

Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Six Months Ended June 30, 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.

	June 30, 2020
	(Unaudited, in thousands)
Notional Capital Attribution*	
FLIC - Funds Withheld Arrangement	\$ 575,896
Other Affiliate and External Reinsurance	1,372,330
Total GA Re and GAAL Capital and Surplus	\$ 1,948,226

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.

	June 30, 2020
	(Unaudited, in thousands)
Invested Assets*	
CMBS	\$ 24,821
RMBS	73,484
ABS	161,942
Corporate Bonds	204,673
US Government Bonds	15,895
Other Bonds	33,920
Mortgage	39,046
Cash	11,748
Derivatives	691
BA Assets	9,675
Total Allocated Surplus	\$ 575,896

Bonds by NAIC Category*

NAIC 1	\$ 331,387
NAIC 2	162,193
Investment grade	493,580
NAIC 3	8,236
NAIC 4	1,441
NAIC 5	-
NAIC 6	309
Below Investment Grade	9,986
Exempt Investments	11,170
Money Market Funds	-
Total Bonds	\$ 514,735

Bonds by ASC 820 Fair Value Level*

Level 1	\$ 11,118
Level 2	492,447
Level 3	11,170
Total	\$ 514,735

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 Six Months Ended June 30, 2020
	(Unaudited, in thousands)
Net Investment Income*	
Bonds	\$ 9,553
Mortgages and Other Loans	698
Cash/Cash Equivalents	2
Gross	10,253
Expense	379
Total	\$ 9,873
Capital Gains and (Losses)*	
Bonds	\$ (570)
Mortgages and Other Loans	(466)
Total	\$ (1,036)

* Rounding differences may occur