	261	257	247	240
Net investment gains (losses)	42	146	117	67	81	51
Surrender charges	3	10	9	9	9	7
Cost of insurance fees and other income	25	25	32	35	35	31
Total revenues	165	362	435	380	375	340
Benefits and expenses:						
Traditional life insurance policy benefits and change in future policy benefits	7	12	18	21	11	22
Life contingent immediate annuity benefits and changes in future policy benefits	11	13	26	20	18	18
Interest sensitive and index product benefits and changes in future policy benefits	123	202	276	194	239	(20)
General expenses	11	47	30	35	30	25
Acquisition expenses	27	44	65	72	81	92
Deferred acquisition costs ("DAC")	(22)	(40)	(59)	(67)	(78)	(89)
Amortization of intangibles	1	36	(14)	51	33	123
Total benefits and expenses	158	314	342	326	334	171
Operating income	7	48	93	54	41	169
Interest expense	(2)	(4)	(6)	(6)	(6)	(6)
Income before income taxes	5	44	87	48	35	163
Income tax expense	(107)	(16)	(26)	(16)	(13)	(55)
Net (loss) income	\$ (102)	\$ 28	\$ 61	\$ 32	\$ 22	\$ 108
Less Preferred stock dividend	2	—	—	—	—	—
Net (loss) income available to common shareholders	(104)	28	61	32	22	108
Net (loss) income available to common shareholders per common share:						
Basic	\$ (0.49)	\$ 0.48	\$ 1.06	\$ 0.54	\$ 0.38	\$ 1.85
Diluted	\$ (0.49)	\$ 0.47	\$ 1.06	\$ 0.54	\$ 0.38	\$ 1.85
Weighted average common shares used in computing net income per common share:						
Basic	214.37	\$ 58.34	58.34	58.34	58.33	58.28
Diluted	214.37	\$ 58.49	58.48	58.44	58.38	58.37

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

	One Month	Two Months		Three Months Ended		
	Ended	Ended		June 30,	March 31,	December 31,
	December 31, 2017	November 30, 2017	September 30, 2017	2017	2017	2016
Successor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)						
Net (loss) income	\$ (102)	\$ 28	\$ 61	\$ 32	\$ 22	\$ 108
Adjustments to arrive at AOI:						
Effect of investment (gains) losses, net of offsets (a)	—	(6)	(5)	4	15	(1)
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	6	(10)	3	(4)	(2)	(92)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	—	(1)	5	8	8	(10)
Effect of integration, merger related & other non-operating items (b)	(8)	29	—	—	—	—
Net impact of Tax Cuts and Jobs Act	131	—	—	—	—	—
Effects of tax impact of affiliated reinsurance embedded derivative	(20)	—	—	—	—	—
Tax impact of adjusting items	(4)	(4)	(1)	(3)	(7)	36
AOI	<u>\$ 3</u>	<u>\$ 36</u>	<u>\$ 63</u>	<u>\$ 37</u>	<u>\$ 36</u>	<u>\$ 41</u>
Dividends on preferred stock	(2)	—	—	—	—	—
AOI available to common shareholders (1)	<u>\$ 1</u>	<u>\$ 36</u>	<u>\$ 63</u>	<u>\$ 37</u>	<u>\$ 36</u>	<u>\$ 41</u>
Per diluted common share:						
Net (loss) income available to common shareholders	\$ (0.49)	\$ 0.47	\$ 1.06	\$ 0.54	\$ 0.38	\$ 1.85
Adjustments to arrive at AOI:						
Effect of investment (gains) losses, net of offsets (a)	—	(0.10)	(0.09)	0.07	0.26	(0.02)
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	0.03	(0.17)	0.05	(0.07)	(0.04)	(1.58)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	—	(0.02)	0.09	0.14	0.14	(0.17)
Effect of integration, merger related & other non-operating items (b)	(0.04)	0.50	—	—	—	—
Net impact of Tax Cuts and Jobs Act	0.61	—	—	—	—	—
Effects of tax impact of affiliated reinsurance embedded derivative	(0.09)	—	—	—	—	—
Tax impact of adjusting items	(0.02)	(0.06)	(0.02)	(0.05)	(0.12)	0.62
AOI available to common shareholders per diluted share	<u>\$ —</u>	<u>\$ 0.62</u>	<u>\$ 1.09</u>	<u>\$ 0.63</u>	<u>\$ 0.62</u>	<u>\$ 0.70</u>

(a) Amounts are net of offsets related to value of business acquired ("VOBA") and deferred acquisition cost ("DAC") amortization.

