



**Investor Supplement  
First Fiscal Quarter 2017  
(Fiscal Year Ended September 30)**

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. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

**Non-GAAP Financial Measures**

This document contains non-GAAP financial measures to analyze the Company's operating performance for the periods presented. Because the Company's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing the Company's non-GAAP financial measures to those of other companies.

FIDELITY & GUARANTY LIFE AND SUBSIDIARIES  
 Financial Supplement  
 December 31, 2016

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**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**  
**Consolidated Financial Highlights**

	Three Months Ended				
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
	(Dollars in millions)				
<b>Revenues:</b>					
Premiums	\$ 11	\$ 18	\$ 21	\$ 16	\$ 15
Net investment income	240	238	236	227	222
Net investment gains (losses)	51	26	(28)	(42)	63
Insurance and investment product fees and other	38	34	32	32	29
Total revenues	340	316	261	233	329
<b>Net income</b>	\$ 108	\$ 30	\$ 10	\$ 9	\$ 48
Adjusted Operating Income ("AOI")	\$ 41	\$ 40	\$ 48	\$ 43	\$ 31
<b>Per Unrestricted Common Shares Amounts:</b>					
Basic:					
Net income	\$ 1.85	\$ 0.52	\$ 0.16	\$ 0.16	\$ 0.82
AOI	\$ 0.70	\$ 0.69	\$ 0.82	\$ 0.74	\$ 0.53
Diluted:					
Net income	\$ 1.85	\$ 0.52	\$ 0.16	\$ 0.16	\$ 0.82
AOI	\$ 0.70	\$ 0.69	\$ 0.82	\$ 0.73	\$ 0.53
Dividends Paid to Shareholders Per Share	\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065	\$ 0.065
<b>At Period End</b>					
Cash and cash equivalents	\$ 632	\$ 864	\$ 719	\$ 496	\$ 568
Total investments	\$ 21,076	\$ 21,025	\$ 20,548	\$ 19,580	\$ 18,953
Total assets	\$ 26,952	\$ 27,035	\$ 26,338	\$ 25,499	\$ 25,031
Contractholder funds	\$ 19,486	\$ 19,251	\$ 18,874	\$ 18,295	\$ 17,961
Future policy benefits	\$ 3,453	\$ 3,467	\$ 3,466	\$ 3,463	\$ 3,473
Debt (including revolving credit facility)	\$ 400	\$ 400	\$ 300	\$ 300	\$ 300
Total equity	\$ 1,752	\$ 1,934	\$ 1,782	\$ 1,511	\$ 1,399
Total equity excluding AOCI	\$ 1,599	\$ 1,495	\$ 1,477	\$ 1,468	\$ 1,461
Common shares issued and outstanding	58.98	58.96	58.96	58.96	58.96
GAAP Book value per share	\$ 29.70	\$ 32.80	\$ 30.22	\$ 25.63	\$ 23.73
GAAP Book Value per Share excluding AOCI	\$ 27.11	\$ 25.36	\$ 25.05	\$ 24.90	\$ 24.78
Debt to total Capitalization excluding AOCI	20.0%	21.1%	16.9%	17.0%	17.0%
Return on average shareholders' equity excluding AOCI	27.9%	8.1%	2.7%	2.5%	13.4%
Statutory Book value per share(1)	\$ 22.43	\$ 22.39	\$ 21.23	\$ 21.28	\$ 21.13
Statutory Book value per share excluding IMR and AVR(1)	\$ 32.18	\$ 32.20	\$ 31.35	\$ 31.43	\$ 31.55

(1) The statutory book value per share and the statutory book value per share excluding interest maintenance reserve ("IMR") and asset valuation reserve ("AVR") are estimates due to the timing of the filing of statutory statements and are prepared consistent with the presentation of the statutory financial statements in the combined annual statement.

