Brighthouse Financial, Inc.

Fourth Quarter and Full Year 2019 Earnings Call Presentation

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Note regarding forward-looking statements

This presentation and other oral or written statements that we make from time to time may contain information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve substantial risks and uncertainties. We have tried, wherever possible, to identify such statements using words such as “anticipate,” “estimate,” “expect,” “project,” “may,” “will,” “could,” “intend,” “goal,” “target,” “guidance,” “forecast,” “preliminary,” “objective,” “continue,” “aim,” “plan,” “believe” and other words and terms of similar meaning, or that are tied to future periods, in connection with a discussion of future operating or financial performance. In particular, these include, without limitation, statements relating to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, trends in operating and financial results, as well as statements regarding the expected benefits of the separation (the “Separation”) from MetLife, Inc. (“MetLife”).

Any or all forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining the actual future results of Brighthouse Financial. These statements are based on current expectations and the current economic environment and involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance. Actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others: differences between actual experience and actuarial assumptions and the effectiveness of our actuarial models; higher risk management costs and exposure to increased market and counterparty risk due to guarantees within certain of our products; the effectiveness of our variable annuity exposure management strategy and the impact of such strategy on net income volatility and negative effects on our statutory capital; the reserves we are required to hold against our variable annuities as a result of actuarial guidelines; a sustained period of low equity market prices and interest rates that are lower than those we assumed when we issued our variable annuity products; the potential material adverse effect of changes in accounting standards, practices and/or policies applicable to us, including changes in the accounting for long-duration contracts; our degree of leverage due to indebtedness; the effect adverse capital and credit market conditions may have on our ability to meet liquidity needs and our access to capital; the impact of changes in regulation and in supervisory and enforcement policies on our insurance business or other operations; the effectiveness of our risk management policies and procedures; the availability of reinsurance and the ability of our counterparties to our reinsurance or indemnification arrangements to perform their obligations thereunder; heightened competition, including with respect to service, product features, scale, price, actual or perceived financial strength, claims-paying ratings, credit ratings, e-business capabilities and name recognition; the ability of our insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our shareholders; our ability to market and distribute our products through distribution channels; any failure of third parties to provide services we need, any failure of the practices and procedures of these third parties and any inability to obtain information or assistance we need from third parties, including MetLife; whether all or any portion of the tax consequences of the Separation are not as expected, leading to material additional taxes or material adverse consequences to tax attributes that impact us; the uncertainty of the outcome of any disputes with MetLife over tax-related or other matters and agreements, including the potential of outcomes adverse to us that could cause us to owe MetLife material tax reimbursements or payments, or disagreements regarding MetLife’s or our obligations under our other agreements; the impact on our business structure, profitability, cost of capital and flexibility due to restrictions we have agreed to that preserve the tax-free treatment of certain parts of the Separation; the potential material negative tax impact of potential future tax legislation that could decrease the value of our tax attributes and cause other cash expenses, such as reserves, to increase materially and make some of our products less attractive to consumers; whether the Separation will qualify for non-recognition treatment for federal income tax purposes and potential indemnification to MetLife if the Separation does not so qualify; the impact of the Separation on our business and profitability due to MetLife’s strong brand and reputation, the increased costs related to replacing arrangements with MetLife with those of third parties and incremental costs as a public company; whether the operational, strategic and other benefits of the Separation can be achieved, and our ability to implement our business strategy; our ability to attract and retain key personnel; and other factors described from time to time in documents that we file with the U.S. Securities and Exchange Commission (the “SEC”).

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements included and the risks, uncertainties and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2018 and our subsequent Quarterly Reports on Form 10-Q, particularly in the sections entitled “Risk Factors” and “Quantitative and Qualitative Disclosures About Market Risk,” as well as in our other subsequent filings with the SEC. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Non-GAAP financial information

This presentation also contains measures that are not calculated based on accounting principles generally accepted in the United States of America, also known as "GAAP." Additional information regarding our use of non-GAAP financial information is included in the Appendix to these slides.