(b) Other non-operating items' for the one month ended December 31, 2017 consists of the effect of a \$12 contract termination fee received

FGL HOLDINGS

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(unaudited)

NON-GAAP FINANCIAL MEASURES : Successor

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.

AOI

AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate (i) the impact of net investment gains including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, (iii) the effect of change in fair value of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 35%, as appropriate. While these adjustments are an integral part of the overall performance of FG, market conditions and/or the non-recurring or non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

AOI Available to Common Shareholders

AOI available to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate (i) the impact of net investment gains including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, (iii) the tax effect of change in fair value of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs act. All adjustments to AOI available to common shareholders are net of the corresponding impact on amortization of intangibles. The income tax impact related to these adjustments is measured using an effective tax rate of 35%, as appropriate. While these adjustments are an integral part of the overall performance of FG, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

Sales

Sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. For GAAP purposes annuity and IUL sales are recorded as deposit liabilities (i.e. contract holder funds). Management believes that presentation of sales as measured for management purposes enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

Common Shareholders' Equity

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.

FGL HOLDINGS

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Common Shareholders' Equity Excluding AOCI

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

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 return driven by the Company that is attributable to preferred stock holders.

Total Capitalization Excluding AOCI

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.

Book Value per Common Share (including and excluding AOCI)

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.

Return on Common Shareholders' Equity

Return on Common Shareholders' Equity is a non-GAAP financial measure. It 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 for the successor until 5 historical data points are available. 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 Common Shareholders Equity Excluding AOCI

Return on Common Shareholders' Equity Excluding AOCI is a non-GAAP financial measure. It 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 for the successor until 5 historical data points are available. 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.

FGL HOLDINGS

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(unaudited)

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI is a non-GAAP financial measure. It is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders' Equity is calculated using the beginning and ending Common Shareholders' Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points for the successor until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.

Debt-to-Capital

Debt-to-capital ratio is computed by dividing total debt by total capitalization excluding AOCI. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.

Average Assets Under Management (AAUM)

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

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

Net investment spread is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return, inclusive of hedging costs, provided to policyholders.

Investment Book Yield

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 returned on the Company's income generating invested assets

NON-GAAP FINANCIAL MEASURES : Predecessor

The following represents the definitions of non-GAAP measures used by the Predecessor entity.

For the period ended November 30, 2017, the Predecessor changed their definition of AOI to exclude the effects of integration and merger related expenses. Given the volume of integration and merger expenses incurred during the two months ended November 30, 2017, Predecessor management believed the exclusion of these charges from net income when calculating AOI provided users of the financial statements and other financial communications a more representative view of the results of the core business of the Predecessor for that period. Predecessor periods shown prior to November 30, 2017 have not been adjusted to reflect the new definition; however, integration and merger expenses in Predecessor periods prior to the two months ended November 30, 2017 are included within the 'Notable Items Included in Net Income and AOI' schedule within this document and are noted as 'project expenses'.

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AOI

AOI is a non-GAAP economic measure the Predecessor used to evaluate financial performance each period. AOI is calculated by adjusting net income to eliminate (i) the impact of net investment gains including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, (iii) the effect of change in fair value of the reinsurance related embedded derivative and (iv) the effect of integration and merger related expenses. All adjustments to AOI are net of the corresponding VOBA and DAC impact. The income tax impact related to these adjustments is measured using an effective tax rate of 35%, as appropriate. While these adjustments were an integral part of the overall performance of the Predecessor, market conditions impacting these items could overshadow the underlying performance of the Predecessor's business. Accordingly, the Predecessor believed using a measure which excluded their impact was effective in analyzing the trends of their operations. The Predecessor's 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.

Sales

Sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. For GAAP purposes annuity sales are recorded as deposit liabilities (i.e. contract holder funds). The Predecessor believed that presentation of sales as measured for management purposes enhances the understanding of the 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 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, the Predecessor considered this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts to help assess capital position of the Predecessor.