**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In millions, except per share data)*

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
<b>ASSETS</b>					
Investments:					
Fixed maturity securities, available-for-sale, at fair value (amortized cost: December 31, 2016 - \$19,173; September 30, 2016 - \$18,521)	\$ 19,437	\$ 19,411	\$ 18,972	\$ 18,057	\$ 17,428
Equity securities, available-for-sale, at fair value (amortized cost: December 31, 2016 - \$691; September 30, 2016 - \$640)	696	683	645	620	637
Derivative investments	314	276	216	158	145
Commercial mortgage loans	582	595	622	613	616
Other invested assets	47	60	93	132	127
Total investments	<u>21,076</u>	<u>21,025</u>	<u>20,548</u>	<u>19,580</u>	<u>18,953</u>
Related party loans	71	71	72	76	81
Cash and cash equivalents	632	864	719	496	568
Accrued investment income	201	214	192	209	181
Reinsurance recoverable	3,444	3,464	3,476	3,512	3,552
Intangibles, net	1,228	1,026	1,048	1,170	1,162
Deferred tax assets	68	—	84	228	286
Other assets	232	371	199	228	248
<b>Total assets</b>	<u>\$ 26,952</u>	<u>\$ 27,035</u>	<u>\$ 26,338</u>	<u>\$ 25,499</u>	<u>\$ 25,031</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Contractholder funds	\$ 19,486	\$ 19,251	\$ 18,874	\$ 18,295	\$ 17,961
Future policy benefits	3,453	3,467	3,466	3,463	3,473
Funds withheld for reinsurance liabilities	1,142	1,172	1,190	1,210	1,251
Liability for policy and contract claims	53	55	45	51	64
Debt	300	300	300	300	300
Revolving credit facility	100	100	—	—	—
Deferred tax liability	—	10	—	—	—
Other liabilities	666	746	681	669	583
<b>Total liabilities</b>	<u>25,200</u>	<u>25,101</u>	<u>24,556</u>	<u>23,988</u>	<u>23,632</u>
Shareholders' equity:					
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued at December 31, 2016 and September 30, 2016)	\$ —	\$ —	\$ —	\$ —	\$ —
Common stock (\$.01 par value, 500,000,000 shares authorized, 58,984,034 issued and outstanding at December 31, 2016; 58,956,127 shares issued and outstanding at September 30, 2016)	1	1	1	1	1
Additional paid-in capital	715	714	723	720	718
Retained earnings	896	792	765	759	754
Accumulated other comprehensive income	153	439	305	43	(62)
Treasury stock, at cost (565,723 shares at December 31, 2016; 537,613 shares at September 30, 2016)	(13)	(12)	(12)	(12)	(12)
<b>Total shareholders' equity</b>	<u>1,752</u>	<u>1,934</u>	<u>\$ 1,782</u>	<u>\$ 1,511</u>	<u>\$ 1,399</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 26,952</u>	<u>\$ 27,035</u>	<u>\$ 26,338</u>	<u>\$ 25,499</u>	<u>\$ 25,031</u>

**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**  
**Financial Supplement - December 31, 2016**  
**(unaudited)**

**Quarterly Summary - Most Recent 5 Quarters**

	Three Months Ended				
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
	(Dollars in millions)				
<b>Revenues:</b>					
Traditional life insurance premiums	\$ 10	\$ 11	\$ 10	\$ 11	\$ 10
Life contingent immediate annuity	1	7	11	5	5
Net investment income	240	238	236	227	222
Net investment gains (losses)	51	26	(28)	(42)	63
Surrender charges	7	8	5	5	4
Cost of insurance fees and other income	31	26	27	27	25
Total revenues	<u>340</u>	<u>316</u>	<u>261</u>	<u>233</u>	<u>329</u>
<b>Benefits and expenses:</b>					
Traditional life insurance policy benefits and change in future policy benefits	22	18	18	16	18
Life contingent immediate annuity benefits and changes in future policy benefits	18	25	31	21	32
Interest sensitive and index product benefits and changes in future policy benefits	(20)	163	167	151	131
General expenses	25	30	26	25	26
Acquisition expenses	92	89	88	75	73
Deferred acquisition costs ("DAC")	(89)	(83)	(86)	(73)	(71)
Amortization of intangibles	123	20	(4)	(3)	41
Total benefits and expenses	<u>171</u>	<u>262</u>	<u>240</u>	<u>212</u>	<u>250</u>
Operating income	169	54	21	21	79
Interest expense	(6)	(5)	(5)	(6)	(6)
Income before income taxes	163	49	16	15	73
Income tax expense	(55)	(19)	(6)	(6)	(25)
<b>Net income</b>	<u>\$ 108</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 9</u>	<u>\$ 48</u>
Net income per common share:					
Basic	\$ 1.85	\$ 0.52	\$ 0.16	\$ 0.16	\$ 0.82
Diluted	\$ 1.85	\$ 0.52	\$ 0.16	\$ 0.16	\$ 0.82
Weighted average common shares used in computing net income per common share:					
Basic	58.28	58.26	58.31	58.31	58.22
Diluted	58.37	58.35	58.66	58.61	58.54

