
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):
May 6, 2021

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

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 May 6, 2021, Fidelity National Financial, Inc. (the "Company", "FNF") issued an earnings release announcing its financial results for the First Quarter of 2021. 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 First Quarter 2021 Earnings
99.2	Financial Supplement of F&G, dated May 6, 2021
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: May 6, 2021

By: /s/ Anthony J. Park

Name: Anthony J. Park

Title: Chief Financial Officer



PRESS RELEASE

FNF Reports First Quarter 2021 Diluted EPS from Continuing Operations of \$2.06 and Adjusted Diluted EPS from Continuing Operations of \$1.56, Pre-Tax Title Margin of 17.4% and Adjusted Pre-Tax Title Margin of 19.9%

Jacksonville, Fla. - (May 6, 2021) - 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 March 31, 2021.

- Total revenue of \$3.1 billion in the first quarter versus \$1.6 billion in the first quarter of 2020
- First quarter net earnings from continuing operations of \$600 million and adjusted net earnings from continuing operations of \$455 million versus net loss of \$61 million and adjusted net earnings of \$202 million for the first quarter of 2020
- First quarter diluted EPS from continuing operations of \$2.06 and adjusted diluted EPS from continuing operations of \$1.56 versus diluted EPS of \$(0.22) and adjusted diluted EPS of \$0.73 in the first quarter of 2020
- Recognized gains were \$43 million in the first quarter versus recognized losses of \$320 million in the first quarter of 2020 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 \$2.5 billion versus \$1.6 billion in total revenue in the first quarter of 2020
- Total revenue, excluding recognized gains and losses, of \$2.6 billion versus \$1.9 billion in the first quarter of 2020, an increase of 33%
- Pre-tax earnings of \$439 million and adjusted pre-tax earnings of \$512 million versus pre-tax loss of \$53 million and adjusted pre-tax earnings of \$279 million in the first quarter of 2020
- Pre-tax title margin of 17.4% and adjusted pre-tax title margin of 19.9% versus pre-tax title margin of (3.3)% and adjusted pre-tax title margin of 14.4% in the first quarter of 2020
- First quarter refinance orders opened increased 15% on a daily basis and refinance orders closed increased 103% on a daily basis versus the first quarter of 2020; purchase orders opened increased 18% on a daily basis and purchase orders closed increased 21% on a daily basis versus the first quarter of 2020
- Total commercial revenue of \$257 million, a 5% increase versus total commercial revenue in the first quarter of 2020, driven by a 12% increase in closed orders; first quarter total commercial orders opened increased 10% compared to the prior year
- Overall first quarter average fee per file of \$1,944, a 13% decrease versus the first quarter of 2020

Title Orders

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
January 2021	256,000	37%	179,000	32%
February 2021	252,000	40%	188,000	32%
March 2021	262,000	49%	230,000	37%
First Quarter 2021	770,000	42%	597,000	34%

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
January 2020	185,000	50%	112,000	49%
February 2020	211,000	45%	118,000	47%
March 2020	286,000	33%	147,000	43%
First Quarter 2020	682,000	41%	377,000	46%

* 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 first quarter of 2021. 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 \$1,639 million in the first quarter, an increase of 57 percent to the prior year, and an increase of 16 percent from the sequential quarter
- Fixed Indexed Annuities (FIA) Sales of \$1,047 million in the first quarter, an increase of 26 percent to the prior year, and an increase of 11 percent from the sequential quarter
- Average Assets Under Management (AAUM) of \$29.0 billion for the first quarter, up from \$27.9 billion in the sequential period driven by net new business asset flows
- Net Investment Spread: FIA spread for the first quarter of 298 basis points; Total Spread, including all product lines, for the first quarter of 255 basis points
- Net Earnings Attributable to Common Shareholders of \$289 million for the first quarter, including a \$5 million gain from discontinued operations and \$206 million net favorable mark-to-market and other items which are excluded from Adjusted Net Earnings
- Adjusted Net Earnings From Continuing Operations Attributable to Common Shareholders of \$78 million for the quarter, including \$12 million of net favorable notable items

William P. Foley, II, Chairman, commented, "I am very proud of our record first quarter title results in which we generated adjusted pre-tax title earnings of \$512 million and an adjusted pre-tax title margin of 19.9% compared to adjusted pre-tax title earnings of \$279 million and an adjusted pretax title margin of 14.4% in the 2020 comparable quarter. Total commercial revenues continued to rebound and were \$257 million for the quarter, compared to \$245 million in the first quarter of 2020, as total commercial orders closed increased 12%, as compared to the year ago quarter.

