
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 4, 2020

Fidelity National Financial, Inc.

(Exact name of Registrant as Specified in its Charter)

001-32630

(Commission File Number)

Delaware

16-1725106

(State or Other Jurisdiction of
Incorporation or Organization)

(IRS Employer Identification Number)

601 Riverside Avenue
Jacksonville, Florida 32204
(Addresses of Principal Executive Offices)
(904) 854-8100

(Registrant's Telephone Number, Including Area Code)
(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
FNF Common Stock, \$0.0001 par value	FNF	New York Stock Exchange
5.50% Notes due September 2022	FNF22	New York Stock Exchange

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

On November 4, 2020, Fidelity National Financial, Inc. (the "Company", "FNF") issued an earnings release announcing its financial results for the Third Quarter of 2020. A copy of the FNF earnings release is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, the Company is furnishing the quarterly financial supplement for its F&G operating segment as Exhibit 99.2 to this Current Report on Form 8-K.

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 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

Exhibit	Description
99.1	Press release announcing FNF Third Quarter 2020 Earnings
99.2	Financial Supplement of F&G, dated November 4, 2020
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

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 thereunto duly authorized.

Fidelity National Financial, Inc.

Date: November 4, 2020

By: /s/ Anthony J. Park

Name: Anthony J. Park

Title: Chief Financial Officer



PRESS RELEASE

FNF Reports Third Quarter 2020 Diluted EPS from Continuing Operations of \$1.39 and Adjusted Diluted EPS from Continuing Operations of \$1.48, Pre-Tax Title Margin of 20.4% and Adjusted Pre-Tax Title Margin of 21.2%

Jacksonville, Fla. - (November 4, 2020) - Fidelity National Financial, Inc. (NYSE:FNF), a leading provider of title insurance and transaction services to the real estate and mortgage industries, today reported operating results for the period ended September 30, 2020.

- Total revenue of approximately \$3.0 billion in the third quarter versus \$2.2 billion in the third quarter of 2019
- Third quarter net earnings from continuing operations of \$406 million and adjusted net earnings from continuing operations of \$435 million versus net earnings of \$250 million and adjusted net earnings of \$304 million for the third quarter of 2019
- Third quarter diluted EPS from continuing operations of \$1.39 and adjusted diluted EPS from continuing operations of \$1.48 versus diluted EPS of \$0.90 and adjusted diluted EPS of \$1.10 in the third quarter of 2019
- Recognized gains were \$73 million in the third quarter versus recognized gains of \$4 million in the third quarter of 2019 primarily due to mark to market accounting treatment of equity and preferred stock securities whether the securities were disposed of in the quarter or continue to be held in our investment portfolio

Title

- Total revenue of approximately \$2.5 billion versus approximately \$2.2 billion in total revenue in the third quarter of 2019
- Total revenue, excluding recognized gains and losses, of approximately \$2.5 billion versus approximately \$2.2 billion in the third quarter of 2019, an increase of 13.5%
- Pre-tax earnings of \$507 million and adjusted pre-tax earnings of \$528 million versus pre-tax earnings of \$389 million and adjusted pre-tax earnings of \$407 million in the third quarter of 2019
- Pre-tax title margin of 20.4% and adjusted pre-tax title margin of 21.2% versus pre-tax title margin of 17.7% and adjusted pre-tax title margin of 18.6% in the third quarter of 2019
- Third quarter refinance orders opened increased 83% on a daily basis and refinance orders closed increased 87% on a daily basis versus the third quarter of 2019; purchase orders opened increased 12% on a daily basis and purchase orders closed increased 8% on a daily basis versus the third quarter of 2019
- Total commercial revenue of \$216 million, a 28% decline versus total commercial revenue in the third quarter of 2019, driven by a 16% decrease in closed orders and 14% decline in total commercial fee per file; third quarter total commercial orders opened increased 4% compared to the prior year
- Overall third quarter average fee per file of \$2,063, a 16% decrease versus the third quarter of 2019

Title Orders

Month	Direct Orders Opened *		Direct Orders Closed *	
	/ (% Purchase)		/ (% Purchase)	
July 2020	292,000	40%	187,000	43%
August 2020	283,000	40%	186,000	42%
September 2020	272,000	40%	198,000	40%
Third Quarter 2020	847,000	40%	571,000	42%

Month	Direct Orders Opened *		Direct Orders Closed *	
	/ (% Purchase)		/ (% Purchase)	
July 2019	192,000	56%	134,000	59%
August 2019	214,000	48%	137,000	56%
September 2019	186,000	51%	138,000	51%
Third Quarter 2019	592,000	52%	409,000	55%

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

F&G, a leading provider of annuities and life insurance, reported operating results for the third quarter of 2020. As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after June 1, 2020 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.

- Total Retail Annuity Sales of \$1,068 million in the third quarter, an increase of 34 percent to the prior year, and an increase of 17 percent from the sequential quarter
- Fixed Indexed Annuities (FIA) Sales of \$815 million in the third quarter, an increase of 38 percent to the prior year, and a 6 percent decrease from the sequential quarter
- Average Assets Under Management (AAUM) of \$27.0 billion for the third quarter, up from \$26.6 billion in the sequential period driven by net new business asset flows; and down from \$27.9 billion in the prior year as a result of merger effects
- Net Investment Spread: FIA spread for the third quarter of 347 basis points; Total Spread, including all product lines, for the third quarter of 261 basis points
- Net Earnings Attributable to Common Shareholders of \$38 million for the third quarter, including a \$28 million loss from discontinued operations and \$8 million net unfavorable mark-to-market and other items which are excluded from Adjusted Net Earnings
- Adjusted Net Earnings From Continuing Operations Attributable to Common Shareholders of \$74 million for the quarter

“We are very pleased with our third quarter results in which we experienced sequential improvement every month in closed orders per day,” commented Chairman William P. Foley, II. “We generated adjusted pre-tax title earnings of \$528 million, a record quarter, and an adjusted pre-tax title margin of 21.2%, our best quarterly margin since the third quarter of 2003, as we benefited from the delayed spring selling season and sustained momentum in refinance. During the third quarter refinance opened and closed orders on a daily basis increased 83% and 87%, respectively. I would like to thank our employees for their continued efforts as we work together to ensure the health and safety of our employees while meeting our customers' needs in this challenging environment.”

“We are also excited about our technology investments as we continue to focus on improving the security, transparency, and overall closing experience for our customers. Our StartSafe initiative, which reached a significant milestone during the third quarter, helps create a safer and more user-friendly experience for consumers as they begin their real estate transactions, and reduces the chance of fraud in the process. We are also focused on transitioning real estate closings through the adoption of new digital technologies and experiences on a large scale and in a way that supports our nationwide network of trusted closing professionals. As we continue to expand our technology investments and bring to market new digital initiatives that will reimagine the real estate transaction experience for both real estate professionals and consumers, we see an opportunity to further reduce costs and increase market share.