Book Value per share (including and excluding AOCI) (presented herein as Book Value per common share including and excluding AOCI)

Book Value per share including and excluding AOCI is calculated as shareholders' equity and shareholders' equity excluding AOCI divided by the total number of shares of common stock outstanding. The Predecessor considered this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts to help assess capital position of the Predecessor.

Return on Average Shareholders' Equity (presented herein as Return on Average Common Shareholders' Equity)

Return on Average Shareholders' Equity is a non-GAAP financial measure. It is calculated by dividing net income (loss) available to shareholders by total average shareholders' equity. Average shareholders' equity for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average shareholders' equity is calculated using the beginning and ending shareholders' equity for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. The Predecessor considered 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 Shareholders' Equity Excluding AOCI (presented herein as Return on Average Common Shareholders' Equity Excluding AOCI)

Return on Average Shareholders' Equity Excluding AOCI is a non-GAAP financial measure. It is calculated by dividing net income (loss) available to common shareholders by total average shareholders' equity excluding AOCI. Average shareholders' equity excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average shareholders' equity excluding AOCI is calculated using the beginning and ending shareholders' equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, the Predecessor considered this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned return on shareholders' equity.

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Adjusted Operating Return Equity Excluding AOCI (presented herein as Adjusting Operating return on common shareholders' equity, excluding AOCI)

Adjusted Operating Return on Equity Excluding AOCI is a non-GAAP financial measure. It is calculated by dividing AOI by total average shareholders' equity excluding AOCI. Average shareholders' equity excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average shareholders' equity is calculated using the beginning and ending shareholders' equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. The Predecessor considered this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on equity.

Debt-to-Capital

Debt-to-capital is computed by dividing total debt by capitalization excluding AOCI. The Predecessor considered this non-GAAP financial measure to be useful internally and to investors and analysts when assessing capital position.

Average Assets Under Management (AAUM)

AAUM is the sum of (i) total invested assets at amortized cost, excluding derivatives; (ii) related party loans and investments; and (iii) 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. The Predecessor considered 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

Yield on AAUM is calculated by dividing annualized net investment income by AAUM. The Predecessor considered 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

Net investment spread is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging the Predecessor's risk on FIA policies. The Predecessor considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Predecessor's invested assets against the level of investment return, inclusive of hedging costs, provided to policyholders.

Investment Book Yield

Investment book yield on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. The Predecessor considered this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of returned on their income generating invested assets.

Summary of Adjustments to Arrive at AOI

	One Month	Two Months		Three Months Ended		
	Ended	Ended		Ended		
	December 31, 2017	November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Successor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions)						
Revenue:						
Insurance and investment product fees and other (a)	\$ (12)	\$ —	\$ —	\$ —	\$ —	\$ —
Net investment gains (b)	—	(8)	1	15	28	(12)
Increase (decrease) in total revenues	(12)	(8)	1	15	28	(12)
Benefits and expenses:						
Benefits and other changes in policy reserves (c)	7	(19)	12	(10)	(1)	(168)
Acquisition and operating expenses, net of deferrals	4	29	—	—	—	—
Amortization of intangibles (d)	(1)	10	(10)	3	(6)	77
(Decrease) increase in total benefits and expenses	10	20	2	(7)	(7)	(91)
Increase (decrease) in pre-tax operating income	(2)	12	3	8	21	(103)
(Decrease) increase in income tax expense (benefit) (e)	107	(4)	(1)	(3)	(7)	36
Increase (decrease) in net income	\$ 105	\$ 8	\$ 2	\$ 5	\$ 14	\$ (67)

(a) Insurance and investment product fees and other: includes the effect of contract fee termination.

(b) Net investment gains: includes the effects of net investment gains and for the Predecessor only, the change in fair value of the reinsurance related embedded derivative.

(c) Benefits and other changes in policy reserves: includes the effects of the change in fair value of the FIA embedded derivative discount rate.

(d) Amortization of intangibles includes the impact on DAC and VOBA of the adjustments in b-c above.

(e) The tax expense (benefit) includes the tax impact of the adjustments in a-c above, and for the Successor only, the impact of tax reform and the impact of affiliated reinsurance embedded derivative.