I am also pleased with the continued roll out of strategic technology initiatives that improved the production and delivery of our core products and services. We continue to invest in our proprietary title automation technology and the engines that search and examine property records and other data sources. These improvements to our title automation technology continue to be developed and adopted throughout our operations with great success. In addition, we have continued to deploy our inHere® Experience Platform, which leverages the latest cloud-based technology to reimagine the traditional real estate transaction and provide a digital user experience. During the first quarter, our inHere® deployment accelerated and has been well received by our staff, consumers and clients.

Turning to F&G, we had strong results on both top line growth and bottom line profitability. First quarter results include fixed indexed annuity sales at record quarterly levels. Momentum in the bank and broker dealer channel continues to contribute to our growth and is gaining traction within the first year of launch. We expanded underlying product margins in the quarter as a result of our disciplined approach to managing net investment spread. Given credit rating upgrades in 2020 after the acquisition, we are actively pursuing expansion into institutional products, including the pension risk transfer market which will be a strategic focus this year."

Mr. Foley concluded, "Our capital allocation strategy remains a key focus of the Board. Our disciplined strategy is focused on returning capital to shareholders, while making necessary investments in our businesses to drive growth. We recently announced our second quarter dividend of \$0.36 per share and have continued to make share repurchases throughout the first quarter, executing against our \$500 million share repurchase plan. During the quarter we purchased 2.8 million shares at an average purchase price of \$39.95 per share."

Conference Call

We will host a call with investors and analysts to discuss first quarter 2021 FNF results on Friday, May 7, 2021, 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 May 7, 2021, through May 14, 2021, by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International). The access code will be 13718683. 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.com.

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 consummation of the 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.
FIRST QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

March 31, 2021	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 746	\$ 746	\$ —	\$ —
Agency title premiums	1,058	1,058	—	—
Escrow, title related and other fees	851	745	64	42
Total title and escrow	2,655	2,549	64	42
Interest and investment income	402	29	373	—
Recognized gains and losses, net	43	(59)	102	—
Total revenue	3,100	2,519	539	42
Personnel costs	812	754	29	29
Agent commissions	807	807	—	—
Other operating expenses	458	405	28	25
Benefits & other policy reserve changes	(26)	—	(26)	—
Depreciation and amortization	183	33	144	6
Claim loss expense	81	81	—	—
Interest expense	28	—	8	20
Total expenses	2,343	2,080	183	80
Pre-tax earnings (loss) from continuing operations	\$ 757	\$ 439	\$ 356	\$ (38)
Income tax expense (benefit)	166	103	72	(9)
Earnings (loss) from equity investments	13	8	—	5
Earnings from discontinued operations, net of tax	5	—	5	—
Non-controlling interests	4	4	—	—
Net earnings (loss) attributable to common shareholders	\$ 605	\$ 340	\$ 289	\$ (24)
EPS from continuing operations attributable to common shareholders - basic	\$ 2.07			
EPS from discontinued operations attributable to common shareholders - basic	0.02			
EPS attributable to common shareholders - basic	\$ 2.09			
EPS from continuing operations attributable to common shareholders - diluted	\$ 2.06			
EPS from discontinued operations attributable to common shareholders - diluted	0.02			
EPS attributable to common shareholders - diluted	\$ 2.08			
Weighted average shares - basic	289			
Weighted average shares - diluted	291			

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

Three Months Ended

March 31, 2021

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 605	\$ 340	\$ 289	\$ (24)
Earnings from discontinued operations, net of tax	5	—	5	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 600	\$ 340	\$ 284	\$ (24)
Pre-tax earnings (loss) from continuing operations	\$ 757	\$ 439	\$ 356	\$ (38)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	(23)	59	(82)	—
Indexed product related derivatives	(185)	—	(185)	—
Purchase price amortization	25	14	7	4
Transaction costs	6	—	2	4
Adjusted pre-tax earnings (loss)	\$ 580	\$ 512	\$ 98	\$ (30)
Total non-GAAP, pre-tax adjustments	\$ (177)	\$ 73	\$ (258)	\$ 8
Income taxes on non-GAAP adjustments	32	(18)	52	(2)
Total non-GAAP adjustments	\$ (145)	\$ 55	\$ (206)	\$ 6
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 455	\$ 395	\$ 78	\$ (18)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 1.56			