Turning to F&G, the company's recent entrance into the bank and broker dealer channel has surpassed our expectations as the F&G team continues to execute against its growth strategy, producing strong sales results in the third quarter. Furthermore, the company's investment portfolio continues to perform well in the current environment. Following the closing of F&G in early June, F&G had success entering into an agreement to sell F&G Reinsurance to Aspida Holdings, an indirect subsidiary of Ares Management. This transaction, represents a terrific outcome for F&G Reinsurance, its clients and employees, and FNF shareholders. In conjunction with this transaction, F&G also entered into a mutually beneficial multiyear guaranteed annuity flow reinsurance partnership. We expect the sale of F&G Reinsurance to close prior to year end.”

Mr. Foley concluded, “Lastly, we remain committed to maximizing value for our shareholders through our capital allocation strategy, focused on consistent dividend growth evident in our most recent dividend increase of 9%, growing our business and targeting \$500 million of share repurchases, based on market conditions, over the course of the next twelve months.”

Conference Call

We will host a call with investors and analysts to discuss third quarter 2020 FNF results on Thursday, November 5, 2020, beginning at 12:00 p.m. Eastern Time. A live webcast of the conference call will be available on the Events and Multimedia page of the FNF Investor Relations website at fnf.com. The conference call replay will be available via webcast through the FNF Investor Relations website at fnf.com. The telephone replay will be available from 3:00 p.m. Eastern Time on November 5, 2020, through November 12, 2020, by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International). The access code will be 13710928. An expanded quarterly financial supplement providing segment results is available on the FNF Investor Relations website.

About Fidelity National Financial, Inc.

Fidelity National Financial, Inc. (NYSE: FNF) is a leading provider of title insurance and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. More information about FNF can be found at fnf.com.

About F&G

F&G is part of the FNF family of companies. F&G is committed to helping Americans turn their aspirations into reality. F&G is a leading provider of annuity and life insurance products and is headquartered in Des Moines, Iowa. For more information, please visit www.fglife.bm.

Use of Non-GAAP Financial Information

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, FNF has provided non-GAAP financial measures, which it believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. These non-GAAP measures include adjusted net earnings, adjusted earnings per share, adjusted pre-tax title earnings, adjusted pre-tax title earnings as a percentage of adjusted title revenue (adjusted pre-tax title margin), F&G adjusted earnings, F&G adjusted earnings attributable to common shareholders, F&G adjusted operating return on common shareholders' equity excluding AOCI, F&G net investment spread, F&G average assets under management and F&G sales.

Any non-GAAP measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings. Further, FNF's non-GAAP measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP measures to related GAAP measures are provided below.

Forward-Looking Statements and Risk Factors

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: the ability of FNF to successfully integrate F&G's operations and employees; the potential impact of the announcement or consummation of the proposed F&G transaction on relationships, including with employees, suppliers, customers and competitors; changes in general economic, business, political and COVID-19 conditions, including changes in the financial markets; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U. S. economy; our potential inability to find suitable acquisition candidates; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that F&G and our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of FNF's Form 10-K and other filings with the Securities and Exchange Commission ("SEC").

FNF-E

SOURCE: Fidelity National Financial, Inc.

CONTACT: Jamie Lillis, Managing Director, Solebury Trout, 203-428-3223, jlillis@soleburytrout.com

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 733	\$ 733	\$ —	\$ —
Agency title premiums	981	981	—	—
Escrow, title related and other fees	853	742	60	51
Total title and escrow	2,567	2,456	60	51
Interest and investment income	336	31	305	—
Recognized gains and losses, net	73	(3)	77	(1)
Total revenue	2,976	2,484	442	50
Personnel costs	782	726	23	33
Agent commissions	749	749	—	—
Other operating expenses	449	386	33	30
Benefits & other policy reserve changes	251	—	251	—
Depreciation and amortization	100	39	56	5
Claim loss expense	77	77	—	—
Interest expense	29	—	7	22
Total expenses	2,437	1,977	370	90
Pre-tax earnings (loss) from continuing operations	\$ 539	\$ 507	\$ 72	\$ (40)
Income tax expense (benefit)	133	129	6	(2)
Earnings (loss) from equity investments	7	5	—	2
Loss from discontinued operations, net of tax	(28)	—	(28)	—
Non-controlling interests	7	7	—	—
Net earnings (loss) attributable to common shareholders	\$ 378	\$ 376	\$ 38	\$ (36)
EPS from continuing operations attributable to common shareholders - basic	\$ 1.40			
EPS from discontinued operations attributable to common shareholders - basic	(0.10)			
EPS attributable to common shareholders - basic	\$ 1.30			
EPS from continuing operations attributable to common shareholders - diluted	\$ 1.39			
EPS from discontinued operations attributable to common shareholders - diluted	(0.10)			
EPS attributable to common shareholders - diluted	\$ 1.29			
Weighted average shares - basic	291			
Weighted average shares - diluted	293			

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended
September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 378	\$ 376	\$ 38	\$ (36)
Loss from discontinued operations, net of tax	(28)	—	(28)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 406	\$ 376	\$ 66	\$ (36)
Pre-tax earnings (loss) from continuing operations	\$ 539	\$ 507	\$ 72	\$ (40)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	(11)	3	(15)	1
Indexed product related derivatives	14	—	14	—
Debt issuance costs	1	—	—	1
Purchase price amortization	29	18	7	4
Transaction costs	12	—	10	2
Adjusted pre-tax earnings (loss)	\$ 584	\$ 528	\$ 88	\$ (32)
Total non-GAAP, pre-tax adjustments	\$ 45	\$ 21	\$ 16	\$ 8
Income taxes on non-GAAP adjustments	(15)	(5)	(8)	(2)
Non-controlling interest on non-GAAP adjustments	(1)	(1)	—	—
Total non-GAAP adjustments	\$ 29	\$ 15	\$ 8	\$ 6
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 435	\$ 391	\$ 74	\$ (30)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 1.48			

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Three Months Ended</i> <i>September 30, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 660	\$ 660	\$ —
Agency title premiums	827	827	—
Escrow, title related and other fees	693	653	40
Total title and escrow	2,180	2,140	40
Interest and investment income	57	51	6
Recognized gains and losses, net	4	3	1
Total revenue	2,241	2,194	47
Personnel costs	702	677	25
Agent commissions	630	630	—
Other operating expenses	473	393	80
Depreciation and amortization	44	38	6
Claim loss expense	67	67	—
Interest expense	12	—	12
Total expenses	1,928	1,805	123
Pre-tax earnings (loss)	\$ 313	\$ 389	\$ (76)
Income tax expense (benefit)	59	94	(35)
Earnings from equity investments	2	1	1
Non-controlling interests	6	5	1
Net earnings (loss) attributable to common shareholders	\$ 250	\$ 291	\$ (41)
EPS attributable to common shareholders - basic	\$ 0.92		
EPS attributable to common shareholders - diluted	\$ 0.90		
Weighted average shares - basic	273		
Weighted average shares - diluted	277		

