
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):
August 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
3.40% Notes due June 2030	FNF30	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

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.

On August 4, 2020, Fidelity National Financial, Inc. (the "Company", "FNF") issued an earnings release announcing its financial results for the Second 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.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press release announcing FNF Second Quarter 2020 Earnings
99.2	Financial Supplement of F&G, dated August 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: August 4, 2020

By: /s/ Anthony J. Park

Name: Anthony J. Park

Title: Chief Financial Officer



PRESS RELEASE

FNF Reports Second Quarter 2020 Diluted EPS from Continuing Operations of \$1.09 and Adjusted Diluted EPS from Continuing Operations of \$1.09, Pre-Tax Title Margin of 23.7% and Adjusted Pre-Tax Title Margin of 18.4%

Jacksonville, Fla. - (August 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 June 30, 2020.

- Total revenue of approximately \$2.4 billion in the second quarter versus \$2.1 billion in the second quarter of 2019
- Second quarter net earnings from continuing operations of \$304 million and adjusted net earnings from continuing operations of \$305 million versus net earnings of \$266 million and adjusted net earnings of \$255 million for the second quarter of 2019
- Second quarter diluted EPS from continuing operations of \$1.09 and adjusted diluted EPS from continuing operations of \$1.09 versus diluted EPS of \$0.96 and adjusted diluted EPS of \$0.92 in the second quarter of 2019
- Realized gains were \$162 million in the second quarter versus realized gains of \$41 million in the second 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
- We completed the acquisition of FGL Holdings ("F&G") on June 1, 2020. The consolidated FNF results include the results of F&G for the one month period ended June 30, 2020

Title

- Total revenue of approximately \$2.2 billion versus approximately \$2.1 billion in total revenue in the second quarter of 2019
- Total revenue, excluding realized gains and losses, of approximately \$2.1 billion versus approximately \$2.0 billion in the second quarter of 2019, an increase of 0.4%
- Pre-tax earnings of \$528 million and adjusted pre-tax earnings of \$378 million versus pre-tax earnings of \$387 million and adjusted pre-tax earnings of \$363 million in the second quarter of 2019
- Pre-tax title margin of 23.7% and adjusted pre-tax title margin of 18.4% versus pre-tax title margin of 18.5% and adjusted pre-tax title margin of 17.7% in the second quarter of 2019
- Second quarter refinance orders opened increased 111% on a daily basis and refinance orders closed increased 158% on a daily basis versus the second quarter of 2019; purchase orders opened decreased 20% on a daily basis and purchase orders closed decreased 24% on a daily basis versus the second quarter of 2019
- Total commercial revenue of \$184 million, a 36% decline versus total commercial revenue in the second quarter of 2019, driven by a 24% decrease in closed orders and 14% decline in total commercial fee per file; second quarter total commercial orders opened decreased 25% compared to the prior year
- Overall second quarter average fee per file of \$1,889, a 29% decrease versus the second quarter of 2019

Title Orders

Month	Direct Orders Opened *		Direct Orders Closed *	
	/ (% Purchase)		/ (% Purchase)	
April 2020	210,000	31%	157,000	34%
May 2020	218,000	39%	150,000	33%
June 2020	265,000	42%	180,000	38%
Second Quarter 2020	693,000	37%	487,000	35%

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
April 2019	184,000	63%	114,000	65%
May 2019	179,000	63%	127,000	64%
June 2019	181,000	57%	118,000	65%
Second Quarter 2019	544,000	61%	359,000	65%

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

F&G

F&G is a leading provider of annuities and life insurance. Following the acquisition, the company completed its mark-to-market valuation of the investment portfolio, a non-cash adjustment, recognizing a net unrealized loss of approximately \$0.5 billion. This discount will accrete over time, net of offsets for value of business acquired (VOBA) amortization and taxes. As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after the closing of the transaction are generally not comparable to the results of prior periods. Certain metrics, such as sales and policyholder account values, are not affected by PGAAP and are comparable to prior period data.

- Fixed Indexed Annuities (FIA) sales of \$866 million in the second quarter, an increase of 13% to the prior year, and a 4% increase over the sequential quarter
- Average Assets Under Management (AAUM) of \$26.6 billion for the 1 month ended June 30, 2020 down from \$27.4 billion from the prior year second quarter as \$2.1 billion net new business asset flows were offset by acquisition and purchase accounting effects, including the recognition of a \$0.5 billion net unrealized loss and \$2.4 billion reduction for discontinued operations
- Net Investment Spread: FIA spread for the 1 month ended June 30, 2020 of 347 basis points, compared to 305 basis points in the historical sequential quarter; Spread across all product lines for the 1 month ended June 30, 2020 of 350 basis points, compared to an historical sequential quarter spread of 224 basis points. The increase in spread was primarily due to acquisition and purchase accounting effects (noted above) which increased the earned yield, as well as lower interest credited
- Net Loss Attributable to Common Shareholders of \$39 million for the 1 month ended June 30, 2020 primarily driven by unfavorable mark-to-market and other items which are not included in adjusted net earnings
- Adjusted Net Earnings From Continuing Operations Attributable to Common Shareholders of \$37 million for the 1 month ended June 30, 2020 including \$8 million of favorable notable items
- Adjusted Return on Equity (ROE) of 16% for the 1 month ended June 30, 2020
- Risk-Based Capital (RBC) ratio for our primary operating subsidiary is estimated at approximately 400% at June 30, 2020

“Our second quarter benefited from strong refinance volumes compared with the 2019 comparable period, despite the ongoing COVID-19 pandemic,” commented Chairman William P. Foley, II. “Our adjusted pre-tax title earnings of \$378 million and an adjusted pre-tax title margin of 18.4% was our best quarter since the third quarter of 2003. Refinance opened and closed orders on a daily basis increased 111% and 158%, respectively. Our operational capabilities have ensured that our security and productivity have not been impacted even as approximately 70% of our employees continue to work remotely. As the pandemic intensified in March, we aggressively managed our expenses through the second quarter and will remain focused on order volumes looking forward as we maintain our culture of expense discipline.”