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

Three Months Ended

March 31, 2020

	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 546	\$ 546	\$ —
Agency title premiums	732	732	—
Escrow, title related and other fees	601	610	(9)
Total title and escrow	1,879	1,888	(9)
Interest and investment income	53	48	5
Recognized gains and losses, net	(320)	(313)	(7)
Total revenue	1,612	1,623	(11)
Personnel costs	614	641	(27)
Agent commissions	560	560	—
Other operating expenses	411	380	31
Depreciation and amortization	43	37	6
Claim loss expense	58	58	—
Interest expense	12	—	12
Total expenses	1,698	1,676	22
Pre-tax earnings (loss)	\$ (86)	\$ (53)	\$ (33)
Income tax expense (benefit)	(28)	(19)	(9)
Earnings from equity investments	1	1	—
Non-controlling interests	4	4	—
Net earnings (loss) attributable to common shareholders	\$ (61)	\$ (37)	\$ (24)
EPS attributable to common shareholders - basic	\$ (0.22)		
EPS attributable to common shareholders - diluted	\$ (0.22)		
Weighted average shares - basic	274		
Weighted average shares - diluted	274		

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

<i>Three Months Ended</i> <i>March 31, 2020</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ (61)	\$ (37)	\$ (24)
Pre-tax earnings (loss)	\$ (86)	\$ (53)	\$ (33)
Non-GAAP Adjustments			
Recognized (gains) and losses, net	320	313	7
Purchase price amortization	23	19	4
Transaction costs	6	—	6
Adjusted pre-tax earnings (loss)	\$ 263	\$ 279	\$ (16)
Total non-GAAP, pre-tax adjustments	\$ 349	\$ 332	\$ 17
Income taxes on non-GAAP adjustments	(83)	(79)	(4)
Non-controlling interest on non-GAAP adjustments	(3)	(3)	—
Total non-GAAP adjustments	\$ 263	\$ 250	\$ 13
Adjusted net earnings attributable to common shareholders	\$ 202	\$ 213	\$ (11)
Adjusted EPS attributable to common shareholders - diluted	\$ 0.73		

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

	March 31, 2021	December 31, 2020
	(Unaudited)	(Unaudited)
Cash and investment portfolio	\$ 38,418	\$ 37,766
Goodwill	4,498	4,495
Title plant	401	404
Total assets	51,489	50,455
Notes payable	2,663	2,662
Reserve for title claim losses	1,683	1,623
Secured trust deposits	733	711
Non-controlling interests	40	41
Total equity and non-controlling interests	8,226	8,392
Total equity attributable to common shareholders	8,186	8,351

Non-GAAP Measures and Other Information

Title

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

(Dollars in millions)	Three Months Ended	
	March 31, 2021	March 31, 2020
Pre-tax earnings (loss)	\$ 439	\$ (53)
Non-GAAP adjustments before taxes		
Recognized (gains) and losses, net	59	313
Purchase price amortization	14	19
Total non-GAAP adjustments	73	332
Adjusted pre-tax earnings	\$ 512	\$ 279
Adjusted pre-tax margin	19.9 %	14.4 %