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Three Months Ended</i> <i>September 30, 2019</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 250	\$ 291	\$ (41)
Pre-tax earnings (loss)	\$ 313	\$ 389	\$ (76)
Non-GAAP Adjustments			
Recognized (gains) and losses, net	(4)	(3)	(1)
Purchase price amortization	26	21	5
Transaction costs	52	—	52
Adjusted pre-tax earnings (loss)	\$ 387	\$ 407	\$ (20)
Total non-GAAP, pre-tax adjustments	\$ 74	\$ 18	\$ 56
Income taxes on non-GAAP adjustments	(17)	(4)	(13)
Non-controlling interest on non-GAAP adjustments	(3)	(3)	—
Total non-GAAP adjustments	\$ 54	\$ 11	\$ 43
Adjusted net earnings attributable to common shareholders	\$ 304	\$ 302	\$ 2
Adjusted EPS attributable to common shareholders - diluted	\$ 1.10		

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Nine Months Ended
September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 1,854	\$ 1,854	\$ —	\$ —
Agency title premiums	2,497	2,497	—	—
Escrow, title related and other fees	2,201	2,007	80	114
Total title and escrow	6,552	6,358	80	114
Interest and investment income	541	120	416	5
Recognized gains and losses, net	(85)	(147)	70	(8)
Total revenue	7,008	6,331	566	111
Personnel costs	2,088	1,992	32	64
Agent commissions	1,907	1,907	—	—
Other operating expenses	1,306	1,140	45	121
Benefits & other policy reserve changes	406	—	406	—
Depreciation and amortization	189	113	59	17
Claim loss expense	196	196	—	—
Interest expense	62	1	10	51
Total expenses	6,154	5,349	552	253
Pre-tax earnings (loss) from continuing operations	\$ 854	\$ 982	\$ 14	\$ (142)
Income tax expense (benefit)	194	240	(8)	(38)
Earnings (loss) from equity investments	9	8	—	1
Loss from discontinued operations, net of tax	(23)	—	(23)	—
Non-controlling interests	20	20	—	—
Net earnings (loss) attributable to common shareholders	\$ 626	\$ 730	\$ (1)	\$ (103)
EPS from continuing operations attributable to common shareholders - basic	\$ 2.32			
EPS from discontinued operations attributable to common shareholders - basic	(0.08)			
EPS attributable to common shareholders - basic	\$ 2.24			
EPS from continuing operations attributable to common shareholders - diluted	\$ 2.29			
EPS from discontinued operations attributable to common shareholders - diluted	(0.08)			
EPS attributable to common shareholders - diluted	\$ 2.21			
Weighted average shares - basic	280			
Weighted average shares - diluted	283			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Nine Months Ended</i> <i>September 30, 2020</i>	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 626	\$ 730	\$ (1)	\$ (103)
Loss from discontinued operations, net of tax	(23)	—	(23)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 649	\$ 730	\$ 22	\$ (103)
Pre-tax earnings (loss) from continuing operations	\$ 854	\$ 982	\$ 14	\$ (142)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	186	147	31	8
Indexed product related derivatives	57	—	57	—
Debt issuance costs	5	—	—	5
Purchase price amortization	77	55	9	13
Transaction costs	63	—	17	46
Other adjustments	1	1	—	—
Adjusted pre-tax earnings (loss)	\$ 1,243	\$ 1,185	\$ 128	\$ (70)
Total non-GAAP, pre-tax adjustments	\$ 389	\$ 203	\$ 114	\$ 72
Income taxes on non-GAAP adjustments	(93)	(47)	(29)	(17)
Non-controlling interest on non-GAAP adjustments	(7)	(6)	—	(1)
Total non-GAAP adjustments	\$ 289	\$ 150	\$ 85	\$ 54
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 938	\$ 880	\$ 107	\$ (49)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 3.31			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Nine Months Ended</i> <i>September 30, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 1,725	\$ 1,725	\$ —
Agency title premiums	2,133	2,133	—
Escrow, title related and other fees	1,892	1,747	145
Total title and escrow	5,750	5,605	145
Interest and investment income	170	153	17
Recognized gains and losses, net	187	191	(4)
Total revenue	6,107	5,949	158
Personnel costs	1,979	1,881	98
Agent commissions	1,630	1,630	—
Other operating expenses	1,226	1,081	145
Depreciation and amortization	132	115	17
Claim loss expense	174	174	—
Interest expense	36	—	36
Total expenses	5,177	4,881	296
Pre-tax earnings (loss)	\$ 930	\$ 1,068	\$ (138)
Income tax expense (benefit)	210	260	(50)
Earnings from equity investments	12	11	1
Non-controlling interests	10	10	—
Net earnings (loss) attributable to common shareholders	\$ 722	\$ 809	\$ (87)
EPS attributable to common shareholders - basic	\$ 2.64		
EPS attributable to common shareholders - diluted	\$ 2.61		
Weighted average shares - basic	273		
Weighted average shares - diluted	277		

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Nine Months Ended</i> <i>September 30, 2019</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 722	\$ 809	\$ (87)
Pre-tax earnings (loss)	\$ 930	\$ 1,068	\$ (138)
Non-GAAP Adjustments			
Recognized (gains) and losses, net	(187)	(191)	4
Purchase price amortization	78	64	14
Transaction costs	58	—	58
Other adjustments	1	1	—
Adjusted pre-tax earnings (loss)	\$ 880	\$ 942	\$ (62)
Total non-GAAP, pre-tax adjustments	\$ (50)	\$ (126)	\$ 76
Income taxes on non-GAAP adjustments	14	32	(18)
Non-controlling interest on non-GAAP adjustments	(9)	(8)	(1)
Total non-GAAP adjustments	\$ (45)	\$ (102)	\$ 57
Adjusted net earnings (loss) attributable to common shareholders	\$ 677	\$ 707	\$ (30)
Adjusted EPS attributable to common shareholders - diluted	\$ 2.44		

FIDELITY NATIONAL FINANCIAL, INC.
SUMMARY BALANCE SHEET INFORMATION
(In millions)

	September 30, 2020	December 31, 2019
	(Unaudited)	(Unaudited)
Cash and investment portfolio	\$ 35,098	\$ 5,760
Goodwill	4,458	2,727
Title plant	404	404
Total assets	49,885	10,677
Notes payable	2,664	838
Reserve for title claim losses	1,555	1,509
Secured trust deposits	829	791
Redeemable non-controlling interests	—	344
Non-redeemable non-controlling interests	41	(17)
Total equity and non-controlling interests	7,182	5,709
Total equity attributable to common shareholders	7,141	5,382

Non-GAAP Measures and Other Information

Title

The table below reconciles pre-tax title earnings to adjusted pre-tax title earnings.

