
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): November 7, 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.)

4th Floor
Boundary Hall, Cricket Square
Grand Cayman, Cayman Islands
KY1-1102

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 1 (345) 947-5614

Not Applicable

(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 November 7, 2018, FGL Holdings (the “Company”) issued a press release announcing its results of operations for the quarter ended September 30, 2018. 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	Earnings Release of FGL Holdings dated November 7, 2018.
99.2	Financial Supplement of FGL Holdings dated November 7, 2018.

SIGNATURE

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, hereunto duly authorized.

November 7, 2018

FGL HOLDINGS

By: /s/ Eric L. Marhoun

Name: Eric L. Marhoun

Title: Secretary and General Counsel

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Section 2: EX-99.1 (EXHIBIT 99.1)

FGL Holdings Reports Third Quarter 2018 Results

GEORGE TOWN, Cayman Islands: November 7, 2018 - FGL Holdings (NYSE: FG), a leading provider of annuities and life insurance, today announced financial results for the third quarter of 2018.

- **Net income available to common shareholders of \$49 million or \$0.23 per share**
- **Adjusted operating income (AOI)¹ available to common shareholders of \$62 million or \$0.29 per share**
- **Total annuity sales of \$842 million increased 43 percent, including \$631 million of fixed indexed annuities (FIAs) sales, up 49 percent to the prior year quarter**
- **Average assets under management of \$25.4 billion; including \$1.8B of net asset flows year over year**
- **On October 9, 2018, FG completed a successful warrant tender offer; the Company issued 7.2 million common shares and \$64 million in cash in exchange for 65 million warrants tendered**

"We experienced strong growth this quarter as sales momentum continued and our distribution partners gained increased confidence in F&G," said Chris Littlefield, President and CEO of FGL Holdings. "We generated \$1.8 billion of net asset flows over the past year while consistently exceeding our new business profitability targets, and this asset growth along with stable underlying net investment spreads and expense management rigor helped deliver a 25 percent increase in our year-to-date adjusted operating income. Our disciplined approach to repositioning our investment portfolio to improve risk-adjusted returns and create long-term value resulted in a slower than planned ramp up in net investment income in the third quarter, but the impact was more than offset by other strong operating performance. Blackstone is doing a great job identifying and executing on investment opportunities, and we see significant upside as we work together to complete our portfolio repositioning work over the next several quarters."

As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after the closing of the merger transaction on November 30, 2017 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. The Company presents the tables and financial results herein as follows:

- *Fidelity & Guaranty Life (FGL) (the Predecessor Company)-November 30, 2017 & prior periods*
- *FG (the Successor Company)-December 1, 2017 and subsequent periods*

The table below reconciles reported after-tax net income to adjusted operating income (AOI) available to common shareholders.

(In millions)

Three Months Ended	
September 30, 2018	September 30, 2017
	FGL
FG (Successor)	(Predecessor)

Reconciliation from Net Income to AOI⁽¹⁾:	(Unaudited)	(Unaudited)
Net income	\$ 56	\$ 61
Effect of investment losses (gains), net of offsets ⁽²⁾	38	(5)
Effect of changes in fair values of FIA related derivatives, net of offsets ^{(2) (3)}	(30)	3
Effect of change in fair value of reinsurance related embedded derivative, net of offsets ⁽⁴⁾	—	5
Effect of integration, merger related & other non-operating items	4	2
Net impact of Tax Cuts and Jobs Act	3	—
Tax impact of adjusting items	(2)	(1)
AOI ⁽¹⁾	\$ 69	\$ 65
Dividends on preferred stock ⁽⁵⁾	(7)	—
AOI available to common shareholders ⁽¹⁾	\$ 62	\$ 65

Third Quarter and Year-to-Date Earnings Results

Third quarter 2018 net income available to common shareholders was \$49 million, or \$0.23 per share, compared with \$61 million, or \$1.06 per share, in the third quarter of 2017. All periods reflect the weighted average diluted shares then outstanding.

Third quarter 2018 adjusted operating income available to common shareholders demonstrates strong and consistent underlying performance trends across the business from invested asset growth, stable underlying net investment spreads and disciplined expense management. Results also included net favorable items of \$10 million, or \$0.05 per share, available to common shareholders from \$5 million favorable actual to expected mortality for the single premium immediate annuity (SPIA) product line and \$5 million lower amortization of deferred acquisition costs and value of business acquired (DAC/VOBA) intangibles from annual assumption review. The prior year quarter included net favorable items of \$21 million, or \$0.36 per share, primarily from \$21 million lower DAC amortization from annual assumption review and an out of period actuarial adjustment. All periods reflect the weighted average diluted shares then outstanding.

Year-to-date adjusted operating income available to common shareholders was \$181 million, or \$0.84 per share, compared to \$145 million, or \$2.48 per share, in the prior year.

Summary Financial Results (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	FG (Successor)	FGL (Predecessor)	FG (Successor)	FGL (Predecessor)
(In millions, except per share data)				
Fixed indexed annuity (FIA) sales ⁽¹⁾	\$ 631	\$ 424	\$ 1,616	\$ 1,317
Total annuity sales ⁽¹⁾	\$ 842	\$ 588	\$ 2,389	\$ 1,902
Average assets under management ⁽¹⁾	\$ 25,883	\$ 20,840	\$ 25,437	\$ 20,524
Net investment spread - FIA ⁽¹⁾	2.16%	3.00%	2.36%	3.02%
Net investment spread - All products ⁽¹⁾	1.71%	2.44%	1.89%	2.46%
Net income available to common shareholders	\$ 49	\$ 61	\$ 140	\$ 115
Net income available to common shareholders per diluted share	\$ 0.23	\$ 1.06	\$ 0.65	\$ 1.98
AOI available to common shareholders ⁽¹⁾	\$ 62	\$ 65	\$ 181	\$ 145
AOI available to common shareholders per diluted share ⁽¹⁾	\$ 0.29	\$ 1.11	\$ 0.84	\$ 2.48
Weighted average common basic shares ⁽⁶⁾	214.4	58.3	214.4	58.3
Weighted average common diluted shares ⁽⁶⁾	214.4	58.5	214.4	58.4
Total common shares outstanding ⁽⁶⁾	214.4	58.9	214.4	58.9
Book value per common share	\$ 5.02	\$ 38.13	\$ 5.02	\$ 38.13
Book value per common share excluding AOCI ⁽¹⁾	\$ 7.67	\$ 28.92	\$ 7.67	\$ 28.92

See footnotes below.

Strong Sales Continue

Total sales in the third quarter of 2018 were \$894 million, an increase of 8 percent from the preceding quarter and 51 percent compared to the prior year. In the first nine months of 2018, total sales were \$2.5 billion, an increase of 32 percent compared with the first nine months of 2017. Overall sales volumes reflect strong results in line with the industry following the Department of Labor (DOL) fiduciary rule being vacated in April and productive and expanding relationships with distribution partners. Also, sales volumes increased due to traction from new products and a comprehensive product portfolio that meets a broad range of consumer needs while achieving new business profit and capital targets. Finally, the Company is seeing ongoing progress in its flow reinsurance business, which is expected to exceed \$175 million in deposits this year.