“After three years as a minority owner in F&G, we previously announced our intent to acquire the remaining interest in F&G as a way to diversify our earnings and reduce the risk and volatility inherent in our stand-alone title operations. We closed the acquisition on June 1, 2020 and are pleased to officially welcome F&G’s employees and policy holders to the FNF family. F&G had strong sales in the period, gaining market share while also maintaining pricing discipline. In addition, F&G launched into the independent broker dealer channel in June, through a partnership with one of the largest independent broker dealers in the country. We remain committed to maximizing value for our shareholders through our capital allocation strategy focused on our quarterly dividend, currently \$0.33 per share, growing our businesses, and opportunistic share buybacks.”

Conference Call

We will host a call with investors and analysts to discuss second quarter 2020 FNF results on Wednesday, August 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 August 5, 2020, through August 12, 2020, by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International). The access code will be 13706371. 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.
SECOND QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

June 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 575	\$ 575	\$ —	\$ —
Agency title premiums	784	784	—	—
Escrow, title related and other fees	747	655	20	72
Total title and escrow	2,106	2,014	20	72
Interest and investment income	152	41	111	—
Realized gains and losses, net	162	169	(7)	—
Total revenue	2,420	2,224	124	72
Personnel costs	692	625	9	58
Agent commissions	598	598	—	—
Other operating expenses	446	374	12	60
Benefits & other policy reserve changes	155	—	155	—
Depreciation and amortization	46	37	3	6
Claim loss expense	61	61	—	—
Interest expense	21	1	3	17
Total expenses	2,019	1,696	182	141
Pre-tax earnings (loss) from continuing operations	\$ 401	\$ 528	\$ (58)	\$ (69)
Income tax expense (benefit)	89	130	(14)	(27)
Earnings (loss) from equity investments	1	2	—	(1)
Earnings from discontinued operations, net of tax	5	—	5	—
Non-controlling interests	9	9	—	—
Net earnings (loss) attributable to common shareholders	\$ 309	\$ 391	\$ (39)	\$ (43)
EPS from continuing operations attributable to common shareholders - basic	\$ 1.10			
EPS from discontinued operations attributable to common shareholders - basic	0.02			
EPS attributable to common shareholders - basic	\$ 1.12			
EPS from continuing operations attributable to common shareholders - diluted	\$ 1.09			
EPS from discontinued operations attributable to common shareholders - diluted	0.02			
EPS attributable to common shareholders - diluted	\$ 1.11			
Weighted average shares - basic	277			
Weighted average shares - diluted	279			

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

Three Months Ended

June 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 309	\$ 391	\$ (39)	\$ (43)
Earnings from discontinued operations, net of tax	5	—	5	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 304	\$ 391	\$ (44)	\$ (43)
Non-GAAP Adjustments				
Realized (gains) and losses, net	(117)	(169)	52	—
Indexed product related derivatives	42	—	42	—
Debt issuance costs	4	—	—	4
Purchase price amortization	25	18	2	5
Transaction costs	45	—	7	38
Other adjustments	1	1	—	—
Adjusted pre-tax earnings (loss)	\$ 401	\$ 378	\$ 45	\$ (22)
Income taxes on non-GAAP adjustments	4	37	(22)	(11)
Non-controlling interest on non-GAAP adjustments	(3)	(2)	—	(1)
Total non-GAAP adjustments	\$ 1	\$ (115)	\$ 81	\$ 35
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 305	\$ 276	\$ 37	\$ (8)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 1.09			

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

<i>Three Months Ended</i> <i>June 30, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 625	\$ 625	\$ —
Agency title premiums	754	754	—
Escrow, title related and other fees	665	613	52
Total title and escrow	2,044	1,992	52
Interest and investment income	59	54	5
Realized gains and losses, net	41	46	(5)
Total revenue	2,144	2,092	52
Personnel costs	685	653	32
Agent commissions	579	579	—
Other operating expenses	409	373	36
Depreciation and amortization	44	38	6
Claim loss expense	62	62	—
Interest expense	12	—	12
Total expenses	1,791	1,705	86
Pre-tax earnings (loss)	\$ 353	\$ 387	\$ (34)
Income tax expense (benefit)	86	95	(9)
Earnings from equity investments	3	3	—
Non-controlling interests	4	5	(1)
Net earnings (loss) attributable to common shareholders	\$ 266	\$ 290	\$ (24)
EPS attributable to common shareholders - basic	\$ 0.97		
EPS attributable to common shareholders - diluted	\$ 0.96		
Weighted average shares - basic	273		
Weighted average shares - diluted	277		

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

Three Months Ended

June 30, 2019

	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 266	\$ 290	\$ (24)
Non-GAAP Adjustments			
Realized (gains) and losses, net	(41)	(46)	5
Purchase price amortization	25	21	4
Transaction costs	4	—	4
Other adjustments	1	1	—
Adjusted pre-tax earnings (loss)	\$ 342	\$ 363	\$ (21)
Income taxes on non-GAAP adjustments	3	6	(3)
Non-controlling interest on non-GAAP adjustments	(3)	(2)	(1)
Total non-GAAP adjustments	\$ (11)	\$ (20)	\$ 9
Adjusted net earnings (loss) attributable to common shareholders	\$ 255	\$ 270	\$ (15)
Adjusted EPS attributable to common shareholders - diluted	\$ 0.92		