Notable Items Included in Net Income and AOI

Each quarterly reporting period, we identify notable items that help explain the trends in our Net Income and AOI. These items are infrequent in nature or involve accounting volatility under general accepted accounting principles. The amounts below are included in disclosures within the Company's earnings releases to explain our Net Income and AOI results. We believe that understanding these items provides further clarity to the financial performance of the business.

	One Month Ended	Two Months Ended		Three Months Ended		
	December 31, 2017	November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

(Dollars in millions)

Net income	\$ (102)	\$ 28	\$ 61	\$ 32	\$ 22	\$ 108
AOI	\$ 3	\$ 36	\$ 63	\$ 37	\$ 36	\$ 41
Notable Items (Not Trendable) Included within AOI [(unfavorable)/favorable]						
Legacy incentive compensation (a)	—	—	—	(1)	(1)	—
Project expenses (b)	—	—	(2)	(5)	(2)	—
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (c)	(2)	1	(2)	2	3	2
Assumption review & DAC unlocking (d)	(9)	4	21	—	(3)	—
Other, including bond prepayment income & tax valuation allowance (e)	—	—	2	—	—	2

(a) Change in certain long term incentive compensation costs, including the change in the liability for our FGLH stock compensation plan, which as a liability plan, is settled in cash and accounted for at fair value each reporting period (Predecessor only).

(b) Expenses associated with corporate development activities, including mergers & acquisitions (Predecessor periods prior to the two months ended November 30, 2017 only).

(c) The release of annuity reserves associated with mortality of annuitants, which varies due to timing, volume and severity of experience, and other reserve adjustments.

(d) Reflects unlocking from updating our DAC amortization models for actual experience and equity market fluctuations. Also, annually in the 4th fiscal quarter, we complete our Annual Assumption Review & DAC Unlocking process by adjusting our valuation assumptions to align with actual experience.

(e) Bond prepayment income, changes in tax valuation, and other allowances related to reinsurance and agent debt, reinsurance settlements and other net favorable activity.

Capitalization/Book Value per Share

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)					
Capitalization:					
Debt	\$ 412	\$ 405	\$ 405	\$ 405	\$ 400
Total debt	412	405	405	405	400
Total shareholders' equity	1,975	2,247	2,113	1,908	1,752
Total capitalization	2,387	2,652	2,518	2,313	2,152
AOCI	75	543	467	291	153
Total capitalization excluding AOCI (1)	\$ 2,312	\$ 2,109	\$ 2,051	\$ 2,022	\$ 1,999
Total shareholders' equity	1,975	2,247	2,113	1,908	1,752
Equity available to preferred shareholders	377	—	—	—	—
Common shareholders' equity	1,598	2,247	2,113	1,908	1,752
AOCI	75	543	467	291	153
Total common shareholders' equity excluding AOCI (1)	\$ 1,523	\$ 1,704	\$ 1,646	\$ 1,617	\$ 1,599
Common shares outstanding	214.37	58.93	58.99	58.99	58.98
Book Value per Share: (1)					
GAAP Book value per common share including AOCI (1)	\$ 7.45	\$ 38.13	\$ 35.82	\$ 32.34	\$ 29.70
GAAP Book value per common share excluding AOCI (1)	\$ 7.10	\$ 28.92	\$ 27.90	\$ 27.41	\$ 27.11

	Twelve months ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Twelve Month Rolling Average Return on Equity ("ROE")					
Return on Common Shareholders' Equity (1)					
Return on average common shareholders' equity	N/M	11.2%	10.1%	9.6%	9.4%
Return on average common shareholders' equity, excluding AOCI (1)	N/M	13.8%	12.3%	11.1%	10.5%
Return on Common Shareholders' Equity - AOI (1)					
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	0.9%	11.0%	9.8%	10.8%	11.5%

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Quarterly Average ROE	Three months ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	N/M	11.2%	6.4%	4.8%	23.4%
Return on average common shareholders' equity, excluding AOCI (1)	N/M	14.6%	7.8%	5.5%	27.9%
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	0.9%	15.0%	9.1%	9.0%	10.6%

Debt-to-Capital Ratios: (1)	Three months ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Long-term debt/Total capitalization excluding AOCI (1)	17.8%	19.2%	19.7%	20.0%	20.0%

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

N/M - Not meaningful.