Total annuity sales were \$842 million for the third quarter, an increase of 10 percent from the preceding quarter and 43 percent compared to the third quarter of 2017. On a year-to-date basis, total annuity sales of \$2.4 billion increased 26 percent over the prior year period.

Sales of core fixed indexed annuity product in the current quarter were \$631 million, increases of 15 percent from the preceding quarter and 49 percent compared to \$424 million in the prior year period. FIA sales were \$1.6 billion on a year-to-date basis, up 23 percent year-over-year. The Company continues to execute on its growth strategy and is seeing increased sales from existing distribution partners as well as new agent recruitment, which contributed 11 percent of FIA sales year-to-date. The Company's newer performance-based income and accumulation product series accounted for 15 percent of FIA sales in the quarter and 10 percent through the first nine months.

Sales of multi-year guarantee annuities (MYGA) were \$211 million in the current quarter, an increase of 29 percent compared to \$164 million in the same period last year. Sales increases were driven by strong market positioning through the strength of distribution partnerships and supported by enhanced asset sourcing capabilities.

Indexed universal life (IUL) sales in the quarter were \$7 million, up from \$6 million last year. Stable IUL sales reflect the Company's focus on quality of new business and pricing discipline. The Company is targeting IUL growth momentum through expanded distribution and new advisors, particularly following a ratings upgrade.

In the third quarter, F&G Reinsurance Ltd. generated \$45 million of flow reinsurance deposits, with volume expected to expand as additional opportunities come online in 2019.

Investment Management

The investment portfolio is performing well and in line with operating objectives. Fixed income asset purchases during the third quarter were \$2.4 billion at an average net yield⁽⁷⁾ of 5.23 percent. Fixed income asset purchases included \$1.9 billion structured securities (CLO, CMBS, RMBS and ABS) and \$0.5 billion corporates. Overall, the average NAIC rating for the portfolio is stable at 1.5. The Company is making steady progress in repositioning its portfolio to shift from corporate to structured securities and build out its alternative asset portfolio. The Company is maintaining a disciplined approach to the repositioning program, and expects to complete a shift of approximately \$5 billion to structured products by the end of the first quarter of 2019, with about \$3 billion completed to date.

Average assets under management (AAUM) were \$25.4 billion at September 30, 2018 on a year-to-date basis. AAUM increased \$4.9 billion compared to the prior year period due to \$1.8 billion net new business asset flows, as well as the \$1.2 billion increased mark-to-market valuation of the investment portfolio as of the date of the merger, and the inclusion of \$1.9 billion acquired AAUM in Front Street Re and FGL Holdings. A roll forward of AAUM can be found in the non-GAAP measurements section of this release.

Net investment income was \$267 million in the third quarter of 2018, up \$6 million, or 2 percent from the prior year quarter. Net investment income grew \$29 million from invested asset growth and \$11 million from portfolio reposition lift in the quarter. Offsetting this was approximately \$17 million of premium amortization resulting from the fair value mark on the investment portfolio at merger transaction close and \$17 million of higher planned investment fees.

Net investment income in the third quarter was down \$15 million, or 5 percent from the second quarter of 2018, due to \$7 million higher planned investment expenses on invested asset growth, \$5 million lower bond prepay income in the prior quarter that did not recur, \$3 million higher cash balances related to timing of repositioning sales versus purchases, and \$2 million higher unfavorable impact from CLO redemptions held at a premium. Offsetting these items was \$2 million from increased portfolio reposition lift. The average earned yield on the total portfolio was 4.13 percent, compared to 4.42 percent in the second quarter of 2018. With reposition actions year-to-date, net investment income and yield on the investment portfolio are expected to rise meaningfully over the next few quarters as the structured asset shift is completed and continue to rise throughout 2019 and 2020 as the alternative asset portfolio is fully funded.

Net investment spread for all products was down 37 basis points on a sequential basis primarily due to the decline in average earned yield on the portfolio from lower net investment income noted above. Net investment spread across all product lines was 171 basis points in the third quarter of 2018 compared to 244 basis points in the prior year period. Spread trends reflect the decline in portfolio yield due to purchase accounting effects and are otherwise stable. Net investment spread for fixed indexed annuities was 216 basis points in the third quarter of 2018, down from the third quarter 2017 due to lower yield from purchase accounting and the planned increase in investment fees.

For the first nine months of 2018, the investment portfolio yield was 4.9 percent on a Statutory or economic basis. The Company expects the overall portfolio yields on both a GAAP and a Statutory basis to continue to expand from ongoing portfolio repositioning actions. Net realized losses on investments excluding derivatives were \$40 million in the quarter before amortization and taxes,

primarily from \$24 million portfolio repositioning and \$19 million market value changes on preferred equity securities, the effect of which is excluded from AOI. There were no impairment losses in the current quarter.

Capital Management

- GAAP book value per common share⁽¹⁾ at September 30, 2018 was \$5.02 on a reported basis; book value per common share excluding accumulated other comprehensive income (AOCI) was \$7.67, with 214.4 million common shares outstanding as of September 30, 2018.
- On October 9, 2018, the Company settled the warrant exchange offer. A total of 65,373,565, or approximately 92 percent of the warrants were tendered in exchange for 7,191,070 common shares and \$64.1 million in cash. A total of 5,509,769 warrants remain outstanding and will expire on November 30, 2022, or upon earlier redemption or liquidation. The additional common shares issued will be reflected in per share metrics commencing in the fourth quarter of 2018.
- The Company continues to have a strong and stable capital position, with an estimated Statutory company action level risk-based capital (RBC) on an aggregate basis of approximately 460 percent as of September 30, 2018, including impact of Tax Reform.

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 webcast and conference call on Thursday, November 8, 2018 at 9:00 a.m. ET to discuss third quarter 2018 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 3970954.
- 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 10125034.

The replay information will be available through November 29, 2018.

FGL HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data)

	September 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: September 30, 2018 - \$22,143; December 31, 2017 - \$20,847)	\$ 21,421	\$ 20,963
Equity securities, at fair value (cost: September 30, 2018 - \$1,490; December 31, 2017 - \$1,392)	1,440	1,388
Derivative investments	432	492
Short term investments	15	25
Commercial mortgage loans	497	548
Other invested assets	606	188
Total investments	24,411	23,604
Cash and cash equivalents	944	1,215
Accrued investment income	230	211
Funds withheld for reinsurance receivables, at fair value	708	756
Reinsurance recoverable	2,460	2,494
Intangibles, net	1,205	853
Deferred tax assets, net	285	182
Goodwill	467	467
Other assets	250	141
Total assets	\$ 30,960	\$ 29,923
LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds		
Future policy benefits, including \$684 and \$728 at fair value at September 30, 2018 and December 31, 2017, respectively	\$ 23,164	\$ 21,827
Liability for policy and contract claims	4,631	4,751
Debt	60	78
Revolving credit facility	540	307
Other liabilities	—	105
Total liabilities	1,091	892
Commitments and contingencies		
Shareholders' equity:		
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 391,694 and 375,000 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively)	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 214,370,000 issued and outstanding at September 30, 2018 and December 31, 2017, respectively)	—	—
Additional paid-in capital	2,056	2,037
Retained earnings (Accumulated deficit)	(13)	(149)
Accumulated other comprehensive income (loss)	(569)	75
Total shareholders' equity	1,474	1,963
Total liabilities and shareholders' equity	\$ 30,960	\$ 29,923