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

Six Months Ended

June 30, 2020	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 1,121	\$ 1,121	\$ —	\$ —
Agency title premiums	1,516	1,516	—	—
Escrow, title related and other fees	1,348	1,265	20	63
Total title and escrow	3,985	3,902	20	63
Interest and investment income	205	89	111	5
Realized gains and losses, net	(158)	(144)	(7)	(7)
Total revenue	4,032	3,847	124	61
Personnel costs	1,306	1,266	9	31
Agent commissions	1,158	1,158	—	—
Other operating expenses	857	754	12	91
Benefits & other policy reserve changes	155	—	155	—
Depreciation and amortization	89	74	3	12
Claim loss expense	119	119	—	—
Interest expense	33	1	3	29
Total expenses	3,717	3,372	182	163
Pre-tax earnings (loss) from continuing operations	\$ 315	\$ 475	\$ (58)	\$ (102)
Income tax expense (benefit)	61	111	(14)	(36)
Earnings (loss) from equity investments	2	3	—	(1)
Earnings from discontinued operations, net of tax	5	—	5	—
Non-controlling interests	13	13	—	—
Net earnings (loss) attributable to common shareholders	\$ 248	\$ 354	\$ (39)	\$ (67)
EPS from continuing operations attributable to common shareholders - basic	\$ 0.88			
EPS from discontinued operations attributable to common shareholders - basic	0.02			
EPS attributable to common shareholders - basic	\$ 0.90			
EPS from continuing operations attributable to common shareholders - diluted	\$ 0.87			
EPS from discontinued operations attributable to common shareholders - diluted	0.02			
EPS attributable to common shareholders - diluted	\$ 0.89			
FNF, Inc. weighted average shares - basic	275			
FNF, Inc. weighted average shares - diluted	278			

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

Six Months Ended

June 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 248	\$ 354	\$ (39)	\$ (67)
Earnings from discontinued operations, net of tax	5	—	5	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 243	\$ 354	\$ (44)	\$ (67)
Non-GAAP Adjustments				
Realized (gains) and losses, net	203	144	52	7
Indexed product related derivatives	42	—	42	—
Debt issuance costs	4	—	—	4
Purchase price amortization	48	37	2	9
Transaction costs	51	—	7	44
Other adjustments	1	1	—	—
Adjusted pre-tax earnings (loss)	\$ 664	\$ 657	\$ 45	\$ (38)
Income taxes on non-GAAP adjustments	(79)	(42)	(22)	(15)
Non-controlling interest on non-GAAP adjustments	(6)	(5)	—	(1)
Total non-GAAP adjustments	\$ 264	\$ 135	\$ 81	\$ 48
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 507	\$ 489	\$ 37	\$ (19)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 1.82			

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

<i>Six Months Ended</i> <i>June 30, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 1,065	\$ 1,065	\$ —
Agency title premiums	1,306	1,306	—
Escrow, title related and other fees	1,199	1,094	105
Total title and escrow	3,570	3,465	105
Interest and investment income	113	102	11
Realized gains and losses, net	183	188	(5)
Total revenue	3,866	3,755	111
Personnel costs	1,277	1,204	73
Agent commissions	1,000	1,000	—
Other operating expenses	753	688	65
Depreciation and amortization	88	77	11
Claim loss expense	107	107	—
Interest expense	24	—	24
Total expenses	3,249	3,076	173
Pre-tax earnings (loss)	\$ 617	\$ 679	\$ (62)
Income tax expense (benefit)	151	166	(15)
Earnings from equity investments	10	10	—
Non-controlling interests	4	5	(1)
Net earnings (loss) attributable to common shareholders	\$ 472	\$ 518	\$ (46)
EPS attributable to common shareholders - basic	\$ 1.73		
EPS attributable to common shareholders - diluted	\$ 1.70		
FNF, Inc. weighted average shares - basic	273		
FNF, Inc. weighted average shares - diluted	277		

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

<i>Six Months Ended</i>			
<i>June 30, 2019</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 472	\$ 518	\$ (46)
Non-GAAP Adjustments			
Realized (gains) and losses, net	(183)	(188)	5
Purchase price amortization	52	43	9
Transaction costs	6	—	6
Other adjustments	1	1	—
Adjusted pre-tax earnings (loss)	\$ 493	\$ 535	\$ (42)
Income taxes on non-GAAP adjustments	31	36	(5)
Non-controlling interest on non-GAAP adjustments	(6)	(5)	(1)
Total non-GAAP adjustments	\$ (99)	\$ (113)	\$ 14
Adjusted net earnings (loss) attributable to common shareholders	\$ 373	\$ 405	\$ (32)
Adjusted EPS attributable to common shareholders - diluted	\$ 1.35		

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

	June 30, 2020	December 31, 2019
	(Unaudited)	(Unaudited)
Cash and investment portfolio	\$ 33,321	\$ 5,760
Goodwill	4,451	2,727
Title plant	404	404
Total assets	48,001	10,677
Notes payable	2,430	838
Reserve for title claim losses	1,528	1,509
Secured trust deposits	735	791
Redeemable non-controlling interests	344	344
Non-redeemable non-controlling interests	(9)	(17)
Total equity and non-controlling interests	6,693	5,709
Total equity attributable to common shareholders	6,358	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		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Pre-tax earnings	\$ 528	\$ 387	\$ 475	\$ 679
Non-GAAP adjustments before taxes				
Realized (gains) and losses, net	(169)	(46)	144	(188)
Purchase price amortization	18	21	37	43
Other adjustments	1	1	1	1
Total non-GAAP adjustments	(150)	(24)	182	(144)
Adjusted pre-tax earnings	\$ 378	\$ 363	\$ 657	\$ 535
Adjusted pre-tax margin	18.4 %	17.7 %	16.5 %	15.0 %