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

	<b>Three Months Ended</b>				
	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	<b>(Dollars in millions, except per share data)</b>				
Net income	\$ 108	\$ 30	\$ 10	\$ 9	\$ 48
<b>Adjustments to arrive at AOI:</b>					
Effect of investment (gains) losses, net of offsets (a)	(1)	5	5	(5)	4
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	(92)	(7)	28	43	(10)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(10)	17	26	14	(20)
Tax impact of adjusting items	36	(5)	(21)	(18)	9
AOI	<u>\$ 41</u>	<u>\$ 40</u>	<u>\$ 48</u>	<u>\$ 43</u>	<u>\$ 31</u>
<b>Per diluted common share:</b>					
Net income	\$ 1.85	\$ 0.52	\$ 0.16	\$ 0.16	\$ 0.82
<b>Adjustments to arrive at AOI:</b>					
Effect of investment (gains) losses, net of offsets (a)	(0.02)	0.09	0.09	(0.09)	0.07
Effect of change in FIA embedded derivative discount rate, net of offsets (a)	(1.58)	(0.12)	0.48	0.73	(0.17)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(0.17)	0.29	0.44	0.24	(0.34)
Tax impact of adjusting items	\$ 0.62	\$ (0.09)	\$ (0.35)	\$ (0.31)	\$ 0.15
AOI per diluted share	<u>\$ 0.70</u>	<u>\$ 0.69</u>	<u>\$ 0.82</u>	<u>\$ 0.73</u>	<u>\$ 0.53</u>

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

**NON-GAAP FINANCIAL MEASURES**

***AOI***

AOI is a non-GAAP economic measure we use 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 our indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, and (iii) the effect of change in fair value of the reinsurance related embedded derivative. 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 are an integral part of the overall performance of FGL, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

***Sales***

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

While management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace GAAP financial results and should be read in conjunction with those GAAP results.

**Summary of Adjustments to Arrive at AOI**

	<b>Three Months Ended</b>				
	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	(Dollars in millions)				
<b>Revenue:</b>					
Net investment gains (a)	\$ (12)	\$ 29	\$ 44	\$ 11	\$ (21)
(Decrease) increase in total revenues	(12)	29	44	11	(21)
<b>Benefits and expenses:</b>					
Benefits and other changes in policy reserves (b)	(168)	(16)	53	80	(19)
Acquisition and operating expenses, net of deferrals (c)	—	—	—	—	—
Amortization of intangibles	77	2	(38)	(39)	14
(Decrease) increase in total benefits and expenses	(91)	(14)	15	41	(5)
(Decrease) increase in pre-tax operating income	(103)	15	59	52	(26)
Increase (decrease) in income tax expense (benefit) (d)	36	(5)	(21)	(18)	9
(Decrease) increase in net income	\$ (67)	\$ 10	\$ 38	\$ 34	\$ (17)

- (a) Net investment gains: includes the effects of net investment gains and change in fair value of the reinsurance related embedded derivative.  
(b) Benefits and other changes in policy reserves: includes the effects of the change in fair value of the FIA embedded derivative discount rate.  
(c) Acquisition and operating expenses: includes the effects of the class action litigation reserve.  
(d) The tax expense (benefit) includes the tax impact of the adjustments in a-c above.