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

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:				
Premiums	\$ 12	\$ 16	\$ 45	\$ 31
Net investment income	267	261	812	765
Net investment gains (losses)	119	117	(74)	265
Insurance and investment product fees and other	46	41	139	129
Total revenues	444	435	922	1,190
Benefits and expenses:				
Benefits and other changes in policy reserves	297	320	475	823
Acquisition and operating expenses, net of deferrals	40	36	126	109
Amortization of intangibles	28	(14)	72	70
Total benefits and expenses	365	342	673	1,002
Operating income	79	93	249	188
Interest expense	(8)	(6)	(21)	(18)
Income (loss) before income taxes	71	87	228	170
Income tax expense	(15)	(26)	(67)	(55)
Net income (loss)	\$ 56	\$ 61	\$ 161	\$ 115
Less preferred stock dividend	7	—	21	—
Net income (loss) available to common shareholders	\$ 49	\$ 61	\$ 140	\$ 115
Net income (loss) per common share:				
Basic	\$ 0.23	\$ 1.06	\$ 0.65	\$ 1.98
Diluted	\$ 0.23	\$ 1.06	\$ 0.65	\$ 1.98
Weighted average common shares used in computing net income per common share:				
Basic	214.4	58.3	214.4	58.3
Diluted	214.4	58.5	214.4	58.4
Cash dividend per common share	\$ —	\$ 0.065	\$ —	\$ 0.195

RECONCILIATION OF BOOK VALUE PER COMMON SHARE EXCLUDING AOCI

(In millions, except per share data)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Reconciliation to total shareholders' equity:		
Total shareholders' equity	\$ 1,474	\$ 1,963
Less: AOCI	(569)	75
Less: Preferred equity	398	377
Total common shareholders' equity excluding AOCI ⁽¹⁾	<u>\$ 1,645</u>	<u>\$ 1,511</u>
Total common shares outstanding	214.4	214.4
Weighted average common shares outstanding - basic	214.4	214.4
Weighted average common shares outstanding - diluted	214.4	214.4
Book value per common share including AOCI ⁽¹⁾	\$ 5.02	\$ 7.40
Book value per common share excluding AOCI ⁽¹⁾	\$ 7.67	\$ 7.05

ROLLFORWARD OF AVERAGE ASSETS UNDER MANAGEMENT⁽¹⁾ (AAUM) (Unaudited)

(In billions)

	AAUM
AAUM as of September 30, 2017	\$ 20.5
Purchase accounting mark-to-market valuation of investment portfolio	1.2
Inclusion of acquired Front Street Re and FGL Holdings	1.9
Net new business asset flows	1.7
Other items	0.1
AAUM as of September 30, 2018	<u>\$ 25.4</u>

Footnotes:

- (1) Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.
- (2) Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC) and deferred sale inducement (DSI) amortization.
- (3) The Company adjusted its non-GAAP measure to remove the residual impacts of fair value accounting on its FIA products, for periods after December 31, 2017.
- (4) Applicable to the Predecessor only due to the merger.
- (5) Applicable to the Successor only.
- (6) Predecessor share counts reflect those of the Predecessor entity prior to the merger.
- (7) Average yield reflects investment book yield on bonds purchased during the quarter. See the Non-GAAP Measures section below for additional information.

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.

The Company updated its AOI definition as to remove the residual impacts of fair value accounting on its FIA products, including gains and losses on derivatives hedging those policies. Management believes the revised measure enhances the understanding of the business post-merger and is more useful and relevant to investors as compared to the previous definition which eliminated only the effects of changes in the interest rates used to discount the FIA embedded derivative.

AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate (i) the impact of net investment gains/losses including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in fair values of FIA related derivatives and embedded derivatives, net of hedging cost, (iii) the tax effect of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 21%, as appropriate. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

AOI available to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate the same items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. 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.

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points 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.

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

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.

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 return on their income generating invested assets.

Common Shareholders' Equity is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.

Common Shareholders' Equity Excluding AOCI is based on Common Shareholders' Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.

GAAP Book Value per Common Share including and excluding AOCI is calculated as Common Shareholders' Equity and Common Shareholders Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.

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

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.

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; FG's ability to successfully acquire new companies and integrate such acquisitions; and other factors discussed in FG's most recent Annual Report on Form 10-K for the year ended December 31, 2017, and its Quarterly Reports on Form 10-Q, 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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Source: FGL Holdings

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Section 3: EX-99.2 (EXHIBIT 99.2)



**FGL Holdings ("F&G"; NYSE: FG)
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(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 ("Closing Date"). 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. ("FSRC") and F&G Reinsurance, Ltd. (formerly known as Front Street Re Ltd., and, together with FSRC herein referred to as the "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.

As disclosed in the Company's Form 10-Q for the period ended September 30, 2018, the Company identified immaterial errors during the quarter ended September 30, 2018. Management recorded immaterial out of period adjustments and updated the respective balance previously reported for the quarters ended June 30, 2018 and March 31, 2018 and the period ended December 31, 2017 within the financial statements and financial exhibits included herein. See "Note 2. Significant Accounting Policies and Practices" to our unaudited condensed consolidated financial statements for additional information.

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.

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(All periods are unaudited)

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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. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do. The following represents the definitions of non-GAAP measures used by the Successor entity.

Adjusted Operating Income (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/losses including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in fair values of FIA related derivatives and embedded derivatives, net of hedging cost, (iii) the tax effect of affiliated reinsurance embedded derivative, (iv) the effect of integration, merger related & other non-operating items, (v) impact of extinguishment of debt, and (vi) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 21%, as appropriate. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Beginning with the quarter ended March 31, 2018, the Company updated its AOI definition to remove the residual impacts of fair value accounting on its FIA products, including gains and losses on derivatives hedging those policies. Management believes the revised measure enhances the understanding of the business post-merger and is more useful and relevant to investors as compared to the previous definition which eliminated only the effects of changes in the interest rates used to discount the FIA embedded derivative. Periods shown prior to March 31, 2018 have not been adjusted to reflect the new definition.

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 the same items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Common Shareholders' Equity

Common Shareholders' Equity is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.

Common Shareholders' Equity Excluding AOCI

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.

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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 equity 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.

GAAP Book Value per Common Share (including and excluding AOCI)

GAAP Book Value per Common Share including and excluding AOCI is calculated as Common Shareholders' Equity and Common Shareholders Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.