Financial Strength Ratings

Company	A.M. Best	Fitch	Moody's	S&P
FGL Holdings				
Issuer Credit / Default Rating	Not Rated	BB+	Ba3	B++
Outlook		Stable	Stable	Positive
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BB+	Ba2	BB+
Outlook		Stable	Stable	Positive
F&G Re Ltd				
Issuer Credit / Default Rating	Not Rated	BBB	Baa2	BBB+
Outlook		Stable	Stable	Stable
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bb+	BB+	Not Rated	BB+
Outlook	Under Review With Developing Implications	Stable	Not Rated	Positive
Senior Unsecured Notes	bb+	BB	Ba2	BB+
Outlook	Under Review With Developing Implications	Stable	Stable	
Fidelity & Guaranty Life Insurance Company				
Financial Strength Rating	B++	BBB	Ba2	BBB+
Outlook	Under Review With Developing Implications	Stable	Stable	Stable
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	B++	BBB	Not Rated	BBB+
Outlook	Under Review With Developing Implications	Stable	Not Rated	Stable
*Reflects current ratings and outlooks as of date of filing				

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Net Investment Spread Results

(Dollars in millions)

	One Month Ended	Two Months Ended	Three Months Ended
	December 31, 2017	November 30, 2017	December 31, 2016
	Successor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)
Yield on average assets under management "AAUM" (1)	4.48 %	4.93 %	4.85 %
Less: Interest credited and option cost	(2.47)%	(2.49)%	(2.56)%
Total net investment spread - All product lines (1)	2.01 %	2.44 %	2.29 %
FIA net investment spread	2.67 %	3.05 %	3.00 %
Investment book yield - bonds purchased during the period (1)	4.93 %	4.65 %	4.78 %
AAUM (1)	\$ 24,722	\$ 21,167	\$ 19,768

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

Sales Results by Product

(Dollars in millions)

	Three Months Ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor	Predecessor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fixed index annuities ("FIA")	\$ 462	\$ 424	\$ 455	\$ 438	\$ 551
Fixed rate annuities ("MYGA")	161	164	127	158	97
Institutional spread based (1)	—	—	—	136	—
Total Annuity	\$ 623	\$ 588	\$ 582	\$ 732	\$ 648
Index universal life	7	6	9	14	17
ULIC (FSR International)	8	—	—	—	—
Total Sales	\$ 638	\$ 594	\$ 591	\$ 746	\$ 665

(1) Institutional spread based product sales from funding agreement investment contracts issued with the Federal Home Loan Bank and held in our separate account.

Annuity Account Balance Rollforward (a)

(Dollars in millions)

	One month ended (b)	Two months ended		Three months ended		
	December 31, 2017	November 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	Successor	Predecessor				
	(Unaudited)	(Unaudited)				
Account balances at beginning of period:	\$ 17,892	\$ 16,819	\$ 16,430	\$ 16,114	\$ 15,603	\$ 15,250
Net deposits	223	404	598	591	603	655
Premium and interest bonuses	5	9	11	12	12	13
Fixed interest credited and index credits	71	130	147	154	153	87
Guaranteed product rider fees	(8)	(14)	(17)	(18)	(18)	(16)
Surrenders, withdrawals, deaths, etc.	(142)	(256)	(350)	(423)	(239)	(386)
Account balance at end of period	<u>\$ 18,041</u>	<u>\$ 17,092</u>	<u>\$ 16,819</u>	<u>\$ 16,430</u>	<u>\$ 16,114</u>	<u>\$ 15,603</u>

(a) The rollforward reflects the account balance of our fixed index annuities and fixed rate annuities.