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

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Quarterly Opened Orders ('000's except % data)								
Total opened orders*	770	728	847	693	682	492	592	544
Total opened orders per day*	12.6	11.6	13.2	10.8	11.0	7.8	9.3	8.5
Purchase % of opened orders	42 %	38 %	40 %	37 %	41 %	50 %	52 %	61 %
Refinance % of opened orders	58 %	62 %	60 %	63 %	59 %	50 %	48 %	39 %
Total closed orders*	597	617	571	487	377	417	409	359
Total closed orders per day*	9.8	9.8	8.9	7.6	6.1	6.6	6.4	5.6
Purchase % of closed orders	34 %	38 %	42 %	35 %	46 %	49 %	55 %	65 %
Refinance % of closed orders	66 %	62 %	58 %	65 %	54 %	51 %	45 %	35 %
Commercial (millions, except orders in '000's)								
Total commercial revenue	\$ 257	\$ 322	\$ 216	\$ 184	\$ 245	\$ 321	\$ 301	\$ 286
Total commercial opened orders	62.2	57.0	58.1	43.9	56.3	55.1	56.0	58.6
Total commercial closed orders	34.8	39.5	30.6	25.7	31.0	39.1	36.4	34.0
National commercial revenue	\$ 127	\$ 177	\$ 113	\$ 96	\$ 132	\$ 186	\$ 172	\$ 163
National commercial opened orders	23.4	21.4	21.7	15.2	21.5	22.6	23.8	25.3
National commercial closed orders	11.2	13.4	9.8	8.8	10.7	16.2	14.1	12.7
Total Fee Per File								
Fee per file	\$ 1,944	\$ 2,116	\$ 2,063	\$ 1,889	\$ 2,224	\$ 2,384	\$ 2,459	\$ 2,677
Residential fee per file	\$ 1,644	\$ 1,661	\$ 1,803	\$ 1,614	\$ 1,744	\$ 1,792	\$ 1,928	\$ 2,075
Total commercial fee per file	\$ 7,400	\$ 8,200	\$ 7,100	\$ 7,200	\$ 7,900	\$ 8,200	\$ 8,300	\$ 8,400
National commercial fee per file	\$ 11,300	\$ 13,200	\$ 11,500	\$ 10,900	\$ 12,300	\$ 11,500	\$ 12,200	\$ 12,900
Total Staffing								
Total field operations employees	13,200	12,800	12,300	10,900	12,500	12,300	12,200	12,000
Actual title claims paid (\$ millions)								
	\$ 46	\$ 54	\$ 50	\$ 51	\$ 48	\$ 53	\$ 52	\$ 66

* 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.

	Three months ended	
	March 31, 2021	
(Dollars in millions)		
Net earnings (loss) attributable to common shareholders	\$	289
Less: Earnings (loss) from discontinued operations, net of tax		5
Net earnings (loss) from continuing operations attributable to common shareholders	\$	284
Non-GAAP adjustments (1,2):		
Recognized (gains) and losses, net		(82)
Indexed product related derivatives		(185)
Purchase price amortization		7
Transaction costs		2
Income taxes on non-GAAP adjustments		52
Adjusted earnings (loss) from continuing operations attributable to common shareholders	\$	78

Adjusted earnings from continuing operations include \$12 million of favorable items in the current quarter.

The table below provides summary financial highlights.

	Three Months Ended	
	March 31, 2021	
(Dollars in millions)		
Average assets under management (AAUM)⁽¹⁾	\$	29,016
Net investment spread - FIA ⁽¹⁾		2.98 %
Net investment spread - All products ⁽¹⁾		2.55 %
Net earnings (loss) from continuing operations attributable to common shareholders	\$	284
Adjusted earnings from continuing operations attributable to common shareholders⁽¹⁾	\$	78

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

	Three Months Ended			
	March 31, 2021		March 31, 2020	
(In millions)				
Fixed indexed annuity (FIA) sales⁽¹⁾	\$	1,047	\$	831
Total annuity sales⁽¹⁾	\$	1,639	\$	1,045

- 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**

**F&G Annuities & Life, Inc. ("F&G") - An Operating Segment of Fidelity National Financial, Inc. (NYSE:FNF)
Financial Supplement
March 31, 2021
(Year Ended December 31)**

The financial statements and financial exhibits included herein are unaudited. F&G is an operating segment of FNF (the Company) 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. Refer to the non-GAAP measures reconciliations and definitions within for further information.

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Consolidated Financial Highlights

	Three months ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	289	137	38	(39)	19	(346)
Adjusted net earnings (loss) from continuing operations attributable to common shareholders (1)	78	128	74	33	40	33
Select Metrics:						
Average Assets Under Management ("AAUM") (1)	29,016	27,864	26,990	26,582	29,285	28,924
Net investment spread (1)	2.55 %	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %

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

Sales Results by Product

The table below provides a summary of sales, which are not affected by the June 1, 2020, Business Combination and are comparable to prior period data.

	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Sales					
FIA	1,047	947	815	866	831
Fixed rate annuities (MYGA)	467	362	253	47	114
Institutional spread based	125	100	—	—	100
Total annuity	1,639	1,409	1,068	913	1,045
Index universal life	15	13	14	12	11
Flow reinsurance	—	37	51	142	122
Total Sales	\$ 1,654	\$ 1,459	\$ 1,133	\$ 1,067	\$ 1,178

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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 10-K/ 10-Q for further discussion on discontinued operations.