**Notable Items Included in Net Income and AOI**

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

	Three Months Ended				
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
	(Dollars in millions)				
<b>Net Income</b>	\$ 108	\$ 30	\$ 10	\$ 9	\$ 48
<b>AOI</b>	\$ 41	\$ 40	\$ 48	\$ 43	\$ 31
<b>Notable Items Included within AOI [(unfavorable)/favorable]</b>					
Legacy incentive compensation (a)	—	(2)	1	—	(1)
Project expenses (b)	—	—	(1)	(1)	(2)
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (c)	2	—	4	5	(3)
Assumption review & DAC unlocking (d)	—	5	7	4	2
Other, including bond prepayment income & tax valuation allowance (e)	2	1	2	2	1

(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.

(b) Expenses associated with corporate development activities, including mergers & acquisitions.

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

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

(e) Changes in the Company's deferred tax valuation allowance, receipt of bond prepayment income and other net favorable activity.

Capitalization/Book Value per Share

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
	(Dollars in millions, except per share data)				
<b>Capitalization:</b>					
Debt	\$ 400	\$ 400	\$ 300	\$ 300	\$ 300
<b>Total debt</b>	<b>400</b>	<b>400</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total shareholders' equity</b>	<b>1,752</b>	<b>1,934</b>	<b>1,782</b>	<b>1,511</b>	<b>1,399</b>
<b>Total capitalization</b>	<b>2,152</b>	<b>2,334</b>	<b>2,082</b>	<b>1,811</b>	<b>1,699</b>
AOCI	153	439	305	43	(62)
<b>Total capitalization excluding AOCI (a)</b>	<b>\$ 1,999</b>	<b>\$ 1,895</b>	<b>\$ 1,777</b>	<b>\$ 1,768</b>	<b>\$ 1,761</b>
<b>Total shareholders' equity</b>	<b>1,752</b>	<b>1,934</b>	<b>1,782</b>	<b>1,511</b>	<b>1,399</b>
AOCI	153	439	305	43	(62)
<b>Total shareholders' equity excluding AOCI (a)</b>	<b>\$ 1,599</b>	<b>\$ 1,495</b>	<b>\$ 1,477</b>	<b>\$ 1,468</b>	<b>\$ 1,461</b>
Common shares outstanding	58.98	58.96	58.96	58.96	58.96
<b>Book Value per Share: (b)</b>					
GAAP Book value per share including AOCI	\$ 29.70	\$ 32.80	\$ 30.22	\$ 25.63	\$ 23.73
GAAP Book value per share excluding AOCI (a)	\$ 27.11	\$ 25.36	\$ 25.05	\$ 24.90	\$ 24.78
<b>Twelve months ended</b>					
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
<b>Twelve Month Rolling Average Return on Equity ("ROE")</b>					
<b>Return on Shareholders' Equity (c)</b>					
Return on average shareholders' equity	9.4%	6.0%	6.3%	11.3%	9.7%
Return on average shareholders' equity, excluding AOCI (c)	10.5%	6.6%	6.7%	12.3%	11.0%
<b>Return on Shareholders' Equity - AOI (d)</b>					
Adjusted Operating ROE, excluding AOCI (d)	11.5%	11.1%	11.4%	10.0%	8.8%
<b>Three months ended</b>					
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
<b>Quarterly Average ROE</b>					
Return on average shareholders' equity	23.4%	6.5%	2.4%	2.5%	13.2%
Return on average shareholders' equity, excluding AOCI (c)	27.9%	8.1%	2.7%	2.5%	13.4%
Adjusted Operating ROE, excluding AOCI (d)	10.6%	10.8%	13.1%	11.7%	8.6%
<b>Debt-to-Capital Ratios: (e)</b>					
Long-term debt/Total capitalization excluding AOCI	20.0%	21.1%	16.9%	17.0%	17.0%

**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**

**Financial Supplement - December 31, 2016**

**(unaudited)**

(a) Total capitalization, total stockholders' equity and book value per share excluding AOCI (a non-GAAP financial measure) are based on stockholders' 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, we believe these non-GAAP financial measures provide useful supplemental information.