(b) Beginning balance as of December 1, 2017 is inclusive of FSR after the Business Combination was completed

Annuity Deposits by Product Type

Product Type	One Month Ended	Two Months Ended	Three Months Ended
	December 31, 2017	November 30, 2017	December 31, 2016
	Successor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions)			
Fixed Index Annuities:			
Index Strategies	\$ 146	\$ 236	\$ 437
Fixed Strategy	32	52	119
	178	288	556
Fixed Rate Annuities:			
Single-Year Rate Guaranteed	1	—	2
Multi-Year Rate Guaranteed	44	116	97
Total before coinsurance ceded	223	404	655
Coinsurance ceded	—	—	—
Net after coinsurance ceded	<u>\$ 223</u>	<u>\$ 404</u>	<u>\$ 655</u>

Surrender Charge Protection and Account Values by Product Type

Annuity Surrender Charges and Account Values (net of reinsurance) at December 31, 2017 (unaudited):

Product Type	Surrender Charge			Net Account Value	
	Avg. Years at Issue	Avg. Years Remaining	Avg. % Remaining	Dollars in millions	%
Fixed Index Annuities	11	6	8%	\$ 14,152	78%
Single-Year Rate Guaranteed	10	1	1%	634	4%
Multi-Year Rate Guaranteed	5	3	7%	3,255	18%
Total				<u>\$ 18,041</u>	<u>100%</u>

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	(Unaudited)	
	(Dollars in millions)	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 774	\$ 2,194
0.0% < 2.0%	31	344
2.0% < 4.0%	28	321
4.0% < 6.0%	586	715
6.0% < 8.0%	673	1,885
8.0% < 10.0%	1,763	2,547
10.0% or greater	34	6,146
	<u>\$ 3,889</u>	<u>\$ 14,152</u>

	Fixed and Fixed Index Annuities Account Value	Weighted Average Surrender Charge
	(Unaudited)	
	(Dollars in millions)	
<u>SURRENDER CHARGE EXPIRATION BY YEAR:</u>		
Out of surrender charge	\$ 2,899	—%
2018	1,250	4%
2019 - 2020	1,913	6%
2021 - 2022	3,127	8%
2023 - 2024	1,845	8%
Thereafter	7,007	11%
	<u>\$ 18,041</u>	<u>7%</u>

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	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	(Unaudited)	
	(Dollars in millions)	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 1,071	\$ 1,431
0.0% - 1.0%	399	1,287
1.0% - 2.0%	324	56
2.0% - 3.0%	2,073	13
3.0% - 4.0%	22	—
Allocated to index strategies	—	11,365
	<u>\$ 3,889</u>	<u>\$ 14,152</u>

FIXED INDEX ANNUITIES ACCOUNT VALUE - INDEX STRATEGIES

Monthly Average, Point to Point and Gain Trigger Strategies with Cap

	Minimum Guaranteed Cap				
	(Unaudited)				
	1%	2%	3%	5%	6%
	(Dollars in millions)				
Current Cap					
At minimum	\$ —	\$ —	\$ 1,634	\$ 665	\$ —
2-3%	739	—	—	—	—
3-4%	1,099	—	399	—	—
4-5%	432	—	396	—	—
5-6%	79	2	110	5	—
6-7%	37	2	21	—	7
7% +	70	38	191	—	73
Total:	<u>\$ 2,456</u>	<u>\$ 42</u>	<u>\$ 2,751</u>	<u>\$ 670</u>	<u>\$ 80</u>

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Monthly Point-to-Point with Cap

	Minimum Guaranteed Cap 1%
	(Unaudited)
	(Dollars in millions)
Current Cap	
At minimum	\$ 1,605
1% to 2%	2,513
2% to 3%	666
3% +	110
Total:	\$ 4,894

3 Year Step Forward with Cap

	Minimum Guaranteed Cap 2%	Minimum Guaranteed Cap 5%
	(Unaudited)	
	(Dollars in millions)	
Current Cap		
At minimum	—	\$ 21
2% to 5%	2	—
5% to 7%	10	53
7% to 9%	—	44
9% to 11%	—	19
11% to 13%	—	9
Total:	\$ 12	\$ 146

There is an additional \$317 million Account Value allocated to strategies not listed above. Of this \$317 million, \$14 million is at the guaranteed rates.