Statutory Book Value per Common Share (including and excluding Interest maintenance reserve ("IMR") and asset valuation reserve ("AVR"))

Statutory Book Value per Common Share including IMR and AVR is calculated as Fidelity & Guaranty Life Insurance Company ("FGLIC")'s statutory basis capital and surplus plus F&G Life Re's U.S. GAAP Common Shareholder's Equity excluding the impact of reinsurance embedded derivatives and AOCI, plus FSRC's U.S. GAAP Common Shareholder's Equity excluding AOCI divided by the total number of shares of common stock outstanding at FGL Holdings. Statutory Book Value per Common Share excluding IMR and AVR is calculated as FGLIC's statutory basis capital and surplus excluding IMR and AVR plus F&G Life Re's U.S. GAAP Common Shareholder's Equity excluding the impact of reinsurance embedded derivatives and AOCI, plus FSRC's U.S. GAAP Common Shareholder's Equity excluding AOCI divided by the total number of shares of common stock outstanding at FGL Holdings. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of our primary insurance entities.

Return on Average Common Shareholders' Equity

Return on Average Common Shareholders' Equity is calculated by dividing net income (loss) available to common shareholders by total average Common Shareholders' Equity. Average Common Shareholders Equity for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders' Equity for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points 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 to be a useful measure internally and for investors and analysts to assess the level of return driven by the Company that is attributable to common shareholders.

Return on Average Common Shareholders Equity Excluding AOCI

Return on Average Common Shareholders' Equity Excluding AOCI is calculated by dividing net income (loss) available to common shareholders by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity Excluding AOCI is calculated using the beginning and ending Common Shareholders' Equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points 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 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.

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Adjusted Operating Return on Average Common Shareholders' Equity Excluding AOCI

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points 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 excluding AOCI

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

Rating Agency Adjusted Debt to Capitalization, excluding AOCI

Rating Agency Adjusted Debt to Capitalization, excluding AOCI is computed by dividing the sum of total debt and 50% Equity Available to Preferred Shareholders by total capitalization excluding AOCI less a 50% credit for Equity Available to Preferred Shareholders. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.

Average Assets Under Management (AAUM)

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 provided to policyholders, inclusive of hedging costs.

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 return on the Company's income generating invested assets.

NON-GAAP FINANCIAL MEASURES : Predecessor

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

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. For the period ended November 30, 2017, the Predecessor changed their definition of AOI to exclude the effects of integration and merger related expenses due to the volume of integration and merger expenses incurred during the two months ended November 30, 2017. Predecessor management believed the exclusion of these charges provided users of the financial statements 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 been adjusted to reflect the new definition.

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

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

Adjusted Operating Return on Equity Excluding AOCI 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.

Total Debt to Capitalization, excluding AOCI

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

Rating Agency Adjusted Debt to Capitalization, excluding AOCI

Rating Agency Adjusted Debt to Capitalization, excluding AOCI is computed by dividing the sum of total debt and 50% preferred equity by total capitalization excluding AOCI less a 50% preferred equity credit. 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; 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 provided to policyholders, inclusive of hedging costs.

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 return on their income generating invested assets.

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Consolidated Financial Highlights

Three months ended			One month ended	Two months ended	Three months ended	Nine months ended	
September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017
Successor	Successor	Successor	Successor	Predecessor	Predecessor	Successor	Predecessor
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

(Dollars in millions, except per share data)

Revenues:								
Premiums	\$ 12	\$ 15	\$ 18	\$ 3	\$ 7	\$ 16	\$ 45	\$ 31
Net investment income	267	282	263	92	174	261	812	765
Net investment gains (losses)	119	(2)	(191)	42	146	117	(74)	265
Insurance and investment product fees and other	46	45	48	28	35	41	139	129
Total revenues	444	340	138	165	362	435	922	1,190
Net income (loss)	\$ 56	\$ 40	\$ 65	\$ (91)	\$ 28	\$ 61	\$ 161	\$ 115
Adjusted Operating Income ("AOI") (1)	\$ 69	\$ 65	\$ 68	\$ 3	\$ 36	\$ 65	\$ 202	\$ 145
Dividends on preferred stock	(7)	(7)	(7)	(2)	—	—	(21)	—
AOI available to common shareholders	62	58	61	1	36	65	181	145
Per Unrestricted Common Shares Amounts:								
Basic:								
Net income (loss) available to common shareholders	\$ 0.23	\$ 0.15	\$ 0.27	\$ (0.44)	\$ 0.48	\$ 1.06	\$ 0.65	\$ 1.98
AOI available to common shareholders (1)	\$ 0.29	\$ 0.27	\$ 0.28	\$ —	\$ 0.62	\$ 1.11	\$ 0.84	\$ 2.49
Diluted:								
Net income (loss) available to common shareholders	\$ 0.23	\$ 0.15	\$ 0.27	\$ (0.44)	\$ 0.47	\$ 1.06	\$ 0.65	\$ 1.98
AOI available to common shareholders (1)	\$ 0.29	\$ 0.27	\$ 0.28	\$ —	\$ 0.62	\$ 1.11	\$ 0.84	\$ 2.48
Dividends Paid to Common Shareholders Per Share	\$ —	\$ —	\$ —	\$ —	\$ 0.065	\$ 0.065	\$ —	\$ 0.195

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	Three months ended			One month ended	Two months ended	Three months ended	Nine months ended	
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At Period End								
Cash and cash equivalents	\$ 944	\$ 1,710	\$ 1,157	\$ 1,215	\$ 924	\$ 885	\$ 944	\$ 885
Total investments	\$ 24,411	\$22,860	\$23,232	\$ 23,604	\$ 23,326	\$ 23,072	\$ 24,411	\$ 23,072
Total assets	\$ 30,960	\$30,004	\$29,651	\$ 29,923	\$ 29,227	\$ 28,965	\$ 30,960	\$ 28,965
Contractholder funds	\$ 23,164	\$22,504	\$22,045	\$ 21,827	\$ 21,083	\$ 20,792	\$ 23,164	\$ 20,792
Future policy benefits	\$ 4,631	\$ 4,710	\$ 4,711	\$ 4,751	\$ 3,401	\$ 3,412	\$ 4,631	\$ 3,412
Debt (including revolving credit facility)	\$ 540	\$ 540	\$ 442	\$ 412	\$ 405	\$ 405	\$ 540	\$ 405
Total equity	\$ 1,474	\$ 1,382	\$ 1,666	\$ 1,963	\$ 2,284	\$ 2,247	\$ 1,474	\$ 2,247
Total equity excluding Accumulated Other Comprehensive Income (AOCI)	\$ 2,043	\$ 1,985	\$ 1,944	\$ 1,888	\$ 1,729	\$ 1,704	\$ 2,043	\$ 1,704
Common shares issued and outstanding	214.37	214.37	214.37	214.37	59.00	58.93	214.37	58.93
GAAP Book value per common share (1)	\$ 5.02	\$ 4.62	\$ 5.98	\$ 7.40	\$ 38.71	\$ 38.13	\$ 5.02	\$ 38.13
GAAP Book value per common share excluding AOCI (1)	\$ 7.67	\$ 7.44	\$ 7.28	\$ 7.05	\$ 29.31	\$ 28.92	\$ 7.67	\$ 28.92
Debt to total Capitalization excluding AOCI (1)	21.2%	21.7%	18.5%	17.9%	19.0%	19.2%	21.2%	19.2%
Return on average common shareholders' equity excluding AOCI (1)	12.1%	8.4%	15.1%	N/M	6.5%	14.6%	11.8%	14.6%
Statutory Book value per share (1)	\$ 8.51	8.55	8.13	8.04	\$ 25.91	\$ 25.91	\$ 8.51	\$ 25.91
Statutory Book value per share excluding IMR and AVR (1)	\$ 11.34	11.27	10.80	10.70	\$ 34.99	\$ 34.99	\$ 11.34	\$ 34.99