	Three months ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	289	137	38	(39)	19	\$ (346)
Less: discontinued operations [(earnings)/loss]	(5)	2	28	(5)	(22)	155
As adjusted for discontinued operations	284	139	66	(44)	(3)	(191)
Adjusted net earnings (loss) from continuing operations attributable to common shareholders (1)	78	128	74	33	40	33
Less: discontinued operations [(earnings)/loss]	—	—	—	—	8	26
As adjusted for discontinued operations	78	128	74	33	48	59
Less: Notable items [(unfavorable)/favorable] (2)	12	68	10	8	5	(6)
As adjusted for discontinued operations and notable items	\$ 66	\$ 60	\$ 64	\$ 25	\$ 43	\$ 65
Select Metrics:						
AAUM (1)	29,016	27,864	26,990	26,582	29,285	28,924
Less: discontinued operations	—	—	—	—	(2,236)	(2,266)
As adjusted for discontinued operations	29,016	27,864	26,990	26,582	27,049	26,658
Net investment spread (1)	2.55 %	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %
Less: discontinued operations [(earnings)/loss] (3)	— %	— %	— %	— %	0.13 %	0.09 %
As adjusted for discontinued operations	2.55 %	2.55 %	2.62 %	3.50 %	2.05 %	2.33 %

(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

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Condensed Consolidated Balance Sheets

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger
Assets					
Investments:					
Fixed maturity securities available for sale, at fair value, net of allowance for credit losses of \$4 at March 31, 2021	\$ 25,768	\$ 25,499	\$ 24,218	\$ 23,014	\$ 21,140
Preferred securities, at fair value	908	965	917	875	873
Equity securities, at fair value	141	82	54	54	42
Derivative investments	542	548	381	333	188
Mortgage loans, net of allowance for credit losses of \$36 at March 31, 2021	2,374	2,031	1,614	1,749	1,769
Investments in unconsolidated affiliates (a)	1,281	1,156	1,125	1,045	1,071
Other long-term investments	447	449	438	432	421
Short-term investments	72	456	34	38	36
Total investments	\$ 31,533	31,186	28,781	27,540	25,540
Cash and cash equivalents	995	889	1,014	909	740
Trade and notes receivables	11	10	2	2	1
Funds withheld for reinsurance receivable, at fair value	—	—	—	—	2,050
Reinsurance recoverable, net of allowance for credit losses of \$21 at March 31, 2021 (a)	3,404	3,174	3,152	3,182	3,186
Goodwill (a)	1,751	1,751	1,731	1,725	467
Prepaid expenses and other assets	470	413	448	381	384
Lease assets	8	8	7	8	9
Other intangible assets, net (a)	2,061	1,918	1,956	2,060	2,070
Property and equipment, net	13	11	7	2	2
Income taxes receivable	—	15	19	24	23
Deferred tax asset (a)	130	44	107	180	264
Assets of discontinued operations	311	327	2,618	2,502	—
Total assets	\$ 40,687	\$ 39,746	\$ 39,842	\$ 38,515	\$ 34,736

(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. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending December 31, 2020: Goodwill, \$20, Other intangible assets, net, (\$56), Reinsurance recoverable, \$47, and Deferred tax asset, \$10.

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Condensed Consolidated Balance Sheets (continued)

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger
Liabilities and Shareholders' Equity					
Contractholder funds (a)	29,592	28,718	27,488	26,628	26,226
Future policy benefits (a)	3,959	4,010	4,048	4,092	5,658
Accounts payable and accrued liabilities (a)	1,368	1,174	1,056	983	1,007
Income taxes payable	5	—	—	—	—
Notes payable	589	589	589	589	543
Funds withheld for reinsurance liabilities	1,026	806	814	817	821
Lease liabilities	14	14	12	13	9
Liabilities of discontinued operations	339	361	2,462	2,347	—
Total liabilities	36,892	35,672	36,469	35,469	34,264
Shareholders' equity:					
Additional paid-in-capital	2,744	2,741	2,739	2,737	2,041
Retained earnings (accumulated deficit)	425	136	(1)	(39)	(72)
Accumulated other comprehensive income (loss)	626	1,197	635	348	(1,428)
Treasury stock	—	—	—	—	(69)
Total shareholders' equity	3,795	4,074	3,373	3,046	472
Total liabilities and shareholders' equity	\$ 40,687	\$ 39,746	\$ 39,842	\$ 38,515	\$ 34,736