Summary of Invested Assets by Asset Class

(Dollars in millions)

	December 31, 2017			September 30, 2017		
	Successor			Predecessor		
	(Unaudited)			(Unaudited)		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available for sale:						
United States Government full faith and credit	\$ 84	\$ 84	1%	\$ 105	\$ 107	—%
United States Government sponsored entities	123	122	1%	127	128	1%
United States municipalities, states and territories	1,736	1,747	7%	1,573	1,726	8%
Corporate securities:						
Finance, insurance and real estate	5,898	5,930	25%	5,400	5,806	25%
Manufacturing, construction and mining	988	996	4%	980	1,018	4%
Utilities, energy and related sectors	2,260	2,278	10%	2,109	2,202	10%
Wholesale/retail trade	1,448	1,457	6%	1,342	1,408	6%
Services, media and other	2,320	2,354	10%	2,196	2,296	10%
Hybrid securities	1,445	1,446	6%	1,388	1,465	6%
Non-agency residential mortgage-backed securities	1,156	1,155	5%	1,031	1,150	5%
Commercial mortgage-backed securities	956	956	4%	974	978	4%
Asset-backed securities	3,061	3,065	13%	2,838	2,870	13%
Equity securities	764	761	3%	733	773	3%
Commercial mortgage loans	548	549	2%	547	552	2%
Other (primarily derivatives)	647	678	3%	410	595	3%
Short term investments	25	25	—%	—	—	—%
Total	\$ 23,459	\$ 23,603	100%	\$ 21,753	\$ 23,074	100%

Credit Quality of Fixed Maturity Securities at December 31, 2017 (unaudited)

NAIC Designation	Fair Value (Dollars in millions)	Percent	Rating Agency Rating	Fair Value (Dollars in millions)	Percent
1	\$ 11,217	52%	AAA	\$ 1,784	8%
2	9,086	42%	AA	2,036	9%
3	1,089	5%	A	5,887	27%
4	136	1%	BBB	9,810	46%
5	61	—%	BB	994	5%
6	1	—%	B and below	1,079	5%
	<u>\$ 21,590</u>	<u>100%</u>		<u>\$ 21,590</u>	<u>100%</u>

Summary of Residential Mortgage Backed Securities by Collateral Type and NAIC Designation

Collateral Type	December 31, 2017	
	Successor	
	(Unaudited)	
	Amortized Cost	Fair Value
	(Dollars in millions)	
Total by collateral type		
Government agency	\$ 123	\$ 122
Prime	199	199
Subprime	267	267
Alt-A	690	689
	<u>\$ 1,279</u>	<u>\$ 1,277</u>
Total by NAIC designation		
1	\$ 1,249	\$ 1,247
2	18	18
3	7	7
4	1	1
5	4	4
	<u>\$ 1,279</u>	<u>\$ 1,277</u>

Top 10 Holdings by Issuers

(Dollars in millions)

Issuer (a):	December 31, 2017	
	Successor	
	(Unaudited)	
	Fair Value	Percentage of Total Invested Assets
Wells Fargo & Company	\$ 155	0.7%
Metropolitan Transportation Authority (NY)	123	0.5%
JP Morgan Chase & Co.	114	0.5%
General Electric Company	104	0.4%
Nationwide Mutual Insurance Company	103	0.4%
Goldman Sachs Group, Inc.	98	0.4%
Entergy Corp	94	0.4%
Bank of America Corp	92	0.4%
Bank of New York Mellon Corp	92	0.4%
Metlife, Inc.	91	0.4%

(a) Issuers excluding U.S. Governmental securities and any securities held in our funds withheld portfolio.

Reinsurance Counterparty Risk Top 5 Reinsurers

(Dollars in millions)

Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	(Unaudited)		
		Financial Strength Rating		
		AM Best	S&P	Moody's
Wilton Reinsurance	\$ 1,580	A+	Not Rated	A+
Scottish Re	180	Not Rated	Not Rated	Not Rated
Security Life of Denver	169	A	A	A
London Life	113	A	Not Rated	Not Rated
Swiss Re Life and Health	106	A+	AA-	Not Rated

(a) Reinsurance recoverables do not include unearned ceded premiums that would be recovered in the event of early termination of certain traditional life policies.

FGL HOLDINGS
Financial Supplement - December 31, 2017
(unaudited)

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410-487-0992

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Sard Verbinnen & Co
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Common stock and Dividend Information:
NYSE symbol: "FG"

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Dividend Declared</u>
2017 (Successor unaudited)				
One Month Ended December 31, 2017	\$ 10.10	\$ 9.19	\$ 10.02	\$ —

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