(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)

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS					
Investments:					
Fixed maturity securities, available-for-sale, at fair value (amortized cost: September 30, 2018 - \$22,143; December 31, 2017 - \$20,847)	\$ 21,421	\$ 20,326	\$ 21,040	\$ 20,963	\$ 21,154
Equity securities, at fair value (cost: September 30, 2018 - \$1,490; December 31, 2017 - \$1,392)	1,440	1,344	1,095	1,388	773
Derivative investments	432	312	293	492	413
Short term investments	15	—	—	25	—
Commercial mortgage loans	497	525	528	548	547
Other invested assets	606	353	276	188	185
Total investments	24,411	22,860	23,232	23,604	23,072
Related party loans	—	—	—	—	71
Cash and cash equivalents	944	1,710	1,157	1,215	885
Accrued investment income	230	215	240	211	231
Funds withheld for reinsurance receivables, at fair value	708	769	748	756	—
Reinsurance recoverable	2,460	2,476	2,495	2,494	3,375
Intangibles, net	1,205	1,070	947	853	1,129
Deferred tax assets, net	285	283	260	182	—
Goodwill	467	467	467	467	—
Other assets	250	154	105	141	202
Total assets	\$ 30,960	\$ 30,004	\$ 29,651	\$ 29,923	\$ 28,965

FGL HOLDINGS
Financial Supplement - September 30, 2018
(unaudited)

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Contractholder funds (a)	\$ 23,164	\$ 22,504	\$ 22,045	\$ 21,827	\$ 20,792
Future policy benefits, including \$684 and \$728 at fair value at September 30, 2018 and December 31, 2017, respectively (b)	4,631	4,710	4,711	4,751	3,412
Funds withheld for reinsurance liabilities (d)	—	—	—	—	1,083
Liability for policy and contract claims (c)	60	74	70	78	67
Debt	540	540	307	307	300
Revolving credit facility	—	—	135	105	105
Deferred tax liability, net	—	—	—	—	62
Other liabilities	1,091	794	717	892	897
Total liabilities	29,486	28,622	27,985	27,960	26,718
Shareholders' equity:					
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 391,694 and 375,000 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively)	—	—	—	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 214,370,000 issued and outstanding at September 30, 2018 and December 31, 2017, respectively)	—	—	—	—	1
Additional paid-in capital	2,056	2,047	2,039	2,037	716
Retained earnings (Accumulated deficit)	(13)	(62)	(95)	(149)	1,000
Accumulated other comprehensive income (loss)	(569)	(603)	(278)	75	543
Treasury stock, at cost (no shares at September 30, 2018; no shares at December 31, 2017)	—	—	—	—	(13)
Total shareholders' equity	1,474	1,382	1,666	1,963	2,247
Total liabilities and shareholders' equity	\$ 30,960	\$ 30,004	\$ 29,651	\$ 29,923	\$ 28,965
Equity attributable to preferred shareholders (1)	\$ 398	\$ 391	\$ 384	\$ 377	\$ —

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

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

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

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

(d) Funds withheld for reinsurance liabilities are collapsed into "Other liabilities" beginning with December 31, 2017, as the amount became immaterial for individual presentation following the merger.

FGL HOLDINGS
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(unaudited)
Quarterly Summary - Most Recent 5 Quarters

	Three months ended			One month ended	Two months ended	Three months ended	Nine months ended		
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017	
	Successor	Successor	Successor	Successor	Predecessor	Predecessor	Successor	Predecessor	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
(Dollars in millions, except per share data)									
Revenues:									
Traditional life insurance premiums	\$ 7	\$ 7	\$ 9	\$ 3	\$ 6	\$ 10	\$ 23	\$ 17	
Life contingent immediate annuity	5	8	9	—	1	6	22	14	
Net investment income	267	282	263	92	174	261	812	765	
Net investment gains (losses)	119	(2)	(191)	42	146	117	(74)	265	
Surrender charges	9	12	14	3	10	9	35	27	
Cost of insurance fees and other income	37	33	34	25	25	32	104	102	
Total revenues	444	340	138	165	362	435	922	1,190	
Benefits and expenses:									
Traditional life insurance policy benefits and change in future policy benefits	17	22	18	7	12	18	57	50	
Life contingent immediate annuity benefits and changes in future policy benefits	13	13	18	11	13	26	44	64	
Interest sensitive and index product benefits and changes in future policy benefits	267	182	(75)	106	202	276	374	709	
General expenses	31	37	34	11	47	30	103	95	
Acquisition expenses	94	94	55	27	44	65	242	218	
Deferred acquisition costs ("DAC")	(85)	(85)	(49)	(22)	(40)	(59)	(219)	(204)	
Amortization of intangibles	28	17	27	4	36	(14)	72	70	
Total benefits and expenses	365	280	28	144	314	342	673	1,002	
Operating income	79	60	110	21	48	93	249	188	
Interest expense	(8)	(7)	(6)	(2)	(4)	(6)	(21)	(18)	
Income before income taxes	71	53	104	19	44	87	228	170	
Income tax expense	(15)	(13)	(39)	(110)	(16)	(26)	(67)	(55)	
Net income (loss)	\$ 56	\$ 40	\$ 65	\$ (91)	\$ 28	\$ 61	\$ 161	\$ 115	
Less Preferred stock dividend	7	7	7	2	—	—	21	—	
Net income (loss) available to common shareholders	49	33	58	(93)	28	61	140	115	
Net income (loss) per common share:									
Basic	\$ 0.23	\$ 0.15	\$ 0.27	\$ (0.44)	\$ 0.48	\$ 1.06	\$ 0.65	\$ 1.98	
Diluted	\$ 0.23	\$ 0.15	\$ 0.27	\$ (0.44)	\$ 0.47	\$ 1.06	\$ 0.65	\$ 1.98	
Weighted average common shares used in computing net income per common share:									
Basic	214.37	214.37	214.37	214.37	58.34	58.34	214.37	58.33	
Diluted	214.42	214.38	214.37	214.37	58.49	58.48	214.39	58.44	