	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Pre-tax earnings	\$ 507	\$ 389	\$ 982	\$ 1,068
Non-GAAP adjustments before taxes				
Recognized (gains) and losses, net	3	(3)	147	(191)
Purchase price amortization	18	21	55	64
Other adjustments	—	—	1	1
Total non-GAAP adjustments	21	18	203	(126)
Adjusted pre-tax earnings	\$ 528	\$ 407	\$ 1,185	\$ 942
Adjusted pre-tax margin	21.2 %	18.6 %	18.3 %	16.4 %

FIDELITY NATIONAL FINANCIAL, INC. QUARTERLY OPERATING STATISTICS (Unaudited)

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Quarterly Opened Orders ('000's except % data)								
Total opened orders*	847	693	682	492	592	544	438	379
Total opened orders per day*	13.2	10.8	11.0	7.8	9.3	8.5	7.2	6.0
Purchase % of opened orders	40 %	37 %	41 %	50 %	52 %	61 %	65 %	67 %
Refinance % of opened orders	60 %	63 %	59 %	50 %	48 %	39 %	35 %	33 %
Total closed orders*	571	487	377	417	409	359	263	301
Total closed orders per day*	8.9	7.6	6.1	6.6	6.4	5.6	4.3	4.8
Purchase % of closed orders	42 %	35 %	46 %	49 %	55 %	65 %	66 %	69 %
Refinance % of closed orders	58 %	65 %	54 %	51 %	45 %	35 %	34 %	31 %
Commercial (millions, except orders in '000's)								
Total commercial revenue	\$ 216	\$ 184	\$ 245	\$ 321	\$ 301	\$ 286	\$ 231	\$ 328
Total commercial opened orders	58.1	43.9	56.3	55.1	56.0	58.6	49.8	46.0
Total commercial closed orders	30.6	25.7	31.0	39.1	36.4	34.0	30.0	35.2
National commercial revenue	\$ 113	\$ 96	\$ 132	\$ 186	\$ 172	\$ 163	\$ 122	\$ 195
National commercial opened orders	21.7	15.2	21.5	22.6	23.8	25.3	20.6	19.1
National commercial closed orders	9.8	8.8	10.7	16.2	14.1	12.7	10.5	13.2
Total Fee Per File								
Fee per file	\$ 2,063	\$ 1,889	\$ 2,224	\$ 2,384	\$ 2,459	\$ 2,677	\$ 2,567	\$ 2,803
Residential fee per file	\$ 1,803	\$ 1,614	\$ 1,744	\$ 1,792	\$ 1,928	\$ 2,075	\$ 1,964	\$ 2,003
Total commercial fee per file	\$ 7,100	\$ 7,200	\$ 7,900	\$ 8,200	\$ 8,300	\$ 8,400	\$ 7,700	\$ 9,300
National commercial fee per file	\$ 11,500	\$ 10,900	\$ 12,300	\$ 11,500	\$ 12,200	\$ 12,900	\$ 11,600	\$ 14,800
Total Staffing								
Total field operations employees	12,300	10,900	12,500	12,300	12,200	12,000	11,700	11,800
Actual title claims paid (\$ millions)								
	\$ 50	\$ 51	\$ 48	\$ 53	\$ 52	\$ 66	\$ 49	\$ 58

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

The table below reconciles the reported after-tax net loss from continuing operations to adjusted earnings from continuing operations attributable to common shareholders.

	<u>Three months ended</u> <u>September 30, 2020</u>	<u>Four months ended</u> <u>September 30, 2020</u>
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 66	\$ 22
Non-GAAP adjustments (1,2):		
Recognized (gains) and losses, net	(15)	31
Indexed product related derivatives	14	57
Purchase price amortization	7	9
Transaction costs	10	17
Income taxes on non-GAAP adjustments	(8)	(29)
Adjusted earnings (loss) from continuing operations attributable to common shareholders	\$ 74	\$ 107

Adjusted earnings from continuing operations include \$10 million of favorable items in the current quarter and \$18 million in the year-to-date period.

The table below provides summary financial highlights.

(In millions)	<u>Three Months Ended</u> <u>September 30, 2020</u>	<u>Four months ended</u> <u>September 30, 2020</u>
Average assets under management (AAUM) ⁽¹⁾	\$ 26,990	\$ 26,898
Net investment spread - FIA ⁽¹⁾	3.47 %	3.48 %
Net investment spread - All products ⁽¹⁾	2.61 %	2.83 %
Net earnings (loss) from continuing operations	\$ 66	\$ 22
Adjusted earnings from continuing operations attributable to common shareholders ⁽¹⁾	\$ 74	\$ 107

The table below provides a summary of sales, which are not affected by PGAAP and are comparable to prior period data.

(In millions)	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Fixed indexed annuity (FIA) sales ⁽¹⁾	\$ 815	\$ 590	\$ 2,512	\$ 2,025
Total retail annuity sales ⁽¹⁾	\$ 1,068	\$ 797	\$ 3,026	\$ 2,972

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), deferred sale inducement (DSI) amortization, and unearned revenue (UREV) amortization, as applicable.

DEFINITIONS

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

Adjusted Earnings

Adjusted Earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted earnings is calculated by adjusting net earnings (loss) from continuing operations to eliminate:

(i) Recognized (gains) and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;

(ii) Indexed product related derivatives: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impact of assumed reinsurance,

(iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities, and

(iv) Transaction costs: the impacts related to acquisition, integration and merger related items.

Adjustments to Adjusted Earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Adjusted Earnings Attributable to Common Shareholders

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

Net Investment Spread

Net investment spread is the excess of net investment income, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product 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.

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

(i) total invested assets at amortized cost, excluding derivatives;

(ii) related party loans and investments;

(iii) accrued investment income;

(iv) funds withheld at fair value;

(v) the net payable/receivable for the purchase/sale of investments, and

(vi) 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.

Sales (FIA Sales and Total Retail Annuity 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. 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.

###



Experience
the Power of
Collaborative
Thinking

**FGL Holdings (“F&G”) - An Operating Segment of Fidelity National Financial, Inc. (NYSE:FNF)
Financial Supplement
September 30, 2020
(Year Ended December 31)**

The financial statements and financial exhibits included herein are unaudited. F&G is an operating segment of FNF and 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.

F&G (formerly NYSE:FG) was acquired by FNF (the "Business Combination") on June 1, 2020 ("Closing Date"). As a result of the Business Combination, F&G delisted from the NYSE and became a subsidiary of FNF. Our financial statement presentation includes the financial statements of F&G and its subsidiaries as a standalone entity ("Pre-Merger") for the periods prior to the completion of the Business Combination, and F&G and its subsidiaries as an operating segment of FNF ("Post-Merger") for periods from and after the Closing Date.