(a) Contractholder funds included a \$3 adjustment that was recorded as of the opening balance sheet at June 1, 2020 during the quarter ending September 30, 2020. Additionally, Contractholder funds, Future policy benefits, and Accounts payable and accrued liabilities included (\$5), (\$7), and \$33 adjustments as of the opening balance sheet at June 1, 2020, respectively, during the quarter ending December 31, 2020

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

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger
Total shareholders' equity	3,795	4,074	3,373	3,046	472
Equity attributable to preferred shareholders (1)	—	—	—	—	446
Common shareholders' equity (1)	3,795	4,074	3,373	3,046	26
AOCI	626	1,197	635	348	(1,428)
Total common shareholders' equity excluding AOCI (1)	\$ 3,169	\$ 2,877	\$ 2,738	\$ 2,698	\$ 1,454

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

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Condensed Consolidated Statements of Operations

	Three months ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Revenues:						
Life insurance premiums and other fees (a)	\$ 64	\$ 58	\$ 60	\$ 20	\$ 52	\$ 41
Interest and investment income	373	327	305	111	111	316
Recognized gains and losses, net	102	282	77	(7)	257	(692)
Total revenues	539	667	442	124	420	(335)
Benefits and expenses:						
Benefits and other changes in policy reserves	(26)	460	251	155	356	(41)
Personnel costs	29	33	23	9	15	21
Other operating expenses	28	30	33	12	40	74
Depreciation and amortization	144	64	56	3	1	(60)
Interest expense	8	8	7	3	5	8
Total benefits and expenses	183	595	370	182	417	2
Pre-tax earnings (loss) from continuing operations	356	72	72	(58)	3	(337)
Income tax expense	(72)	67	(6)	14	16	(1)
Net earnings (loss) from continuing operations	284	139	66	(44)	19	(338)
Earnings from discontinued operations, net of tax	5	(2)	(28)	5	—	—
Less Preferred stock dividend	—	—	—	—	—	(8)
Net earnings (loss) attributable to common shareholders	\$ 289	\$ 137	\$ 38	\$ (39)	\$ 19	\$ (346)

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

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

	Three Months Ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Net earnings (loss) from continuing operations	\$ 284	\$ 139	\$ 66	\$ (44)	\$ 19	\$ (338)
Less Preferred stock dividend	—	—	—	—	—	(8)
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 284	\$ 139	\$ 66	\$ (44)	\$ 19	\$ (346)
Non-GAAP adjustments (1):						
Recognized (gains) and losses, net	(82)	(76)	(15)	46	68	94
Indexed product related derivatives	(185)	54	14	43	(28)	287
Purchase price amortization	7	7	7	2	—	—
Transaction costs and other non-recurring items	2	4	10	7	4	34
Income taxes on non-GAAP adjustments	52	—	(8)	(21)	(23)	(36)
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 78	\$ 128	\$ 74	\$ 33	\$ 40	\$ 33

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
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 78	\$ 128	\$ 74	\$ 33	\$ 40	\$ 33
Notable items [(unfavorable)/favorable]						
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (a)	7	—	10	4	6	(5)
Assumption review and unlocking (b)	—	—	—	—	(4)	—
Other notable items (c)	5	68	—	4	3	(27)

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

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

(b) Reflects unlocking from updating our DAC, VOBA, DSI and cost of reinsurance amortization models for actual experience and equity market fluctuations.

(c) 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, bond prepayment income, changes in tax valuation, and other net activity.

Adjusted Net Earnings Statement (1)

	Three Months Ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Revenues:						
Life insurance premiums and other fees (a)	\$ 64	\$ 61	\$ 60	\$ 20	\$ 42	\$ 53
Interest and investment income (b)	333	315	314	120	200	\$ 317
Recognized gains and losses, net (c)	—	—	(1)	1	22	\$ (34)
Total revenues	397	376	373	141	264	\$ 336
Benefits and expenses:						
Benefits and other changes in policy reserves (d)	188	202	177	62	131	\$ 161
Personnel costs	29	33	23	9	15	\$ 21
Other operating expenses (e)	26	25	23	6	37	\$ 41
Depreciation and amortization (f)	48	46	56	21	32	\$ 27
Interest expense	8	8	7	3	5	\$ 8
Total benefits and expenses	299	314	286	101	220	\$ 258
Pre-tax earnings (loss) from continuing operations	98	62	87	40	44	\$ 78
Income tax expense	(20)	66	(13)	(7)	(4)	\$ (37)
Adjusted net earnings (1)	78	128	74	33	40	\$ 41
Less: Preferred stock dividend	—	—	—	—	—	\$ (8)
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 78	\$ 128	\$ 74	\$ 33	\$ 40	\$ 33
Notable items included in adjusted net earnings attributable to common shareholders (2)	\$ 12	\$ 68	\$ 10	\$ 8	\$ 5	\$ (32)

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

(2) 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-K/ 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.