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

	Three months ended			One month ended	Two months ended	Three months ended	Nine months ended	
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)								
Net income (loss)	\$ 56	\$ 40	\$ 65	\$ (91)	\$ 28	\$ 61	\$ 161	\$ 115
Adjustments to arrive at AOI:								
Effect of investment losses (gains), net of offsets (a)	38	37	39	—	(6)	(5)	114	14
Effect of changes in fair values of FIA related derivatives, net of hedging costs (a) (b)	(30)	(9)	(63)	(8)	(10)	3	(102)	(3)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	—	—	—	—	(1)	5	—	21
Effect of integration, merger related & other non-operating items	4	3	8	(8)	29	2	15	9
Effects of extinguishment of debt	—	(2)	—	—	—	—	(2)	—
Tax effect of affiliated reinsurance embedded derivative	—	—	15	(20)	—	—	15	—
Net impact of Tax Cuts and Jobs Act	3	—	—	131	—	—	3	—
Tax impact of adjusting items	(2)	(4)	4	(1)	(4)	(1)	(2)	(11)
AOI	\$ 69	\$ 65	\$ 68	\$ 3	\$ 36	\$ 65	\$ 202	\$ 145
Dividends on preferred stock	(7)	(7)	(7)	(2)	—	—	(21)	—
AOI available to common shareholders	\$ 62	\$ 58	\$ 61	\$ 1	\$ 36	\$ 65	\$ 181	\$ 145
Per diluted common share:								
Net income (loss) available to common shareholders	\$ 0.23	\$ 0.15	\$ 0.27	\$ (0.44)	\$ 0.47	\$ 1.06	\$ 0.65	\$ 1.98
Adjustments to arrive at AOI:								
Effect of investment (gains) losses, net of offsets (a)	0.18	0.17	0.18	—	(0.10)	(0.09)	0.53	0.24
Effect of changes in fair values of FIA related derivatives, net of hedging costs (a) (b)	(0.14)	(0.04)	(0.29)	(0.04)	(0.17)	0.05	(0.47)	(0.06)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	—	—	—	—	(0.02)	0.09	—	0.37
Effect of integration, merger related & other non-operating items	0.02	0.01	0.04	(0.04)	0.50	0.02	0.07	0.14
Effects of extinguishment of debt	—	(0.01)	—	—	—	—	(0.01)	—
Tax effect of affiliated reinsurance embedded derivative	—	—	0.07	(0.09)	—	—	0.07	—
Net impact of Tax Cuts and Jobs Act	0.01	—	—	0.61	—	—	0.01	—
Tax impact of adjusting items	(0.01)	(0.01)	0.01	—	(0.06)	(0.02)	(0.01)	(0.19)
AOI available to common shareholders per diluted share	\$ 0.29	\$ 0.27	\$ 0.28	\$ —	\$ 0.62	\$ 1.11	\$ 0.84	\$ 2.48

(a) Amounts are net of offsets related to value of business acquired ("VOBA"), deferred acquisition cost ("DAC"), deferred sale inducement ("DSI"), and unearned revenue ("UREV") amortization, as applicable.

(b) The updated definition of AOI removes the impact of fair value accounting on FIA products for periods after December 31, 2017. Included in the one-month period ended December 31, 2017 is the impact of the immaterial error resulting from the model code error, net of VOBA amortization, as disclosed within the Company's Form 10-Q.

(c) Adjustment is not applicable subsequent to the Business Combination as the reinsurance agreement and related activity are eliminated via consolidation for U.S. GAAP reporting.

(d) The Company recorded an immaterial out of period adjustment related to the December 1, 2017 fair value of the deferred income tax valuation allowance acquired from the Business Combination. See "Note 2. Significant Accounting Policies and Practices" of the Company's Form 10-Q for additional information.

Summary of Adjustments to Arrive at AOI

	Three months ended			One month ended	Two months ended	Three months ended	Nine months ended		
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017	
	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Predecessor (Unaudited)	Predecessor (Unaudited)	Successor (Unaudited)	Predecessor (Unaudited)	
(Dollars in millions)									
Revenue:									
Insurance and investment product fees and other (a)	\$ —	\$ —	\$ —	\$ (12)	\$ —	\$ —	\$ —	\$ —	
Net investment gains (losses) (b)	(92)	(3)	163	—	(8)	1	68	44	
Increase (decrease) in total revenues	(92)	(3)	163	(12)	(8)	1	68	44	
Benefits and expenses:									
Benefits and other changes in policy reserves (c)	105	39	(188)	(10)	(19)	12	(44)	1	
Acquisition and operating expenses, net of deferrals	(1)	3	8	4	29	2	10	9	
Amortization of intangibles (d)	—	(8)	1	2	10	(10)	(7)	(13)	
(Decrease) increase in total benefits and expenses	104	34	(179)	(4)	20	4	(41)	(3)	
Increase (decrease) in pre-tax operating income	12	31	(16)	(16)	12	5	27	41	
(Decrease) increase in interest expense	—	(2)	—	—	—	—	(2)	—	
(Decrease) increase in income tax expense (benefit) (e)	1	(4)	19	110	(4)	(1)	16	(11)	
Increase (decrease) in net income	\$ 13	\$ 25	\$ 3	\$ 94	\$ 8	\$ 4	\$ 41	\$ 30	

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

(b) Net investment gains: includes the effect of net investment gains including OTTI, changes in fair values of FIA related derivatives and embedded derivatives, net of hedging costs. For the Predecessor, effects of net investment gains include the change in fair value of the reinsurance related embedded derivative.

(c) Benefits and other changes in policy reserves: includes the effects of the changes in fair values of FIA embedded derivatives.

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

(e) The tax expense (benefit) includes the tax impact of the adjustments in a-d 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 (Loss) and AOI

Each quarterly reporting period, we identify notable items that help explain the trends in our Net Income and AOI. The amounts below are included in disclosures within the Company's earnings releases to explain our Net Income and AOI results as we believe these items provide further clarity to the financial performance of the business.

	Three months ended			One month ended	Two months ended	Three months ended	Nine months ended	
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions)							
Net income (loss)	\$ 56	\$ 40	\$ 65	\$ (91)	\$ 28	\$ 61	\$ 161	\$ 115
AOI	\$ 69	\$ 65	\$ 68	\$ 3	\$ 36	\$ 65	\$ 202	\$ 145
Notable Items (Not Trendable) Included within AOI and Net Income [(unfavorable)/favorable]								
Legacy incentive compensation (a)	—	—	—	—	—	—	—	(2)
Project expenses (b)	—	(3)	—	—	—	—	(3)	—
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (c)	5	5	8	(2)	1	(2)	18	3
Assumption review & DAC, VOBA and DSI unlocking (d)	5	—	—	(9)	4	21	5	18
Bond prepay income / other (e)	—	4	—	—	—	2	4	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) Project related expenses.

(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, VOBA and DSI amortization models for actual experience and equity market fluctuations. Also, annually in the 3rd calendar quarter, we complete our Annual Assumption Review & Unlocking process by adjusting our valuation assumptions to align with actual experience.