All dollar amounts are presented in millions.

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 and are not intended to replace GAAP financial 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.

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F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2020
(All periods are unaudited)

Consolidated Financial Highlights

	Three months ended	One month ended	Two months ended	Three months ended		
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	38	(39)	19	(346)	217	58
Adjusted net earnings (loss) attributable to common shareholders (1)	74	33	40	33	94	79
Select Metrics:						
Average Assets Under Management ("AAUM") (1)	26,990	26,582	29,285	28,924	28,332	27,871
Net investment spread (1)	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %
Sales						
FIA	815	244	622	831	795	590
Fixed rate annuities (MYGA)	253	14	33	114	126	107
Institutional spread based	—	—	—	100	—	100
Total annuity	1,068	258	655	1,045	921	797
Index universal life	14	4	8	11	11	9
Flow reinsurance	51	34	108	122	122	108
Total Sales	\$ 1,133	\$ 296	\$ 771	\$ 1,178	\$ 1,054	\$ 914

(1) Refer to "Non-GAAP Financial Measures Definitions"

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2020
(All periods are unaudited)

Appendix to Consolidated Financial Highlights

Effective June 1, 2020, certain blocks of business were designated as discontinued operations by FNF. Amounts related to these blocks of business are presented herein as adjustments to key financial metrics, solely for comparison between Pre-Merger and Post-Merger periods. See FNF 10Q for further discussion on discontinued operations.

	Three months ended	One month ended	Two months ended		Three months ended	
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger (Unaudited)	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	38	(39)	19	(346)	217	\$ 58
Less: discontinued operations [(earnings)/loss]	28	(5)	(22)	155	(46)	(14)
As adjusted for discontinued operations	66	(44)	(3)	(191)	171	44
Adjusted net earnings (loss) attributable to common shareholders (1)	74	33	40	33	94	79
Less: discontinued operations [(earnings)/loss]	—	—	8	26	(4)	(18)
As adjusted for discontinued operations	74	33	48	59	90	61
Less: Notable items [(unfavorable)/favorable] (2)	10	8	5	(6)	15	2
As adjusted for discontinued operations and notable items	\$ 64	\$ 25	\$ 43	\$ 65	\$ 75	\$ 59
Select Metrics:						
AAUM (1)	26,990	26,582	29,285	28,924	28,332	27,871
Less: discontinued operations	—	—	(2,236)	(2,266)	(2,183)	(2,040)
As adjusted for discontinued operations	26,990	26,582	27,049	26,658	26,149	25,831
Net investment spread (1)	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %
Less: discontinued operations [(earnings)/loss] (3)	— %	— %	0.13 %	0.09 %	0.03 %	0.07 %
As adjusted for discontinued operations	2.62 %	3.50 %	2.05 %	2.33 %	2.44 %	2.12 %

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Notable items from continuing operations. For full list of notable items, refer to page 8 "Notable Items"

(3) Subsequent to the release of the Quarterly Financial Supplement dated August 4, 2020, management identified an immaterial adjustment that was needed to reflect the correct amount in the prior period. Periods affected were the two months ended May 31, 2020 and the three months ended March 31, 2020 and September 30, 2019

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2020
(All periods are unaudited).

Condensed Consolidated Balance Sheets

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets					
Investments:					
Fixed maturity securities available for sale, at fair value, net of allowance for credit losses of \$13 at September 30, 2020	\$ 24,218	\$ 23,014	\$ 21,140	\$ 23,726	\$ 23,907
Preferred securities, at fair value	917	875	873	1,001	1,027
Equity securities, at fair value	54	54	42	70	70
Derivative investments	381	333	188	587	454
Mortgage loans, net of allowance for credit losses of \$35 at September 30, 2020	1,614	1,749	1,769	1,267	836
Investments in unconsolidated affiliates (a)	1,125	1,045	1,071	1,013	923
Other long-term investments	438	432	421	289	155
Short-term investments	34	38	36	38	37
Total investments	\$ 28,781	\$ 27,540	\$ 25,540	\$ 27,991	\$ 27,409
Cash and cash equivalents	1,014	909	740	931	953
Trade and notes receivables	2	2	1	1	1
Funds withheld for reinsurance receivable, at fair value	—	—	2,050	2,172	2,045
Reinsurance recoverable, net of allowance for credit losses of \$22 at September 30, 2020	3,152	3,182	3,186	3,213	3,250
Goodwill (a)	1,731	1,725	467	467	467
Prepaid expenses and other assets	448	381	384	355	435
Lease assets	7	8	9	9	3
Other intangible assets, net (a)	1,956	2,060	2,070	1,495	1,438
Property and equipment, net	7	2	2	2	1
Income taxes receivable	19	24	23	15	21
Deferred tax asset (a)	107	180	264	61	92
Assets of discontinued operations	2,618	2,502	—	—	—
Total assets	\$ 39,842	\$ 38,515	\$ 34,736	\$ 36,712	\$ 36,115

(a) These line items included adjustments that were recorded during the remeasurement period subsequent to the June 1, 2020 acquisition. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending, September 30, 2020: Investment in unconsolidated affiliates, \$31, Goodwill, \$6, Other intangible assets, net, (\$37), and Deferred tax asset, (\$3).

Condensed Consolidated Balance Sheets (continued)

	September	June 30,	March 31,	December 31,	September
	30, 2020	2020	2020	2019	30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Liabilities and Shareholders' Equity					
Contractholder funds (a)	27,488	26,628	26,226	25,684	25,355
Future policy benefits	4,048	4,092	5,658	5,735	5,714
Accounts payable and accrued liabilities	1,056	983	1,007	1,167	1,088
Notes payable	589	589	543	542	542
Funds withheld for reinsurance liabilities	814	817	821	831	838
Lease liabilities	12	13	9	9	3
Liabilities of discontinued operations	2,462	2,347	—	—	—
Total liabilities	36,469	35,469	34,264	33,968	33,540
Shareholders' equity:					
Additional paid-in-capital	2,739	2,737	2,041	2,032	2,022
Retained earnings (accumulated deficit)	(1)	(39)	(72)	300	85
Accumulated other comprehensive income (loss)	635	348	(1,428)	481	520
Treasury stock	—	—	(69)	(69)	(52)
Total shareholders' equity	3,373	3,046	472	2,744	2,575
Total liabilities and shareholders' equity	\$ 39,842	\$ 38,515	\$ 34,736	\$ 36,712	\$ 36,115

(a) This line item included a \$3 adjustment that was recorded as of the opening balance sheet at June 1, 2020 during the quarter ending, September 30, 2020.