(b) Book value per share including and excluding AOCI is calculated as total stockholders' equity and total stockholders' equity excluding AOCI divided by the total number of shares of common stock outstanding.

(c) Return on Equity, excluding AOCI is a non-GAAP financial measure. It is calculated by dividing net income by total average equity excluding AOCI. Average equity excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average equity is calculated using the beginning and ending equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized.

(d) Adjusted Operating ROE, excluding AOCI is a non-GAAP financial measure. It is calculated by dividing AOI by total average equity excluding AOCI. Average equity excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average equity is calculated using the beginning and ending equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized.

(e) Debt-to-capital ratios are computed using total capitalization excluding AOCI. Adjusted debt includes the total senior unsecured debentures and revolving credit facility.

**Financial Strength Ratings**

	<b>S&amp;P</b>	<b>A.M. Best</b>	<b>Moody's</b>	<b>Fitch</b>
<b><u>As of Date of Financial Supplement</u></b>				
Fidelity and Guaranty Life Insurance Company	BBB-	B++	Baa3	BBB
Fidelity and Guaranty Life Insurance Company of New York	BBB-	B++	Not Rated	BBB
Rating Agency Outlook	Stable	Under Review With Developing Implications	Positive	Stable

**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**  
**Financial Supplement - December 31, 2016**  
**(unaudited)**

**Net Investment Spread Results**

(Dollars in millions)

	<b>Three Months Ended</b>	
	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Yield on average assets under management "AAUM" (at amortized cost)	4.85 %	4.87 %
Less: Interest credited and option cost	(2.56)%	(2.73)%
Total net investment spread - All product lines (b)	<u>2.29 %</u>	<u>2.14 %</u>
FIA net investment spread	3.00 %	2.92 %
Investment book yield - bonds purchased during the period (c)	4.78 %	5.50 %
AAUM (a)	\$ 19,768	\$ 18,239

(a) AAUM is a non-GAAP measure and is the sum of (i) total invested assets at amortized cost, excluding derivatives; and including (ii) related party loans and investments and (iii) cash and cash equivalents at the end of each month in the period divided by the number of months in the period.

(b) 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.

(c) Investment book yield on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents.

**Sales Results by Product**

(Dollars in millions)

	<b>Three Months Ended</b>				
	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Fixed index annuities ("FIA")	\$ 551	\$ 482	\$ 495	\$ 418	\$ 437
Fixed rate annuities ("MYGA")	97	121	180	183	52
Institutional spread based (1)	—	—	157	—	—
Total Annuity	<u>\$ 648</u>	<u>\$ 603</u>	<u>\$ 832</u>	<u>\$ 601</u>	<u>\$ 489</u>
Index universal life	<u>17</u>	<u>17</u>	<u>15</u>	<u>11</u>	<u>13</u>
Total Sales	<u>\$ 665</u>	<u>\$ 620</u>	<u>\$ 847</u>	<u>\$ 612</u>	<u>\$ 502</u>

(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)

	<b>Three months ended</b>				
	<b>December 31, 2016</b>	<b>September 30, 2016</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Account balances at beginning of period:	\$ 15,250	\$ 14,935	\$ 14,599	\$ 14,330	\$ 14,154
Net deposits	655	598	687	608	507
Premium and interest bonuses	13	10	11	11	12
Fixed interest credited and index credits	87	81	45	41	66
Guaranteed product rider fees	(16)	(12)	(14)	(14)	(13)
Surrenders, withdrawals, deaths, etc.	(386)	(362)	(393)	(377)	(396)
Account balance at end of period	<u>\$ 15,603</u>	<u>\$ 15,250</u>	<u>\$ 14,935</u>	<u>\$ 14,599</u>	<u>\$ 14,330</u>

