

Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Nine Months Ended September 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.

	September 30, 2020
	(Unaudited, in thousands)
Notional Capital Attribution*	
FLIC - Funds Withheld Arrangement	\$ 646,882
Other Affiliate and External Reinsurance	1,518,775
Total GA Re and GAAL Capital and Surplus	\$ 2,165,656

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.

	September 30, 2020
	(Unaudited, in thousands)
Invested Assets*	
CMBS	\$ 25,034
RMBS	79,890
ABS	177,828
Corporate Bonds	235,788
US Government Bonds	11,967
Other Bonds	41,206
Mortgage	41,465
Cash	18,501
Derivatives	712
BA Assets	14,231
Total Allocated Surplus	\$ 646,882

Bonds by NAIC Category*

NAIC 1	\$ 362,695
NAIC 2	192,096
Investment grade	554,791
NAIC 3	7,547
NAIC 4	2,516
NAIC 5	-
NAIC 6	343
Below Investment Grade	10,405
Exempt Investments	6,518
Money Market Funds	-
Total Bonds	\$ 571,714

Bonds by ASC 820 Fair Value Level*

Level 1	\$ 6,403
Level 2	553,190
Level 3	12,120
Total	\$ 571,714

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 Nine Months Ended September 30, 2020
	(Unaudited, in thousands)
Net Investment Income*	
Bonds	\$ 15,930
Mortgages and Other Loans	1,053
Cash/Cash Equivalents	2
Gross	16,986
Expense	746
Total	\$ 16,239
Capital Gains and (Losses)*	
Bonds	\$ 693
Mortgages and Other Loans	(940)
Total	\$ (247)

* Rounding differences may occur