Reconciliation of Total Shareholders' Equity to Common Shareholders' Equity Excluding AOCI

	September	June 30,	March 31,	December 31,	September
	30, 2020	2020	2020	2019	30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total shareholders' equity	3,373	3,046	472	2,744	2,575
Equity attributable to preferred shareholders (1)	—	—	446	438	430
Common shareholders' equity (1)	3,373	3,046	26	2,306	2,145
AOCI	762	348	(1,428)	481	520
Total common shareholders' equity excluding AOCI (1)	\$ 2,611	\$ 2,698	\$ 1,454	\$ 1,825	\$ 1,625

(1) Refer to "Non-GAAP Financial Measures Definitions"

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2020
(All periods are unaudited).

Condensed Consolidated Statements of Operations

	Three months ended	One month ended	Two months ended	Three months ended			
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	
	Post-Merger (Unaudited)	Post-Merger (Unaudited)	Pre-Merger (Unaudited)				
Revenues:							
Life insurance premiums and other fees (a)	\$ 60	\$ 20	\$ 52	\$ 41	\$ 43	\$ 51	
Interest and investment income	305	111	111	316	324	301	
Recognized gains and losses, net	77	(7)	257	(692)	196	103	
Total revenues	442	124	420	(335)	563	455	
Benefits and expenses:							
Benefits and other changes in policy reserves	251	155	356	(41)	119	331	
Personnel costs	23	9	15	21	21	17	
Other operating expenses	33	12	40	74	64	28	
Depreciation and amortization	56	3	1	(60)	78	14	
Interest expense	7	3	5	8	8	8	
Total benefits and expenses	370	182	417	2	290	398	
Pre-tax earnings (loss) from continuing operations	72	(58)	3	(337)	273	57	
Federal income tax expense	(5)	14	17	(1)	(48)	9	
State income tax expense	(1)	—	(1)	—	—	(1)	
Net earnings (loss) from continuing operations	66	(44)	19	(338)	225	65	
Earnings from discontinued operations, net of tax	(28)	5	—	—	—	—	
Less Preferred stock dividend	—	—	—	(8)	(8)	(7)	
Net earnings (loss) attributable to common shareholders	\$ 38	\$ (39)	\$ 19	\$ (346)	\$ 217	\$ 58	

(a) Included within "Escrow, title-related and other fees" in FNF 10-Q

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2020
(All periods are unaudited)

Reconciliation from Net Earnings (Loss) to Adjusted Net Earnings (1)

	Three months ended	One month ended	Two months ended	Three months ended			
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	
	Post-Merger (Unaudited)	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	
Net earnings (loss) from continuing operations	\$ 66	\$ (44)	\$ 19	\$ (338)	\$ 225	\$ 65	
Less Preferred stock dividend	—	—	—	(8)	(8)	(7)	
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 66	\$ (44)	\$ 19	\$ (346)	\$ 217	\$ 58	
Non-GAAP adjustments (1):							
Recognized (gains) and losses, net	(15)	46	68	94	(34)	(26)	
Indexed product related derivatives	14	43	(28)	287	(134)	63	
Purchase price amortization	7	2	—	—	—	—	
Transaction costs and other non-recurring items	10	7	4	34	11	(6)	
Income taxes on non-GAAP adjustments	(8)	(21)	(23)	(36)	34	(10)	
Adjusted net earnings from continuing operations attributable to common shareholders (1) (2)	\$ 74	\$ 33	\$ 40	\$ 33	\$ 94	\$ 79	

Notable Items

Each quarterly reporting period, we identify notable items that help explain the trends in our Net earnings (loss) from continuing operations attributable to common shareholders and Adjusted net earnings (loss) from continuing operations attributable to common shareholders 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			
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	
	Post-Merger (Unaudited)	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	
Adjusted net earnings from continuing operations attributable to common shareholders (1) (2)	\$ 74	\$ 33	\$ 40	\$ 33	\$ 94	\$ 79	
Notable items [(unfavorable)/favorable]							
Project expenses (a)	—	—	(2)	(2)	(10)	—	
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (b)	10	4	6	(5)	15	(2)	
Assumption review and unlocking (c)	—	—	(4)	—	4	7	
Other (d)	—	4	5	(25)	15	15	

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Subsequent to the release of the Quarterly Financial Supplement dated August 4, 2020, management identified a \$4 adjustment that was needed to reflect the correct adjusted net earnings amount in the one month ended June 30, 2020.

(a) Costs incurred during research and exploration of potential merger or acquisition of a business or a group of insurance policies via asset acquisition or (inforce) reinsurance agreement.

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

(c) Reflects unlocking from updating our DAC, VOBA, DSI and cost of reinsurance 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.

(d) Bond prepayment income, changes in tax valuation, and other net activity.

Adjusted Net Earnings Statement (1)

	Three months ended		Two months ended	Three months ended			
	September 30, 2020	June 30, 2020		May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger		Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:							
Life insurance premiums and other fees (a)	\$ 60	\$ 20	\$ 42	\$ 53	\$ 44	\$ 49	
Interest and investment income (b)	314	120	200	317	324	301	
Recognized gains and losses, net (c)	(1)	1	22	(34)	23	5	
Total revenues	373	141	264	336	391	355	
Benefits and expenses:							
Benefits and other changes in policy reserves (d)	177	62	131	161	151	175	
Personel costs	23	9	15	21	21	17	
Other operating expenses (e)	23	6	37	41	53	35	
Depreciation and amortization (f)	56	21	32	27	42	34	
Interest expense	7	3	5	8	8	8	
Total benefits and expenses	286	101	220	258	275	269	
Pre-tax earnings (loss) from continuing operations	87	40	44	78	116	86	
Federal income tax expense	(12)	(7)	(5)	(37)	(14)	—	
State income tax expense	(1)	—	1	—	—	—	
Adjusted net earnings	74	33	40	41	102	86	
Less: Preferred stock dividend	—	—	—	(8)	(8)	(7)	
Adjusted net earnings from continuing operations attributable to common shareholders (1) (2)	\$ 74	\$ 33	\$ 40	\$ 33	\$ 94	\$ 79	
Notable items included in adjusted net earnings attributable to common shareholders (3)	\$ 10	\$ 8	\$ 5	\$ (32)	\$ 24	\$ 20	

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Subsequent to the release of the Quarterly Financial Supplement dated August 4, 2020, management identified a \$4 adjustment that was needed to reflect the correct adjusted earnings amount in the one month ended June 30, 2020.

(3) Refer to page 8 "Notable Items" for further detail of notable items.

(a) Life insurance premiums and other fees are included within "Escrow, title-related and other fees" in FNF 10-Q, and have been adjusted here to remove the effect of cost of reinsurance.

(b) Interest and investment income has been adjusted to remove the market volatility on the alternative investment portfolio for periods after March 31, 2020.