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

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Quarterly Opened Orders ('000's except % data)								
Total opened orders*	693	682	492	592	544	438	379	456
Total opened orders per day*	10.8	11.0	7.8	9.3	8.5	7.2	6.0	7.2
Purchase % of opened orders	37 %	41 %	50 %	52 %	61 %	65 %	67 %	69 %
Refinance % of opened orders	63 %	59 %	50 %	48 %	39 %	35 %	33 %	31 %
Total closed orders*	487	377	417	409	359	263	301	339
Total closed orders per day*	7.6	6.1	6.6	6.4	5.6	4.3	4.8	5.4
Purchase % of closed orders	35 %	46 %	49 %	55 %	65 %	66 %	69 %	71 %
Refinance % of closed orders	65 %	54 %	51 %	45 %	35 %	34 %	31 %	29 %
Commercial (millions, except orders in '000's)								
Total commercial revenue	\$ 184	\$ 245	\$ 321	\$ 301	\$ 286	\$ 231	\$ 328	\$ 276
Total commercial opened orders	43.9	56.3	55.1	56.0	58.6	49.8	46.0	48.9
Total commercial closed orders	25.7	31.0	39.1	36.4	34.0	30.0	35.2	31.2
National commercial revenue	\$ 96	\$ 132	\$ 186	\$ 172	\$ 163	\$ 122	\$ 195	\$ 155
National commercial opened orders	15.2	21.5	22.6	23.8	25.3	20.6	19.1	19.8
National commercial closed orders	8.8	10.7	16.2	14.1	12.7	10.5	13.2	12.0
Total Fee Per File								
Fee per file	\$ 1,889	\$ 2,224	\$ 2,384	\$ 2,459	\$ 2,677	\$ 2,567	\$ 2,803	\$ 2,623
Residential fee per file	\$ 1,614	\$ 1,744	\$ 1,792	\$ 1,928	\$ 2,075	\$ 1,964	\$ 2,003	\$ 2,032
Total commercial fee per file	\$ 7,200	\$ 7,900	\$ 8,200	\$ 8,300	\$ 8,400	\$ 7,700	\$ 9,300	\$ 8,800
National commercial fee per file	\$ 10,900	\$ 12,300	\$ 11,500	\$ 12,200	\$ 12,900	\$ 11,600	\$ 14,800	\$ 13,000
Total Staffing								
Total field operations employees	10,900	12,500	12,300	12,200	12,000	11,700	11,800	12,400
Actual title claims paid (\$ millions)	\$ 51	\$ 48	\$ 53	\$ 52	\$ 66	\$ 49	\$ 58	\$ 55

* 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.

	One month ended
	June 30, 2020
	(Unaudited)
Net earnings (loss) from continuing operations attributable to common shareholders	\$ (44)
Non-GAAP adjustments (1,2):	
Realized (gains) and losses, net	52
Indexed product related derivatives	42
Purchase price amortization	2
Transaction costs	7
Income taxes on non-GAAP adjustments	(22)
Adjusted earnings (loss) from continuing operations attributable to common shareholders	\$ 37

Adjusted earnings from continuing operations include \$8 million of favorable notable items in the period.

The table below provides summary financial highlights.

(In millions)	One Month Ended
	June 30, 2020
Average assets under management (AAUM) ⁽¹⁾	\$ 26,582
Net investment spread - FIA ⁽¹⁾	3.47 %
Net investment spread - All products ⁽¹⁾	3.50 %
Net earnings (loss) from continuing operations	\$ (44)
Adjusted earnings from continuing operations attributable to common shareholders ⁽¹⁾	\$ 37

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

(In millions)	One Month Ended		Three Months Ended			Six Months Ended	
	June 30, 2020		June 30, 2020	June 30, 2019		June 30, 2020	June 30, 2019
Fixed indexed annuity (FIA) sales ⁽¹⁾	\$ 244	\$	866	\$ 767	\$	1,697	\$ 1,435
Total retail annuity sales ⁽¹⁾	\$ 258	\$	913	\$ 1,122	\$	1,958	\$ 2,175

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) Realized (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.

Adjusted Return on Average Common Shareholders' Equity Excluding AOCI

Adjusted Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing Adjusted Earnings Attributable to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the acquisition, the starting point for calculation of average Common Shareholders' Equity was reset to June 1, 2020. The rolling average will be updated from the acquisition date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.

Net Investment Spread

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
- (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

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.

###



**FGL Holdings ("F&G") - An Operating Segment of Fidelity National Financial, Inc. (NYSE:FNF)
Financial Supplement
June 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 FNF'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 F&G's operating segment performance for the periods presented. These measures should be considered supplementary to our segment financial 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.

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

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Financial Supplement - June 30, 2020
(All periods are unaudited)

Consolidated Financial Highlights

	One month ended	Two months ended	Three months ended			
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-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	(39)	19	(346)	217	58	38
Adjusted earnings (loss) attributable to common shareholders (1)	37	40	33	94	79	65
Select Metrics:						
Return on average common shareholders' equity (1)	(16.2) %	209.5 %	(118.7) %	39.0 %	11.6 %	9.6 %
Adjusted return on common shareholders' equity, excluding AOCI (1)	16.3 %	10.9 %	8.1 %	21.8 %	19.7 %	16.6 %
Average Assets Under Management ("AAUM") (1)	26,582	29,285	28,924	28,332	27,871	27,388
Net investment spread (1)	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %	2.26 %
Sales						
FIA	244	622	831	795	590	767
Fixed rate annuities (MYGA)	14	33	114	126	107	263
Institutional spread based	—	—	100	—	100	92
Total annuity	258	655	1,045	921	797	1,122
Index universal life	4	8	11	11	9	10
Flow reinsurance	34	108	122	122	108	104
Total Sales	\$ 296	\$ 771	\$ 1,178	\$ 1,054	\$ 914	\$ 1,236

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

F&G - An Operating Segment of FNF
Financial Supplement - June 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.