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Financial Strength Ratings

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

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Total Product Net Investment Spread

	Three Months Ended			One month ended	Two months ended	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Net investment income	\$ 373	\$ 327	\$ 305	\$ 111	\$ 111	\$ 316
AAUM (1)	29,016	27,864	26,990	26,582	29,285	28,924
Yield on AAUM (1)	5.15 %	4.69 %	4.52 %	5.01 %	2.27 %	4.38 %
Alternative investment yield adjustment (1)	(0.56)%	(0.17)%	0.13 %	0.41 %	1.83 %	
Adjusted Yield on AAUM (1)	4.59 %	4.52 %	4.65 %	5.42 %	4.10 %	
Interest credits	\$ 74	\$ 67	\$ 67	\$ 21	\$ 53	\$ 76
Option & futures costs	\$ 65	\$ 63	64	19	43	60
Total interest credited and option costs	\$ 139	\$ 130	\$ 131	\$ 40	\$ 96	\$ 136
Average account value	27,252	26,450	25,688	25,330	26,463	25,453
Interest credited & option cost	2.04 %	1.97 %	2.03 %	1.92 %	2.18 %	2.14 %
Net investment spread (1)	2.55 %	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %

(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	Three months ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Net investment income (1)	\$ 276	\$ 235	\$ 215	\$ 69	\$ 51	\$ 209
AAUM (2)	20,217	19,097	18,312	18,267	18,623	18,111
Yield on AAUM (1) (2)	5.46 %	4.92 %	4.70 %	4.53 %	1.64 %	4.62 %
Alternative investment yield adjustment (2)	(0.81)%	(0.25)%	0.20 %	0.59 %	2.67 %	
Adjusted Yield on AAUM (1) (2)	4.65 %	4.67 %	4.90 %	5.12 %	4.31 %	
Interest credits	\$ 15	\$ 13	\$ 14	\$ 4	\$ 8	\$ 13
Option & futures costs	\$ 65	\$ 63	\$ 64	\$ 19	\$ 43	\$ 60
Total interest credited and option costs	80	76	78	23	51	73
Average account value	19,028	18,442	17,948	17,688	17,501	17,065
Interest credited & option cost	1.67 %	1.65 %	1.73 %	1.59 %	1.76 %	1.72 %
Net investment spread (1) (2)	2.98 %	3.02 %	3.17 %	3.53 %	2.55 %	2.90 %

(1) In December 2020, we restated prior period FIA net investment spread to reflect immaterial updates to FIA net investment income amounts. There was no impact to total product net investment spread amounts.

(2) 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
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
AAUM at beginning of period (1)	\$ 27,864	\$ 26,990	\$ 26,582	\$ 26,529	\$ 28,924	\$ 28,332
Net new business sales	1,197	874	408	53	361	592
Net reinsurance transactions and other	(45)	—	—	—	—	—
AAUM at end of period	\$ 29,016	\$ 27,864	\$ 26,990	\$ 26,582	\$ 29,285	\$ 28,924

(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
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Account balances at beginning of period:	\$ 22,992	\$ 22,106	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402
Net deposits	1,265	1,305	1,046	245	675	940
Surrenders, withdrawals, deaths, etc.	(585)	(533)	(482)	(161)	(381)	(452)
Net flows	680	772	564	84	294	488
Premium and interest bonuses	18	20	17	4	12	17
Fixed interest credited and index credits	148	131	114	29	50	123
Guaranteed product rider fees	(35)	(37)	(31)	(7)	(23)	(31)
Account balance at end of period	\$ 23,803	\$ 22,992	\$ 22,106	\$ 21,442	\$ 21,332	\$ 20,999

(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
	March 31, 2021	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 418	\$ 2,343
0.0% < 2.0%	6	104
2.0% < 4.0%	26	567
4.0% < 6.0%	560	1,563
6.0% < 8.0%	1,687	2,354
8.0% < 10.0%	1,724	5,137
10.0% or greater	2	7,312
	<u>\$ 4,423</u>	<u>\$ 19,380</u>