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

**Annuity Deposits by Product Type**

<b>Product Type</b>	<b>Three Months Ended</b>	
	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>(Dollars in millions)</b>	
Fixed Index Annuities:		
Index Strategies	\$ 437	\$ 374
Fixed Strategy	119	79
	<u>556</u>	<u>453</u>
Fixed Rate Annuities:		
Single-Year Rate Guaranteed	2	1
Multi-Year Rate Guaranteed	97	53
Total before coinsurance ceded	<u>655</u>	<u>507</u>
Coinsurance ceded	—	—
Net after coinsurance ceded	<u>\$ 655</u>	<u>\$ 507</u>

**Surrender Charge Protection and Account Values by Product Type**

Annuity Surrender Charges and Account Values (net of reinsurance) at December 31, 2016:

<b>Product Type</b>	<b>Surrender Charge</b>			<b>Net Account Value</b>	
	<b>Avg. Years at Issue</b>	<b>Avg. Years Remaining</b>	<b>Avg. % Remaining</b>	<b>Dollars in millions</b>	<b>%</b>
Fixed Index Annuities	11	6	8%	\$ 12,377	79%
Single-Year Rate Guaranteed	10	1	1%	615	4%
Multi-Year Rate Guaranteed	5	2	7%	2,611	17%
<b>Total</b>				<b>\$ 15,603</b>	<b>100%</b>

Annuity Liability Characteristics

	<b>Fixed Annuities Account Value</b>	<b>Fixed Index Annuities Account Value</b>
	<b>(Dollars in millions)</b>	
<b><u>SURRENDER CHARGE PERCENTAGES:</u></b>		
No surrender charge	\$ 603	\$ 1,824
0.0% < 2.0%	45	222
2.0% < 4.0%	106	472
4.0% < 6.0%	503	562
6.0% < 8.0%	1,112	1,373
8.0% < 10.0%	813	2,554
10.0% or greater	44	5,370
	<u>\$ 3,226</u>	<u>\$ 12,377</u>

	<b>Fixed and Fixed Index Annuities Account Value</b>	<b>Weighted Average Surrender Charge</b>
	<b>(Dollars in millions)</b>	
<b><u>SURRENDER CHARGE EXPIRATION BY YEAR:</u></b>		
Out of Surrender Charge	\$ 2,468	—%
2017	1,038	4%
2018 - 2019	2,366	6%
2020 - 2021	1,961	8%
2022 - 2023	1,469	8%
Thereafter	6,301	11%
	<u>\$ 15,603</u>	<u>8%</u>

**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**  
**Financial Supplement - December 31, 2016**  
**(unaudited)**

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	(Dollars in millions)	
<b><u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u></b>		
No differential	\$ 1,088	\$ 1,271
0.0% - 1.0%	385	1,148
1.0% - 2.0%	276	68
2.0% - 3.0%	1,421	14
3.0% - 4.0%	56	—
Allocated to index strategies	—	9,876
	<u>\$ 3,226</u>	<u>\$ 12,377</u>

**FIXED INDEX ANNUITIES ACCOUNT VALUE - INDEX STRATEGIES**

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

	Minimum Guaranteed Cap				
	1%	2%	3%	5%	6%
	(Dollars in millions)				
<b>Current Cap</b>					
At minimum	\$ —	\$ —	\$ 1,356	\$ 690	\$ —
2-3%	438	—	—	—	—
3-4%	855	—	443	—	—
4-5%	408	—	595	—	—
5-6%	67	1	213	7	—
6-7%	21	2	24	—	5
7% +	59	24	165	—	66
<b>Total:</b>	<u>\$ 1,848</u>	<u>\$ 27</u>	<u>\$ 2,796</u>	<u>\$ 697</u>	<u>\$ 71</u>