(c) Recognized gains and losses (net) have been adjusted to remove the effect of recognized (gains) losses including changes in allowance for expected credit losses and OTTI; changes in fair values of indexed product related derivatives and embedded derivatives, net of hedging costs; and the change in fair value of the reinsurance related embedded derivative.

(d) Benefits and other changes in policy reserves has been adjusted to remove the effects of the changes in fair values of indexed product embedded derivatives, changes in allowance for expected credit losses on reinsurance recoverables, the fair value impacts of assumed reinsurance, and changes in the SOP 03-1 reserve resulting from the adjustments above, as applicable.

(e) Other operating expenses have been adjusted to remove the effects of transaction costs.

(f) Depreciation and amortization has been adjusted to remove the impact on DAC, VOBA, and DSI of the adjustments above, as applicable, and purchase price amortization.

F&G - An Operating Segment of FNF
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Financial Strength Ratings

	A.M. Best	S&P	Moody's	Fitch
Holding Company Ratings				
FGL Holdings				
Issuer Credit / Default Rating	Not Rated	BBB-	Ba2	BBB
Outlook		Stable	Stable	Stable
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BBB-	Ba1	BBB
Outlook		Stable	Stable	Stable
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bbb-	BBB-	Not Rated	BBB
Outlook	Stable	Stable		Stable
Senior Unsecured Notes	bbb-	BBB	Baa2	BBB
Outlook	Stable		Stable	
Operating Subsidiary Ratings				
Fidelity & Guaranty Life Insurance Company				
Financial Strength Rating	A-	A-	Baa1	A-
Outlook	Stable	Stable	Stable	Stable
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	A-	A-	Not Rated	A-
Outlook	Stable	Stable		Stable
F&G Life Re Ltd				
Financial Strength Rating	Not Rated	A-	Baa1	A-
Outlook		Stable	Stable	Stable
F&G Cayman Re Ltd				
Financial Strength Rating	Not Rated	Not Rated	Not Rated	A-
Outlook				Stable
F&G Reinsurance Ltd (1)				
Financial Strength Rating	A-	Not Rated	Not Rated	BBB
Outlook	Under Review			Evolving

(1) Rating outlook reflects classification of F&G Reinsurance Ltd as discontinued operations in 2Q20

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	Total Product Net Investment Spread					
	Three months ended	One month ended	Two months ended		Three months ended	
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net investment income	\$ 305	\$ 111	\$ 111	\$ 316	\$ 324	\$ 301
AAUM (1)	26,990	26,582	29,285	28,924	28,332	27,871
Yield on AAUM (1)	4.52 %	5.01 %	2.27 %	4.38 %	4.57 %	4.32 %
Alternative investment yield adjustment (1)	0.13 %	0.41 %	1.83 %			
Adjusted Yield on AAUM (1)	4.65 %	5.42 %	4.10 %			
Interest credits	\$ 67	\$ 21	\$ 53	\$ 76	\$ 76	\$ 79
Option & futures costs	\$ 64	\$ 19	43	60	63	63
Total interest credited and option costs	\$ 131	\$ 40	\$ 96	\$ 136	\$ 139	\$ 142
Average account value	25,688	25,330	26,463	25,453	25,476	25,049
Interest credited & option cost	2.03 %	1.92 %	2.18 %	2.14 %	2.16 %	2.27 %
Net investment spread (1)	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %

(1) Refer to "Non-GAAP Financial Measures Definitions" for further details. Periods after April 1, 2020 include alternative investment yield adjustment.

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	FIA Net Investment Spread					
	Three months ended		One month ended		Two months ended	
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net investment income	\$ 229	\$ 68	\$ 57	\$ 216	\$ 223	\$ 196
AAUM (1)	18,312	18,267	18,623	18,111	17,628	17,120
Yield on AAUM (1)	5.00 %	4.47 %	1.84 %	4.77 %	5.06 %	4.57 %
Alternative investment yield adjustment (1) (a)	0.20 %	0.59 %	2.67 %			
Adjusted Yield on AAUM (1)	5.20 %	5.06 %	4.51 %			
Interest credits	\$ 14	\$ 4	\$ 8	\$ 13	\$ 14	\$ 13
Option & futures costs	\$ 64	\$ 19	\$ 43	\$ 60	\$ 63	\$ 63
Total interest credited and option costs	78	23	51	73	77	76
Average account value	17,948	17,688	17,501	17,065	16,565	16,213
Interest credited & option cost	1.73 %	1.59 %	1.76 %	1.72 %	1.85 %	1.88 %
Net investment spread	3.47 %	3.47 %	2.75 %	3.05 %	3.21 %	2.69 %

(1) Refer to "Non-GAAP Financial Measures Definitions" for further details. Periods after April 1, 2020 include alternative investment yield adjustment.

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Average Assets Under Management Rollforward

	Three months ended	One month ended	Two months ended	Three months ended		
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
AAUM at beginning of period (1)	\$ 26,582	\$ 26,529	\$ 28,924	\$ 28,332	\$ 27,871	\$ 27,388
Net new business sales	431	66	473	600	494	484
Net reinsurance transactions and other	(23)	(13)	(112)	(8)	(33)	(1)
AAUM at end of period	\$ 26,990	\$ 26,582	\$ 29,285	\$ 28,924	\$ 28,332	\$ 27,871

(1) Beginning balance for June 30, 2020 represents assets under management at June 1, 2020 and reflects \$2.3 billion decrease from the exclusion of discontinued operations and \$0.5 billion decrease from purchase accounting mark-to-market effect as compared to the May 31, 2020 ending balance.

Annuity Account Balance Rollforward (a)

	Three months ended	One month ended	Two months ended	Three months ended		
	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Account balances at beginning of period:	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402	\$ 20,052	\$ 19,701
Net deposits	1,046	245	675	940	920	696
Surrenders, withdrawals, deaths, etc.	(482)	(161)	(381)	(452)	(675)	(420)
Net flows	564	84	294	488	245	276
Premium and interest bonuses	17	4	12	17	19	16
Fixed interest credited and index credits	114	29	50	123	118	86
Guaranteed product rider fees	(31)	(7)	(23)	(31)	(32)	(27)
Account balance at end of period	\$ 22,106	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402	\$ 20,052

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

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	September 30, 2020	
	(Unaudited)	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 408	\$ 2,335
0.0% < 2.0%	8	44
2.0% < 4.0%	20	433
4.0% < 6.0%	585	1,631
6.0% < 8.0%	1,392	2,237
8.0% < 10.0%	1,534	4,396
10.0% or greater	2	7,081
	<u>\$ 3,949</u>	<u>\$ 18,157</u>

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	September 30, 2020	
	(Unaudited)	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 489	\$ 1,274
0.0% - 1.0%	216	1,425
1.0% - 2.0%	950	33
2.0% - 3.0%	2,294	1
Allocated to index strategies	—	15,424
	<u>\$ 3,949</u>	<u>\$ 18,157</u>