	One month ended	Two months ended		Three months ended		
	June 30, 2020 Post-Merger (Unaudited)	May 31, 2020 Pre-Merger (Unaudited)	March 31, 2020 Pre-Merger (Unaudited)	December 31, 2019 Pre-Merger (Unaudited)	September 30, 2019 Pre-Merger (Unaudited)	June 30, 2019 Pre-Merger (Unaudited)
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	(39)	19	(346)	217	58	38
Less: discontinued operations [(earnings)/loss]	(5)	(22)	155	(46)	(14)	13
As adjusted for discontinued operations	(44)	(3)	(191)	171	44	51
Adjusted Earnings attributable to common shareholders(1)	37	40	33	94	79	65
Less: discontinued operations [(earnings)/loss]	—	8	26	(4)	(18)	(5)
As adjusted for discontinued operations	37	48	59	90	61	60
Less: Notable items [(unfavorable)/favorable] (2)	8	5	(6)	15	2	(4)
As adjusted for discontinued operations and notable items	29	43	65	75	59	64
Select Metrics:						
Adjusted return on common shareholders' equity, excluding AOCI (1)	16.3 %	10.9 %	8.1 %	21.8 %	19.7 %	16.6 %
Less: discontinued operations [(earnings)/loss]	— %	5.7 %	10.4 %	5.3 %	(0.5) %	1.6 %
As adjusted for discontinued operations	16.3 %	16.6 %	18.5 %	27.1 %	19.2 %	18.2 %
AAUM (1)	26,582	29,285	28,924	28,332	27,871	27,388
Less: discontinued operations [(earnings)/loss]	—	(2,236)	(2,266)	(2,183)	(2,040)	(1,869)
As adjusted for discontinued operations	26,582	27,049	26,658	26,149	25,831	25,519
Net investment spread (1)	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %	2.26 %
Less: discontinued operations [(earnings)/loss]	— %	(0.07) %	(0.02) %	0.03 %	0.04 %	0.09 %
As adjusted for discontinued operations	3.50 %	1.85 %	2.22 %	2.44 %	2.09 %	2.35 %

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

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

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

Condensed Consolidated Balance Sheets

	<u>June 30, 2020</u>	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September</u> <u>30, 2019</u>	<u>June 30, 2019</u>
	<u>Post-Merger</u>	<u>Pre-Merger</u>	<u>Pre-Merger</u>	<u>Pre-Merger</u>	<u>Pre-Merger</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Assets					
Investments:					
Fixed maturity securities available for sale, at fair value, net of allowance for credit losses of \$15 at June 30, 2020	23,014	21,140	23,726	23,907	23,362
Preferred securities, at fair value	875	873	1,001	1,027	1,084
Equity securities, at fair value	54	42	70	70	60
Derivative investments	333	188	587	454	383
Mortgage loans, net of allowance for credit losses of \$28 at June 30, 2020	1,777	1,769	1,267	836	760
Investments in unconsolidated affiliates	1,045	1,071	1,013	923	878
Other long-term investments	404	421	289	155	153
Short-term investments	38	36	38	37	66
Total investments	27,540	25,540	27,991	27,409	26,746
Cash and cash equivalents	909	740	931	953	705
Trade and notes receivables	2	1	1	1	2
Funds withheld for reinsurance receivable, at fair value	—	2,050	2,172	2,045	1,922
Reinsurance recoverable, net of allowance for credit losses of \$22 at June 30, 2020	3,182	3,186	3,213	3,250	3,264
Goodwill	1,725	467	467	467	467
Prepaid expenses and other assets	381	384	355	435	356
Lease assets	8	9	9	3	3
Other intangible assets, net	2,060	2,071	1,495	1,438	1,457
Property and equipment, net	2	2	2	1	1
Deferred tax asset	180	264	61	92	150
Assets of discontinued operations	2,502	—	—	—	—
Total assets	\$ 38,491	\$ 34,714	\$ 36,697	\$ 36,094	\$ 35,073

Condensed Consolidated Balance Sheets (continued)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Liabilities and Shareholders' Equity					
Contractholder funds	26,628	26,226	25,684	25,355	24,828
Future policy benefits	4,092	5,658	5,735	5,714	5,641
Accounts payable and accrued liabilities	1,800	1,828	1,998	1,926	1,824
Notes payable	589	543	542	542	542
Lease liabilities	13	9	9	3	3
Income taxes payable	(24)	(22)	(15)	(21)	(24)
Liabilities of discontinued operations	2,347	—	—	—	—
Total liabilities	35,445	34,242	33,953	33,519	32,814
Shareholders' equity:					
Additional paid-in-capital	2,737	2,041	2,032	2,022	2,014
Retained earnings (accumulated deficit)	(39)	(72)	300	85	29
Accumulated other comprehensive income (loss)	348	(1,428)	481	520	251
Treasury stock	—	(69)	(69)	(52)	(35)
Total shareholders' equity	3,046	472	2,744	2,575	2,259
Total liabilities and shareholders' equity	\$ 38,491	\$ 34,714	\$ 36,697	\$ 36,094	\$ 35,073