(e) Bond prepayment income/loss, 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

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Predecessor (Unaudited)
(Dollars in millions, except per share data)					
Capitalization:					
Debt	\$ 550	\$ 550	\$ 442	\$ 412	\$ 405
Total debt	550	550	442	412	405
Total shareholders' equity	1,474	1,382	1,666	1,963	2,247
Total capitalization	2,024	1,932	2,108	2,375	2,652
AOCI	(569)	(603)	(278)	75	543
Total capitalization excluding AOCI (1)	\$ 2,593	\$ 2,535	\$ 2,386	\$ 2,300	\$ 2,109
Total shareholders' equity	1,474	1,382	1,666	1,963	2,247
Equity available to preferred shareholders	398	391	384	377	—
Common shareholders' equity	1,076	991	1,282	1,586	2,247
AOCI	(569)	(603)	(278)	75	543
Total common shareholders' equity excluding AOCI (1)	\$ 1,645	\$ 1,594	\$ 1,560	\$ 1,511	\$ 1,704
Common shares outstanding	214.37	214.37	214.37	214.37	58.93
Book Value per Share: (1)					
GAAP Book value per common share including AOCI (1)	\$ 5.02	\$ 4.62	\$ 5.98	\$ 7.40	\$ 38.13
GAAP Book value per common share excluding AOCI (1)	\$ 7.67	\$ 7.44	\$ 7.28	\$ 7.05	\$ 28.92
Debt-to-Capital Ratios: (1)					
Total Debt to Capitalization, excluding AOCI (1)	21.2%	21.7%	18.5%	17.9%	19.2%
Rating Agency Adjusted Debt to Capitalization, excluding AOCI (1)	28.9%	29.4%	26.6%	26.1%	19.2%

	Twelve months ended				
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Successor (Unaudited)	Predecessor (Unaudited)
Twelve Month Rolling Average Return on Equity ("ROE")					
Return on Common Shareholders' Equity (1)					
Return on average common shareholders' equity	15.1%	14.1%	16.2%	N/M	11.2%
Return on average common shareholders' equity, excluding AOCI (1)	11.8%	11.7%	15.1%	N/M	13.8%
Return on Common Shareholders' Equity - AOI (1)					
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	15.3%	15.3%	15.9%	0.8%	11.5%

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Quarterly Average ROE	Three months ended				
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	19.0%	11.6%	16.2%	N/M	11.2%
Return on average common shareholders' equity, excluding AOCI (1)	12.1%	8.4%	15.1%	N/M	14.6%
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	15.3%	14.7%	15.9%	0.8%	15.5%

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

N/M - Not meaningful.

Financial Strength Ratings

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

Net Investment Spread Results

(Dollars in millions)	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Yield on average assets under management "AAUM" (1)	4.13 %	5.02 %	4.26 %	4.98 %
Less: Interest credited and option cost	(2.42)%	(2.58)%	(2.37)%	(2.52)%
Total net investment spread - All product lines (1)	1.71 %	2.44 %	1.89 %	2.46 %
FIA net investment spread	2.16 %	3.00 %	2.36 %	3.02 %
Gross investment book yield - bonds purchased during the period (1)	5.58 %	4.92 %	5.25 %	4.86 %
Net investment book yield - bonds purchased during the period (1)	5.23 %	4.82 %	4.99 %	4.75 %
AAUM (1)	\$ 25,883	\$ 20,840	\$ 25,437	\$ 20,524

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

Total Product Net Investment Spread

(Dollars in millions)	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Investment Income	\$ 267	\$ 261	\$ 812	\$ 765
AAUM	25,883	20,840	25,437	20,524
Yield	4.13 %	5.02 %	4.26 %	4.98 %
Interest Credits, less DSI	\$ 77	\$ 75	\$ 222	\$ 220
Option & Futures Costs	59	50	167	139
Total interest credited and option costs	\$ 136	\$ 125	\$ 389	\$ 359
Average Account Value	22,367	19,371	21,895	19,026
Interest credited & option cost	2.42 %	2.58 %	2.37 %	2.52 %
Net Investment spread	1.71 %	2.44 %	1.89 %	2.46 %

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FIA Net Investment Spread

(Dollars in millions)

	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Investment Income	\$ 158	\$ 164	\$ 491	\$ 476
AAUM	15,181	13,020	15,143	12,778
Yield	4.15 %	5.03 %	4.32 %	4.96 %
Interest Credits, less DSI	\$ 15	\$ 17	\$ 46	\$ 49
Option & Futures Costs	59	50	167	139
Total interest credited and option costs	\$ 74	\$ 67	\$ 213	\$ 188
Average Account Value	14,766	13,140	14,495	12,892
Interest credited & option cost	1.99 %	2.03 %	1.96 %	1.94 %
Net Investment spread	2.16 %	3.00 %	2.36 %	3.02 %

Sales Results by Product

(Dollars in millions)

	Three months ended				Nine months ended		
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	September 30, 2018	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor	Successor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fixed index annuities (FIA)	\$ 631	\$ 549	\$ 436	\$ 462	\$ 424	\$ 1,616	\$ 1,317
Fixed rate annuities (MYGA)	211	220	142	161	164	573	449
Institutional spread based	—	—	200	—	—	200	136
Total annuity	\$ 842	\$ 769	\$ 778	\$ 623	\$ 588	\$ 2,389	\$ 1,902
Index universal life	7	7	6	7	6	20	29
International flow reinsurance	45	\$ 54	\$ 33	8	—	132	—
Total Sales	\$ 894	\$ 830	\$ 817	\$ 638	\$ 594	\$ 2,541	\$ 1,931

(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)	Three months ended			One month ended (b)	Two months ended (a)	Three months ended
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	September 30, 2017
	Successor	Successor	Successor	Successor	Predecessor	Predecessor
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Account balances at beginning of period:	\$ 18,769	\$ 18,326	\$ 18,041	\$ 17,892	\$ 16,819	\$ 16,430
Net deposits	845	756	548	223	404	598
Premium and interest bonuses	14	14	14	5	9	11
Fixed interest credited and index credits	148	143	177	71	130	147
Guaranteed product rider fees	(21)	(23)	(22)	(8)	(14)	(17)
Surrenders, withdrawals, deaths, etc.	(420)	(447)	(432)	(142)	(256)	(350)
Account balance at end of period	<u>\$ 19,335</u>	<u>\$ 18,769</u>	<u>\$ 18,326</u>	<u>\$ 18,041</u>	<u>\$ 17,092</u>	<u>\$ 16,819</u>

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

(b) Beginning balance as of December 1, 2017 is inclusive of FSR after the Business Combination was completed and therefore does not agree to the November 30, 2017 ending balance.

Annuity Deposits by Product Type

Product Type	Three months ended			Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
	Successor	Predecessor	Successor	Predecessor	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	(Dollars in millions)				
Fixed Index Annuities:					
Index Strategies	\$ 556	\$ 347	\$ 1,338	\$ 1,066	
Fixed Strategy	75	84	229	271	
	<u>631</u>	<u>431</u>	<u>1,567</u>	<u>1,337</u>	
Fixed Rate Annuities:					
Single-Year Rate Guaranteed	1	2	4	8	
Multi-Year Rate Guaranteed	213	165	578	450	
Total before coinsurance ceded	845	598	2,149	1,795	
Coinsurance ceded	—	—	—	2	
Net after coinsurance ceded	<u>\$ 845</u>	<u>\$ 598</u>	<u>\$ 2,149</u>	<u>\$ 1,793</u>	

Surrender Charge Protection and Account Values by Product Type

Annuity Surrender Charges and Account Values (net of reinsurance) at September 30, 2018 (unaudited):