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	March 31, 2021	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 491	\$ 1,336
0.0% - 1.0%	432	1,389
1.0% - 2.0%	1,325	19
2.0% - 3.0%	2,175	1
Allocated to index strategies	—	16,635
	<u>\$ 4,423</u>	<u>\$ 19,380</u>

Summary of Invested Assets by Asset Class

	March 31, 2021			December 31, 2020		
	Post-Merger			Post-Merger		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available for sale:						
United States Government full faith and credit	\$ 45	\$ 45	— %	\$ 45	\$ 45	— %
United States Government sponsored entities	98	99	— %	105	106	— %
United States municipalities, states and territories	1,320	1,336	4 %	1,243	1,309	4 %
Foreign Governments	135	135	1 %	128	140	— %
Corporate securities:						
Finance, insurance and real estate	4,413	4,508	14 %	4,267	4,572	15 %
Manufacturing, construction and mining	840	886	3 %	839	936	3 %
Utilities, energy and related sectors	2,597	2,609	9 %	2,532	2,762	9 %
Wholesale/retail trade	2,171	2,218	7 %	1,900	2,106	7 %
Services, media and other	2,778	2,792	9 %	2,568	2,793	9 %
Hybrid securities	867	922	3 %	888	963	3 %
Non-agency residential mortgage-backed securities	658	688	2 %	677	694	2 %
Commercial mortgage-backed securities	2,493	2,868	9 %	2,468	2,806	9 %
Asset-backed securities	2,136	2,193	7 %	1,920	1,999	6 %
CLO securities	4,222	4,469	14 %	4,021	4,268	14 %
Alternative investments:						
Private equity	674	674	2 %	614	614	2 %
Real assets	290	295	1 %	280	288	1 %
Credit	312	312	1 %	254	254	1 %
Equity securities	958	1,048	3 %	959	1,047	3 %
Commercial mortgage loans	1,206	1,197	4 %	903	926	3 %
Residential mortgage loans	1,168	1,154	4 %	1,128	1,123	4 %
Other (primarily derivatives and company owned life insurance)	836	989	3 %	815	997	4 %
Short term investments	72	72	— %	456	456	1 %
Total (a)	\$ 30,289	\$ 31,509	100 %	\$ 29,010	\$ 31,204	100 %

(a) Asset duration of 6.61 years and 6.84 years vs. liability duration of 7.00 years and 6.65 years for the periods ending March 31, 2021 and December 31, 2020, respectively.

Credit Quality of Fixed Maturity Securities

NAIC Designation	March 31, 2021	
	Fair Value	Percent
1	\$ 12,743	49 %
2	10,551	41 %
3	1,579	6 %
4	733	3 %
5	161	1 %
6	1	— %
	<u>\$ 25,768</u>	<u>100 %</u>

Rating Agency Rating	March 31, 2021	
	Fair Value	Percent
AAA	\$ 457	2 %
AA	1,777	7 %
A	6,891	27 %
BBB	9,534	37 %
Not rated	4,686	18 %
Total investment grade	<u>23,345</u>	<u>91 %</u>
BB	1,456	6 %
B and below	633	2 %
Not rated	334	1 %
Total below investment grade	<u>2,423</u>	<u>9 %</u>
	<u>\$ 25,768</u>	<u>100 %</u>

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

Total by collateral type	March 31, 2021	
	Amortized Cost	Fair Value
Government agency	\$ 98	\$ 99
Prime	500	529
Subprime	69	69
Alt-A	89	91
	\$ 756	\$ 788

Total by NAIC designation	March 31, 2021	
	Amortized Cost	Fair Value
1	\$ 727	\$ 758
2	15	15
3	8	8
4	4	5
5	2	2
	\$ 756	\$ 788

Top 5 Reinsurers

Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	March 31, 2021			
		Financial Strength Rating			
		AM Best	S&P	Fitch	Moody's
Wilton Re	\$ 1,489	A+	not rated	A+	not rated
Kubera Insurance (SAC) Ltd	803	not rated	not rated	not rated	not rated
Aspida Life Re Ltd	230	A-	not rated	not rated	not rated
Security Life of Denver	161	not rated	A-	A-	Baa1
Hannover Re	136	A+	AA-	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.