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

Condensed Consolidated Statements of Operations

	One month ended	Two months ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Revenues:						
Life insurance premiums and other fees (a)	\$ 20	\$ 52	\$ 41	\$ 43	\$ 51	\$ 45
Interest and investment income	111	111	316	324	301	315
Realized gains and losses (net)	(7)	257	(692)	196	103	135
Total revenues	124	420	(335)	563	455	495
Benefits and expenses:						
Benefits and other changes in policy reserves	155	356	(41)	119	331	268
Personnel costs	9	15	21	21	17	19
Other operating expenses	12	40	74	64	28	126
Depreciation and amortization	3	1	(60)	78	14	14
Interest expense	3	5	8	8	8	8
Total benefits and expenses	182	417	2	290	398	435
Pre-tax earnings (loss) from continuing operations	(58)	3	(337)	273	57	60
Federal income tax expense	14	17	(1)	(48)	9	(13)
State income tax expense	—	(1)	—	—	(1)	(1)
Net earnings (loss) from continuing operations	(44)	19	(338)	225	65	46
Earnings from discontinued operations, net of tax	5	—	—	—	—	—
Less Preferred stock dividend	—	—	(8)	(8)	(7)	(8)
Net earnings (loss) attributable to common shareholders	\$ (39)	\$ 19	\$ (346)	\$ 217	\$ 58	\$ 38

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

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

	One month ended	Two months ended				
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Net earnings (loss) from continuing operations	\$ (44)	\$ 19	\$ (338)	\$ 225	\$ 65	\$ 46
Less Preferred stock dividend	\$ —	\$ —	\$ (8)	\$ (8)	\$ (7)	\$ (8)
Net earnings (loss) attributable to common shareholders	\$ (44)	\$ 19	\$ (346)	\$ 217	\$ 58	\$ 38
Non-GAAP adjustments (1):						
Realized (gains) and losses, net	52	68	94	(34)	(26)	(32)
Indexed product related derivatives	42	(28)	287	(134)	63	69
Purchase price amortization	2	—	—	—	—	—
Transaction costs	7	4	34	11	(6)	(3)
Income taxes on non-GAAP adjustments	(22)	(23)	(36)	34	(10)	(7)
Adjusted earnings attributable to common shareholders	\$ 37	\$ 40	\$ 33	\$ 94	\$ 79	\$ 65

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 earnings (loss) from continuing operations attributable to common shareholders as we believe these items provide further clarity to the financial performance of the business.

	One month ended	Two months ended				
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Adjusted earnings attributable to common shareholders (1)	\$ 37	\$ 40	\$ 33	\$ 94	\$ 79	\$ 65
Notable items [(unfavorable)/favorable]						
Project expenses (a)	—	(2)	(2)	(10)	—	(11)
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (b)	4	6	(5)	15	(2)	3
Assumption review and unlocking (c)	—	(4)	—	4	7	—
Other (d)	4	5	(25)	15	15	4

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

(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 Earnings Statement (1)

	One month ended	Two Months Ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Revenues:						
Life insurance premiums and other fees (a)	20	42	53	44	49	48
Interest and investment income (b)	120	200	317	324	301	315
Realized gains and losses (net) (c)	4	22	(34)	23	5	11
Total revenues	144	264	336	391	355	374
Benefits and expenses:						
Benefits and other changes in policy reserves (d)	60	131	161	151	175	93
Personnel costs	9	15	21	21	17	19
Other operating expenses (e)	4	37	41	53	35	130
Depreciation and amortization (f)	23	32	27	42	34	31
Interest expense	3	5	8	8	8	8
Total benefits and expenses	99	220	258	275	269	281
Pre-tax earnings (loss) from continuing operations	45	44	78	116	86	93
Federal Income Tax Expense	(8)	(5)	(37)	(14)	—	(20)
State Income Tax Expense	—	1	—	—	—	—
Adjusted earnings	\$ 37	\$ 40	\$ 41	\$ 102	\$ 86	\$ 73
Less Preferred stock dividend	\$ —	\$ —	\$ (8)	\$ (8)	\$ (7)	\$ (8)
Adjusted earnings attributable to common shareholders	\$ 37	\$ 40	\$ 33	\$ 94	\$ 79	\$ 65
Noteable items included in adjusted earnings attributable to common shareholders(2)	\$ 8	\$ 5	\$ (32)	\$ 24	\$ 20	\$ (4)

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

(2) Refer to page 8 "Noteable Items" for further detail of noteable items.

(a) Life insurance premiums and other fees have been adjusted 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) Realized gains and losses (net) have been adjusted to remove the effect of realized (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, and the fair value impacts of assumed reinsurance.

(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, DSI and SOP03-1 of the adjustments above, as applicable, and purchase price amortization.

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

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total shareholders' equity	3,046	472	2,743	2,575	2,260
Equity attributable to preferred shareholders (1)	—	446	438	430	422
Common shareholders' equity	3,046	26	2,305	2,145	1,838
AOCI	348	(1,428)	481	520	251
Total common shareholders' equity excluding AOCI (1)	\$ 2,698	\$ 1,454	\$ 1,824	\$ 1,625	\$ 1,587

Reconciliation of Return on Equity (ROE) to Adjusted ROE

Reconciliation of the Twelve Month Rolling ROE to Adjusted ROE	Twelve months ended				
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Return on average common shareholders' equity (1)	(16.2)%	(2.2)%	29.4%	7.5%	8.2%
AOCI	(1.0)%	0.1%	0.3%	(0.9)%	(2.2)%
Return on average common shareholders' equity, excluding AOCI (1)	(17.2)%	(2.1)%	29.7%	6.6%	6.0%
Aggregate adjustments to arrive at adjusted earnings available to common shareholders (2)	33.5%	18.9%	(9.7)%	12.7%	12.3%
Adjusted return on common shareholders' equity, excluding AOCI (1)	16.3%	16.8%	20.0%	19.3%	18.3%