Summary of Invested Assets by Asset Class

	September 30, 2020			December 31, 2019		
	Post-Merger			Pre-Merger		
	(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	\$ 38	\$ 38	— %	\$ 33	\$ 34	— %
United States Government sponsored entities	112	113	— %	133	134	— %
United States municipalities, states and territories	1,303	1,356	5 %	1,284	1,343	5 %
Foreign Governments	134	143	— %	138	155	1 %
Corporate securities:						
Finance, insurance and real estate	4,192	4,360	15 %	4,038	4,234	15 %
Manufacturing, construction and mining	841	901	3 %	739	771	3 %
Utilities, energy and related sectors	2,435	2,533	9 %	2,345	2,452	9 %
Wholesale/retail trade	1,822	1,929	7 %	1,576	1,617	6 %
Services, media and other	2,547	2,656	9 %	2,353	2,523	9 %
Hybrid securities	926	964	3 %	983	1,027	4 %
Non-agency residential mortgage-backed securities	733	735	3 %	784	820	3 %
Commercial mortgage-backed securities	2,482	2,751	10 %	2,788	2,922	10 %
Asset-backed securities	1,590	1,659	6 %	1,774	1,813	6 %
CLO securities	3,936	4,079	14 %	3,946	3,881	14 %
Alternative investments	1,121	1,125	4 %	1,084	1,077	4 %
Equity securities	940	972	3 %	999	1,002	4 %
Commercial mortgage loans	546	560	2 %	422	435	1 %
Residential mortgage loans	1,103	1,079	4 %	845	848	3 %
Other (primarily derivatives and policy loans)	780	814	3 %	628	867	3 %
Short term investments	34	34	— %	38	38	— %
Total (a)	\$ 27,615	\$ 28,801	100 %	\$ 26,930	\$ 27,993	100 %

(a) Asset duration, including cash and cash equivalents, of 6.62 years and 6.63 years vs. liability duration of 6.24 years and 6.80 years for the periods ending September 30, 2020 and December 31, 2019, respectively.

Credit Quality of Fixed Maturity Securities

NAIC Designation	September 30, 2020	
	(Unaudited)	
	Fair Value	Percent
1	\$ 12,659	52 %
2	9,712	40 %
3	1,335	6 %
4	374	2 %
5	137	— %
6	1	— %
	<u>\$ 24,218</u>	<u>100 %</u>

Rating Agency Rating	September 30, 2020	
	(Unaudited)	
	Fair Value	Percent
AAA	\$ 530	2 %
AA	1,602	7 %
A	6,576	27 %
BBB	8,977	37 %
Not rated	4,266	18 %
Total investment grade	<u>21,951</u>	<u>91 %</u>
BB	1,581	7 %
B and below	570	2 %
Not rated	116	— %
Total below investment grade	<u>2,267</u>	<u>9 %</u>
	<u>\$ 24,218</u>	<u>100 %</u>

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

Total by collateral type	September 30, 2020	
	(Unaudited)	
	Amortized Cost	Fair Value
Government agency	\$ 111	\$ 111
Prime	546	547
Subprime	77	77
Alt-A	112	113
	<u>\$ 846</u>	<u>\$ 848</u>

Total by NAIC designation	September 30, 2020	
	(Unaudited)	
	Amortized Cost	Fair Value
1	\$ 817	\$ 818
2	19	19
3	1	1
4	9	10
5	—	—
	<u>\$ 846</u>	<u>\$ 848</u>

Top 10 Holdings by Issuers

Issuer (a):	September 30, 2020	
	(Unaudited)	
	Fair Value	Percentage of Total Invested Assets
HP Enterprise Co	\$ 136	0.5 %
HSBC Holdings	131	0.4 %
Verizon Communications Inc.	114	0.4 %
Entergy Corp	114	0.4 %
AT&T Inc.	112	0.4 %
Metropolitan Transportation Authority (NY)	110	0.4 %
Nationwide Mutual Insurance Company	109	0.4 %
Blackstone Div Alt Issuer	108	0.4 %
CVI CVF III Master Fund II LL	106	0.4 %
Catholic Health Initiatives	105	0.4 %

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

Top 5 Reinsurers

Parent Company/Principal Reinsurers	September 30, 2020				
	(Unaudited)				
	Financial Strength Rating				
	Reinsurance Recoverable (a)	AM Best	S&P	Fitch	Moody's
Wilton Re	\$ 1,467	A+	Not Rated	A+	Not Rated
Kubera Insurance (SAC) Ltd	821	Not Rated	Not Rated	Not Rated	Not Rated
Security Life of Denver	152	Not Rated	A+	A	A3
Hannover Re	128	A+	AA-	Not Rated	Not Rated
London Life	125	A+	Not Rated	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.

Non-GAAP Financial Measures Definitions

The following represents the definitions of non-GAAP measures used by F&G, as an operating segment of FNF:

Adjusted Net Earnings

Adjusted Net Earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings is calculated by adjusting net earnings (loss) from continuing operations to eliminate:

- (i) Recognized (gains) and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;
- (ii) Indexed product related derivatives: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impact of assumed reinsurance,
- (iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities, and
- (iv) Transaction costs: the impacts related to acquisition, integration and merger related items.

Adjustments to Adjusted Net Earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Effective April 1, 2020, F&G changed their definition of Adjusted Earnings to exclude the impact of market volatility on the alternative asset portfolio. Alternative investment valuations and GAAP net income can reflect significant non-cash impacts of market and economic conditions that are not indicative of expected returns over the life of the investments. Management invests in alternative investments to back future policyholder obligations consistent with its asset liability management strategy. Management evaluates the performance of the alternative investments and calculates Adjusted Earnings using a rate of return that is consistent with its investment strategy and indicative of expected returns. Management believes this change provides users of the financial statements and other financial communications a more representative view of the results of the core business of F&G for the periods after April 1, 2020. Previous periods have not been adjusted.

Adjusted Net Earnings from Continuing Operations Attributable to Common Shareholders

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

Common Shareholders' Equity

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.

Equity Attributable to Preferred Shareholders

Equity attributable 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. (Note: F&G no longer has any preferred shareholders following the Business Combination)

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

- (i) total invested assets at amortized cost, excluding derivatives;
- (ii) related party loans and investments;
- (iii) accrued investment income;
- (iv) the net payable/receivable for the purchase/sale of investments, and
- (v) 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.

Alternative Investment Yield Adjustment

Alternative investment yield adjustment is the current period yield impact of market volatility on the alternative investment portfolio. 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.

Adjusted Yield on AAUM

Adjusted Yield on AAUM is calculated by dividing annualized net investment income by AAUM, plus or minus the alternative investment yield adjustment. 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, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product 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.