

Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Three Months Ended March 31, 2020

The following analysis presents information regarding the pro-forma notional attribution of capital and surplus to Forethought Life Insurance Company (FLIC) as a result of certain funds withheld reinsurance arrangements with its Bermuda-domiciled reinsurance affiliates, Global Atlantic Re Limited (GA Re) and Global Atlantic Assurance Limited (GAAL). This information is provided for the single purpose of evaluating the financial position of FLIC in connection with a particular rating agency and should not be, and is not intended to be, used for any other regulatory, investment, or other purpose. This information is not prepared on the basis of generally accepted accounting principles, statutory accounting principles in the United States or Bermuda, nor any other comprehensive basis of accounting. This information should be considered together with the statutory filings of Global Atlantic Financial Group's insurance entities. In addition, the information presented below is unaudited.

Notional Attribution of GA Re and GAAL Capital and Surplus

The following table presents a proportional allocation of capital to reinsurance arrangements which has been attributed based on relative (pro-rata) exposure.

	March 31, 2020
	(Unaudited, in thousands)
Notional Capital Attribution*	
FLIC - Funds Withheld Arrangement	\$ 524,924
Other Affiliate and External Reinsurance	1,293,310
Total GA Re and GAAL Capital and Surplus	\$ 1,818,235

Notional Attribution of Allocated Capital to Invested Assets

The below table further attributes the allocated capital and surplus to NAIC invested asset categories based on the proportional mix of the actual assets for GA Re and GAAL.

	March 31, 2020
	(Unaudited, in thousands)
Invested Assets*	
CMBS	\$ 23,307
RMBS	67,558
ABS	145,352
Corporate Bonds	187,293
US Government Bonds	3,727
Other Bonds	35,275
Mortgage	39,369
Cash	12,073
Derivatives	1,365
BA Assets	9,606
Total Allocated Surplus	\$ 524,924

Bonds by NAIC Category*

NAIC 1	\$ 292,816
NAIC 2	147,171
Investment grade	439,987
NAIC 3	7,123
NAIC 4	1,249
NAIC 5	231
NAIC 6	10,915
Below Investment Grade	19,518
Exempt Investments	2,960
Money Market Funds	46
Total Bonds	\$ 462,511

Bonds by ASC 820 Fair Value Level*

Level 1	\$ 2,960
Level 2	437,674
Level 3	21,877
Total	\$ 462,511

Notional Allocation of Investment Income to Surplus Account

The below table shows a notional allocation of surplus net investment income to FLIC based on underlying returns.

	For the Three Months Ended March 31, 2020
	(Unaudited, in thousands)
Net Investment Income*	
Bonds	\$ 4,706
Mortgages and Other Loans	684
Cash/Cash Equivalents	12
Gross	5,403
Expense	698
Total	\$ 4,705
Capital Gains and (Losses)*	
Bonds	\$ (694)
Mortgages and Other Loans	(595)
Total	\$ (1,289)

* Rounding differences may occur