Reconciliation of Quarterly ROE to Adjusted ROE	Three months ended				
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Return on average common shareholders' equity (1)	(16.2)%	(118.7)%	39.0%	11.6%	9.6%
AOCI	(1.0)%	34.3%	11.3%	2.8%	0.1%
Return on average common shareholders' equity, excluding AOCI (1)	(17.2)%	(84.4)%	50.3%	14.4%	9.7%
Aggregate adjustments to arrive at adjusted earnings available to common shareholders (2)	33.5%	92.6%	(28.5)%	5.3%	6.9%
Adjusted return on common shareholders' equity, excluding AOCI (1)	16.3%	8.1%	21.8%	19.7%	16.6%

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

(2) Refer to "Reconciliation from Net Earnings (Loss) to Adjusted earnings" for further details on individual adjustments

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	Negative
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BBB-	Ba1	BBB
Outlook		Stable	Stable	Negative
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bbb-	BBB-	Not Rated	BBB
Outlook	Stable	Stable		Negative
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	Negative
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	A-	A-	Not Rated	A-
Outlook	Stable	Stable		Negative
F&G Reinsurance Ltd				
Financial Strength Rating	A-	Not Rated	Not Rated	BBB
Outlook	Stable			Negative
F&G Life Re Ltd				
Financial Strength Rating	Not Rated	A-	Baa1	BBB
Outlook		Stable	Stable	Negative

*Reflects current ratings and outlooks as of date of filing

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

Total Product Net Investment Spread

	One month ended	Two months ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net investment income	\$ 111	\$ 111	\$ 317	\$ 324	\$ 301	\$ 315
AAUM (1)	26,582	29,285	28,924	28,332	27,871	27,388
Yield on AAUM (1)	5.01 %	2.27 %	4.38 %	4.57 %	4.32 %	4.60 %
Alternative investment yield adjustment (1)	0.41 %	1.83 %				
Adjusted Yield on AAUM (1)	5.42 %	4.10 %				
Interest credits	\$ 21	\$ 53	\$ 76	\$ 76	\$ 79	\$ 82
Option & futures costs	19	43	60	63	63	62
Total interest credited and option costs	\$ 40	\$ 96	\$ 136	\$ 139	\$ 142	\$ 144
Average account value	25,330	26,463	25,453	25,476	25,049	24,568
Interest credited & option cost	1.92 %	2.18 %	2.14 %	2.16 %	(2.27) %	2.34 %
Net investment spread (1)	3.50 %	1.92 %	2.24 %	2.41 %	2.05 %	2.26 %

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

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

	FIA Net Investment Spread					
	One month ended	Two months ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Net investment income	\$ 68	\$ 57	\$ 216	\$ 223	\$ 196	\$ 197
AAUM (1)	18,267	18,623	18,111	17,628	17,120	16,648
Yield on AAUM (1)	4.47 %	1.84 %	4.77 %	5.06 %	4.57 %	4.73 %
Alternative investment yield adjustment (1) (a)	0.59 %	2.67 %				
Adjusted Yield on AAUM (1)	5.06 %	4.51 %				
Interest credits	\$ 4	\$ 8	\$ 13	\$ 14	\$ 13	\$ 13
Option & futures costs	\$ 19	\$ 43	\$ 60	\$ 63	\$ 63	\$ 62
Total interest credited and option costs	23	51	73	77	76	75
Average account value	17,688	17,501	17,065	16,565	16,213	15,850
Interest credited & option cost	1.59 %	1.76 %	1.72 %	1.85 %	1.88 %	1.89 %
Net investment spread (1)	3.47 %	2.75 %	3.05 %	3.21 %	2.69 %	2.84 %

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

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

Average Assets Under Management Rollforward

	One month ended	Two months ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
AAUM at beginning of period (1)	\$ 26,529	\$ 28,924	\$ 28,332	\$ 27,871	\$ 27,388	\$ 25,862
Net new business sales	66	473	600	494	484	492
Net reinsurance transactions and other	(13)	(112)	(8)	(33)	(1)	1,034
AAUM at end of period	\$ 26,582	\$ 29,285	\$ 28,924	\$ 28,332	\$ 27,871	\$ 27,388

(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)

	One month ended	Two months ended		Three months ended		
	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	Post-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)	Pre-Merger (Unaudited)
Account balances at beginning of period	\$ 21,332	\$ 20,999	\$ 20,402	\$ 20,052	\$ 19,701	\$ 19,191
Net deposits	245	675	940	920	696	1,047
Surrenders, withdrawals, deaths, etc.	(161)	(381)	(452)	(675)	(420)	(436)
Net flows	84	294	488	245	276	611
Premium and interest bonuses	4	12	17	19	16	16
Fixed interest credited and index credits	29	50	123	118	86	95
Guaranteed product rider fees	(7)	(23)	(31)	(32)	(27)	(27)
Account balance at end of period	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402	\$ 20,052	\$ 19,701

(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
	June 30, 2020	
	(Unaudited)	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 404	\$ 2,309
0.0% < 2.0%	15	50
2.0% < 4.0%	19	429
4.0% < 6.0%	483	1,569
6.0% < 8.0%	1,281	2,167
8.0% < 10.0%	1,500	4,177
10.0% or greater	3	7,035
	<u>\$ 3,705</u>	<u>\$ 17,736</u>