**FIDELITY & GUARANTY LIFE AND SUBSIDIARIES**

**Financial Supplement - December 31, 2016**

**(unaudited)**

**Monthly Point-to-Point with Cap**

	<b>Minimum Guaranteed Cap 1%</b>	
	<b>(Dollars in millions)</b>	
<b>Current Cap</b>		
At minimum	\$	1,029
1% to 2%		2,000
2% to 3%		840
3% +		224
Total:	\$	<u>4,093</u>

**3 Year Step Forward with Cap**

	<b>Minimum Guaranteed Cap 2%</b>		<b>Minimum Guaranteed Cap 5%</b>	
	<b>(Dollars in millions)</b>			
<b>Current Cap</b>				
At minimum	\$	—	\$	20
2% to 5%		2		—
5% to 7%		5		53
7% to 9%		—		44
9% to 11%		—		18
11% to 13%		—		8
Total:	\$	<u>7</u>	\$	<u>143</u>

There is an additional \$193 million Account Value allocated to strategies not listed above. Of this \$193 million, \$14 million is at the guaranteed rates.

**Summary of Invested Assets by Asset Class**

(Dollars in millions)

	December 31, 2016			September 30, 2016		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available-for-sale:						
United States Government full faith and credit	\$ 224	\$ 230	1%	\$ 233	\$ 243	1%
United States Government sponsored entities	106	107	1%	112	115	1%
United States municipalities, states and territories	1,553	1,641	8%	1,515	1,717	8%
Corporate securities:						
Finance, insurance and real estate	5,390	5,563	26%	5,084	5,463	26%
Manufacturing, construction and mining	856	850	4%	847	863	4%
Utilities, energy and related sectors	1,819	1,816	9%	1,811	1,881	9%
Wholesale/retail trade	1,315	1,330	6%	1,205	1,277	6%
Services, media and other	1,914	1,920	9%	1,765	1,856	9%
Hybrid securities	1,352	1,333	6%	1,356	1,386	7%
Non-agency residential mortgage-backed securities	1,163	1,202	6%	1,215	1,247	6%
Commercial mortgage-backed securities	852	837	4%	850	864	4%
Asset-backed securities	2,629	2,608	12%	2,528	2,499	12%
Equity securities	691	696	3%	640	683	3%
Commercial mortgage loans	582	574	3%	595	614	3%
Other (primarily derivatives and loan participations)	265	357	2%	281	334	1%
<b>Total</b>	<b>\$ 20,711</b>	<b>\$ 21,064</b>	<b>100%</b>	<b>20,037</b>	<b>\$ 21,042</b>	<b>100%</b>

**Credit Quality of Fixed Maturity Securities at December 31, 2016**

NAIC Designation	Fair Value	Percent	Rating Agency Rating	Fair Value	Percent
	(Dollars in millions)			(Dollars in millions)	
1	\$ 10,535	54%	AAA	\$ 1,488	8%
2	7,681	40%	AA	1,748	9%
3	929	5%	A	5,231	27%
4	219	1%	BBB	8,561	44%
5	62	—%	BB	1,027	5%
6	11	—%	B and below	1,382	7%
	<b>\$ 19,437</b>	<b>100%</b>		<b>\$ 19,437</b>	<b>100%</b>

Managed and Direct Related Party Investments

(Dollars in Millions)

Type	Balance Sheet Classification	December 31, 2016	
		Amortized Cost	Fair Value
<b>Investments managed by related parties:</b>			
Salus collateralized loan obligations	Fixed maturities, available-for-sale	\$ 13	\$ 13
Fortress Investment Group collateralized loan obligations	Fixed maturities, available-for-sale	231	226
Salus participations (b)	Other invested assets	7	6
	<b>Total investments managed by related parties</b>	<b>\$ 251</b>	<b>\$ 245</b>
<b>Direct investment in related parties:</b>			
HGI energy loan	Related party loans	72	71
Salus preferred equity	Equity securities, available-for-sale	1	1
Spectrum Brands, Inc.	Fixed maturities, available-for-sale	2	2
	<b>Total direct investment in related parties</b>	<b>\$ 75</b>	<b>\$ 74</b>
<b>Assets above included in FSRCI Funds withheld portfolio:</b>			
Fortress Investment Group collateralized loan obligations	Fixed maturities, available-for-sale	19	18
HGI energy loan	Related party loans	72	71
Salus collateralized loan obligations	Fixed maturities, available-for-sale	1	1
Spectrum Brands, Inc.	Fixed maturities, available-for-sale	2	2
Salus participations	Other invested assets	1	1
Salus preferred equity	Equity securities, available-for-sale	1	1
	<b>Total assets included in FSRCI Funds withheld portfolio</b>	<b>\$ 96</b>	<b>\$ 94</b>