Product Type	Surrender Charge			Net Account Value	
	Avg. Years at Issue	Avg. Years Remaining	Avg. % Remaining	Dollars in millions	%
				(Unaudited)	
Fixed Index Annuities	11	6	8%	\$ 14,975	78%
Single-Year Rate Guaranteed	10	1	1%	604	3%
Multi-Year Rate Guaranteed	5	3	7%	3,756	19%
Total				\$ 19,335	100%

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	(Unaudited)	
	(Dollars in millions)	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 757	\$ 2,383
0.0% < 2.0%	13	190
2.0% < 4.0%	31	206
4.0% < 6.0%	760	931
6.0% < 8.0%	864	2,067
8.0% < 10.0%	1,909	2,936
10.0% or greater	25	6,262
	<u>\$ 4,359</u>	<u>\$ 14,975</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	\$ 2,991	—%
2018	591	4%
2019 - 2020	3,035	6%
2021 - 2022	2,973	7%
2023 - 2024	2,789	9%
Thereafter	6,956	11%
	<u>\$ 19,335</u>	<u>8%</u>

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Fixed Annuities Account Value	Fixed Index Annuities Account Value
(Unaudited)	
(Dollars in millions)	

CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:

No differential	\$	1,000	\$	1,342
0.0% - 1.0%		385		1,301
1.0% - 2.0%		317		39
2.0% - 3.0%		2,644		10
3.0% - 4.0%		13		—
Allocated to index strategies		—		12,284
	\$	4,359	\$	14,976

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	\$	—	\$	—	\$
		1,650	\$	613	\$
		3			3
2-3%	982	—	—	—	—
3-4%	1,064	—	376	—	—
4-5%	441	—	285	—	—
5-6%	156	3	36	1	—
6-7%	71	3	21	—	4
7% +	87	51	200	—	69
Total:	\$	2,801	\$	57	\$
		2,568	\$	614	\$
		76			76

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Monthly Point-to-Point with Cap

	Minimum Guaranteed Cap 1%
	(Unaudited)
	(Dollars in millions)
Current Cap	
At minimum	\$ 2,014
1% to 2%	2,656
2% to 3%	613
3% +	108
Total:	\$ 5,391

3 Year Step Forward with Cap

	Minimum Guaranteed Cap 2%	Minimum Guaranteed Cap 5%
	(Unaudited)	
	(Dollars in millions)	
Current Cap		
At minimum	\$ —	\$ 19
2% to 5%	2	—
5% to 7%	12	50
7% to 9%	—	41
9% to 11%	—	17
11% to 13%	—	8
Total:	\$ 14	\$ 135

There is an additional \$628 million Account Value allocated to strategies not listed above. Of this \$628 million, \$13 million is at the guaranteed rates.

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Summary of Invested Assets by Asset Class

(Dollars in millions)

	September 30, 2018			December 31, 2017		
	Successor			Successor		
	(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	\$ 141	\$ 139	1%	\$ 84	\$ 84	1%
United States Government sponsored entities	115	108	—%	123	122	1%
United States municipalities, states and territories	1,562	1,381	6%	1,736	1,747	7%
Foreign Governments	164	160	1%	198	197	1%
Corporate securities:						
Finance, insurance and real estate	4,755	4,524	19%	5,464	5,500	23%
Manufacturing, construction and mining	969	616	3%	994	1,002	4%
Utilities, energy and related sectors	2,408	2,545	10%	2,262	2,281	10%
Wholesale/retail trade	1,550	1,503	6%	1,420	1,428	6%
Services, media and other	2,785	2,446	10%	2,327	2,359	10%
Hybrid securities	956	951	4%	1,066	1,067	4%
Non-agency residential mortgage-backed securities	1,241	1,572	6%	1,156	1,155	5%
Commercial mortgage-backed securities	1,257	1,794	7%	956	956	4%
Asset-backed securities	3,158	3,682	15%	3,061	3,065	13%
Equity securities	1,378	1,440	6%	1,392	1,388	6%
Commercial mortgage loans	525	488	2%	548	549	2%
Other (primarily derivatives)	687	1,034	4%	647	678	3%
Short term investments	—	15	—%	25	25	—%
Total (a)	<u>\$ 23,651</u>	<u>\$ 24,398</u>	<u>100%</u>	<u>\$ 23,459</u>	<u>\$ 23,603</u>	<u>100%</u>

(a) Asset duration, including cash and cash equivalents, of 7.02 years and 6.72 years vs. liability duration of 6.34 years and 6.76 years for the periods ending September 30, 2018 and December 31, 2017, respectively

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Credit Quality of Fixed Maturity Securities at September 30, 2018 (unaudited)

NAIC Designation	Fair Value	Percent	Rating Agency Rating	Fair Value	Percent
	(Dollars in millions)			(Dollars in millions)	
1	\$ 10,915	51%	AAA	\$ 2,711	13%
2	9,031	42%	AA	1,454	7%
3	1,270	6%	A	5,159	24%
4	167	1%	BBB	9,829	46%
5	33	—%	BB	1,326	6%
6	5	—%	B and below	942	4%
	<u>\$ 21,421</u>	<u>100%</u>		<u>\$ 21,421</u>	<u>100%</u>

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

Collateral Type	Successor (Unaudited)	
	Amortized Cost	Fair Value
Total by collateral type		
Government agency	\$ 111	\$ 108
Prime	722	721
Subprime	228	228
Alt-A	616	622
	<u>\$ 1,677</u>	<u>\$ 1,679</u>
Total by NAIC designation		
1	\$ 1,652	\$ 1,655
2	19	19
3	4	4
4	—	—
5	1	1
	<u>\$ 1,676</u>	<u>\$ 1,679</u>

Top 10 Holdings by Issuers

(Dollars in millions)

Issuer (a):	September 30, 2018	
	Successor	
	(Unaudited)	
	Fair Value	Percentage of Total Invested Assets
AT&T Inc.	\$ 119	0.5%
JP Morgan Chase & Co.	119	0.5%
Wells Fargo & Company	116	0.5%
HSBC Holdings	114	0.5%
General Motors Co	114	0.5%
Metropolitan Transportation Authority (NY)	114	0.5%
United Mexican States	114	0.5%
Verizon Communications Inc.	111	0.5%
Metlife, Inc.	108	0.4%
Energy Transfer Partners	107	0.4%

(a) Issuers excluding U.S. Governmental securities.

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 Re.	\$ 1,546	A+	Not Rated	Not Rated
Security Life of Denver	164	A	A	A2
Hannover Re	125	A+	AA-	Not Rated
London Life	110	A+	Not Rated	Not Rated
Swiss Re Life and Health	103	A+	AA-	Aa3

(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 - September 30, 2018**
(unaudited)**Shareholder Information**

Corporate Offices:

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Cayman Islands

Investor Contact:

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(410) 487-8898

Common stock and Dividend Information:

NYSE symbol: "FG"

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Dividend Declared</u>
2018 (Successor unaudited)				
First Quarter	\$ 10.74	\$ 8.65	\$ 10.15	\$ —
Second Quarter	\$ 10.22	\$ 8.14	\$ 8.39	\$ —
Third Quarter	\$ 9.63	\$ 8.35	\$ 8.95	\$ —

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