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	June 30, 2020	
	(Unaudited)	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 496	\$ 1,271
0.0% - 1.0%	194	1,420
1.0% - 2.0%	753	32
2.0% - 3.0%	2,262	2
Allocated to index strategies	—	15,011
	<u>\$ 3,705</u>	<u>\$ 17,736</u>

Summary of Invested Assets by Asset Class

	June 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	\$ 35	\$ 35	— %	\$ 33	\$ 34	— %
United States Government sponsored entities	122	123	— %	133	134	— %
United States municipalities, states and territories	1,321	1,361	5 %	1,284	1,343	5 %
Foreign Governments	150	155	1 %	138	155	1 %
Corporate securities:						
Finance, insurance and real estate	4,081	4,184	15 %	4,038	4,234	15 %
Manufacturing, construction and mining	778	799	3 %	739	771	3 %
Utilities, energy and related sectors	2,320	2,375	9 %	2,345	2,452	9 %
Wholesale/retail trade	1,587	1,635	6 %	1,576	1,617	6 %
Services, media and other	2,366	2,436	9 %	2,353	2,523	9 %
Hybrid securities	970	975	4 %	983	1,027	4 %
Non-agency residential mortgage-backed securities	783	766	3 %	784	820	3 %
Commercial mortgage-backed securities	2,423	2,560	9 %	2,788	2,922	10 %
Asset-backed securities	1,685	1,717	6 %	1,774	1,813	6 %
CLO securities	3,816	3,893	14 %	3,946	3,881	14 %
Alternative investments	1,044	1,045	4 %	1,084	1,077	4 %
Equity securities	929	929	3 %	999	1,002	4 %
Commercial mortgage loans	576	583	2 %	422	435	2 %
Residential mortgage loans	1,201	1,177	4 %	845	848	3 %
Other (primarily derivatives and limited partnerships)	752	760	3 %	628	867	3 %
Short term investments	38	38	— %	38	38	— %
Total (a)	\$ 26,977	\$ 27,546	100 %	\$ 26,930	\$ 27,993	100 %

(a) Asset duration, including cash and cash equivalents, of 6.51 years and 6.63 years vs. liability duration of 6.79 years and 6.80 years for the periods ending June 30, 2020 and December 31, 2019, respectively.

Credit Quality of Fixed Maturity Securities

NAIC Designation	June 30, 2020	
	(Unaudited)	
	Fair Value	Percent
1	\$ 12,309	53 %
2	9,099	40 %
3	1,182	5 %
4	291	1 %
5	132	1 %
6	1	— %
	<u>\$ 23,014</u>	<u>100 %</u>

Rating Agency Rating	June 30, 2020	
	(Unaudited)	
	Fair Value	Percent
AAA	\$ 531	2 %
AA	1,528	7 %
A	6,398	28 %
BBB	8,280	36 %
Not rated	4,234	18 %
Total investment grade	<u>20,971</u>	<u>91 %</u>
BB	1,471	7 %
B and below	491	2 %
Not rated	81	— %
Total below investment grade	<u>2,043</u>	<u>9 %</u>
	<u>\$ 23,014</u>	<u>100 %</u>

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

Total by collateral type	June 30, 2020	
	(Unaudited)	
	Amortized Cost	Fair Value
Government agency	\$ 114	\$ 113
Prime	588	574
Subprime	81	79
Alt-A	122	123
	<u>\$ 905</u>	<u>\$ 889</u>

Total by NAIC designation	June 30, 2020	
	(Unaudited)	
	Amortized Cost	Fair Value
1	\$ 855	\$ 839
2	39	39
3	1	1
4	10	10
5	—	—
	<u>\$ 905</u>	<u>\$ 889</u>

Top 10 Holdings by Issuers

Issuer (a):	June 30, 2020	
	(Unaudited)	
	Fair Value	Percentage of Total Invested Assets
HP Enterprise Co	\$ 132	0.5 %
HSBC Holdings	132	0.5 %
Prudential Financial Inc	115	0.4 %
Metropolitan Transportation Authority (NY)	113	0.4 %
Verizon Communications Inc.	113	0.4 %
AT&T Inc.	111	0.4 %
Blackstone Div Alt Issuer	107	0.4 %
CVI CVF III Master Fund II LL	106	0.4 %
Nationwide Mutual Insurance Company	105	0.4 %
Entergy Corp	105	0.4 %

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

Top 5 Reinsurers

Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	June 30, 2020			
		(Unaudited)			
		Financial Strength Rating			
		AM Best	S&P	Fitch	Moody's
Wilton Re	\$ 1,478	A+	Not Rated	A+	Not Rated
Kubera Insurance (SAC) Ltd	828	Not Rated	Not Rated	Not Rated	Not Rated
Security Life of Denver	153	Not Rated	A+	A	A3
Hannover Re	130	A+	AA-	Not Rated	Not Rated
London Life	126	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 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) Realized (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.

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 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.

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)

Return on Average Common Shareholders' Equity

Return on Average Common Shareholders' Equity is calculated by dividing net earnings (loss) attributable to common shareholders by total average Common Shareholders' Equity. Average Common Shareholders Equity for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders' Equity for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to June 1, 2020. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available.

Return on Average Common Shareholders Equity Excluding AOCI

Return on Average Common Shareholders' Equity Excluding AOCI is calculated by dividing net earnings (loss) attributable to common shareholders by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity Excluding AOCI is calculated using the beginning and ending Common Shareholders' Equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to June 1, 2020. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this to be a useful measure internally and for investors and analysts to assess the level of return driven by the Company that is attributable to common shareholders.

Adjusted Return on Average Common Shareholders' Equity Excluding AOCI

Adjusted Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing Adjusted Earnings Attributable to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to June 1, 2020. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.

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
- (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

Yield on AAUM

Yield on AAUM is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

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.