(b) Includes loan participations with 3 different borrowers with an average loan fair value of \$2 as of December 31, 2016

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

Collateral Type	December 31, 2016	
	Amortized Cost	Fair Value
	(Dollars in millions)	
<b>Total by collateral type</b>		
Government agency	\$ 106	\$ 107
Prime	195	198
Subprime	297	305
Alt-A	671	699
	<u>\$ 1,269</u>	<u>\$ 1,309</u>
<b>Total by NAIC designation</b>		
1	\$ 1,249	\$ 1,292
2	10	8
3	10	9
4	—	—
5	—	—
	<u>\$ 1,269</u>	<u>\$ 1,309</u>

**Top 10 Holdings by Issuers**

(Dollars in millions)

<b>Issuer (a):</b>	<b>December 31, 2016</b>	
	<b>Fair Value</b>	<b>Percentage of Total Invested Assets</b>
Wells Fargo & Company	\$ 156	0.7%
Goldman Sachs Group, Inc.	118	0.6%
Metropolitan Transportation Authority (NY)	115	0.5%
General Electric Company	111	0.5%
JP Morgan Chase & Co.	105	0.5%
Nationwide Mutual Insurance Company	94	0.4%
Metlife, Inc.	86	0.4%
Bank of America Corp	85	0.4%
Entergy Corp	84	0.4%
Rabobank Nederland	82	0.4%

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

**Reinsurance Counterparty Risk- Top 5 Reinsurers**

(Dollars in millions)

<b>Parent Company/Principal Reinsurers</b>	<b>Reinsurance Recoverable (a)</b>	<b>Financial Strength Rating</b>		
		<b>AM Best</b>	<b>S&amp;P</b>	<b>Moody's</b>
Wilton Reinsurance	\$ 1,528	A	Not Rated	Not Rated
Front Street Re	1,087	Not Rated	Not Rated	Not Rated
Scottish Re	155	Not Rated	Not Rated	Not Rated
Security Life of Denver	145	A	A	A2
London Life	104	A	Not Rated	Not Rated

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

**Shareholder Information**

Corporate Offices:  
 Fidelity & Guaranty Life  
 Two Ruan Center  
 601 Locust Street, 14th Floor  
 Des Moines, IA 50309

Investor Contact:  
 Lisa Foxworthy-Parker  
 Fidelity & Guaranty Life  
 Lisa.Parker@fglife.com  
 515-330-3307

Media Contact:  
 Sard Verbinnen & Co  
 Jamie Tully or David Millar, 212-687-8080

**Common stock and Dividend Information:**  
 New York Stock Exchange symbol: "FGL"

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Dividend Declared</u>
<b>FY2017</b>				
First Quarter	\$ 24.25	\$ 21.10	\$ 23.70	\$ 0.065

**Transfer Agent**  
 American Stock Transfer & Trust  
 59 Maiden Lane, Plaza Level  
 New York, NY 10038  
 Phone: (800) 937-5449  
 Fax: (718) 236-2641  
<http://www.amstock.com>

**Research Analyst Coverage**

Jimmy Bhullar  
J.P. Morgan  
(212) 622-6397  
[jimmy.s.bhullar@jpmorgan.com](mailto:jimmy.s.bhullar@jpmorgan.com)

John Barnidge  
Sandler O'Neill + Partners  
(312) 281-3412  
[jbarnidge@sandleroneill.com](mailto:jbarnidge@sandleroneill.com)