Executive summary

2019 Milestones

- Successfully managed early adoption of variable annuity (VA) capital reform
- Fully transitioned to multi-manager investment platform
- Launched SmartCare; $19 million of deposits as of year-end 2019
- Reduced risk and preserved distributable earnings with revised hedging strategy

Financial results and drivers(1)(2)

- Statutory combined total adjusted capital (TAC)(3) up ~$1.3 billion from 3Q 2019 to ~$9.7 billion
- Full year 2019 normalized statutory earnings(3) of ~$1.9 billion
- ~550% estimated combined risk-based capital (RBC) ratio(3)
- VA assets increased to ~$1.7 billion in excess of CTE98
- Full year 2019 annuity sales up 23% compared to 2018
- 15% growth in adjusted earnings per share, less notable items, full year 2019 compared to 2018

Executing stock repurchase program

- Repurchased ~$442 million of common stock for full year 2019
- Repurchased ~$128 million of common stock in 4Q 2019; additional ~$23 million repurchased in January 2020
- Additional $500 million common stock repurchase authorization

(1) Amounts shown on a post-tax basis, unless otherwise noted; (2) See the Appendix for non-GAAP financial information, definitions, and reconciliations; (3) Reflects preliminary statutory results as of December 31, 2019. See slide 5 for notable items.

Key components of revised hedging strategy

- Fundamental shift in risk profile of the company
- Going forward, plan to operate with up to a $500 million first loss position; significantly reduced from initial hedging strategy of $2 billion
- Protect the capital generated from market upside experienced to date
- Substantial reduction in equity sensitivity associated with VA guarantees

Net income (loss) available to shareholders; adjusted earnings; adjusted earnings less notable items

	For the Three Months Ended					
	December 31, 2019		September 30, 2019		December 31, 2018	
($ in millions, except per share)	Total	Per share [1]	Total	Per share [1]	Total	Per share [1]
Net income (loss) available to shareholders	($1,077)	($10.02)	$676	$6.06	$1,442	$12.14
Adjusted earnings [2]	$282	$2.61	($169)	($1.52)	$186	$1.56

Notable items[3]
($ in millions, except per share)

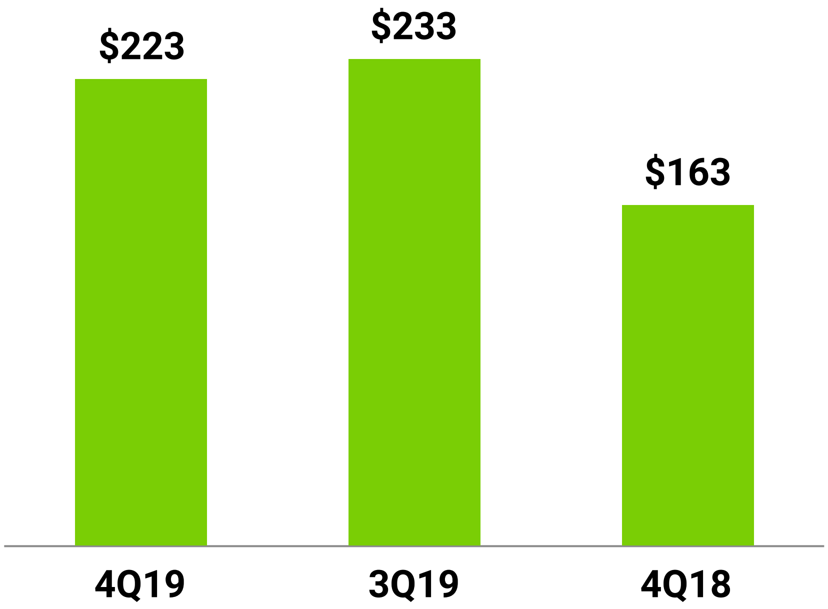
Actuarial items and other adjustments	($42)	($0.39)	$442	$3.96	($26)	($0.22)
Establishment costs	$25	$0.23	$10	$0.09	$39	$0.33
Separation-related transactions	$—	$—	($23)	($0.21)	$—	$—
Adjusted earnings, less notable items [2]	**$265**	**$2.46**	**$260**	**$2.33**	**$199**	**$1.68**

(1) Per share calculations are on a diluted basis and may not recalculate or foot due to rounding. For loss periods, dilutive shares were not included in the calculation as inclusion of such shares would have an anti-dilutive effect; (2) See the Appendix for non-GAAP financial information, definitions, and reconciliations; (3) Notable items reflect the negative (positive) after-tax impact to adjusted earnings of certain unanticipated items and events, as well as certain items and events that were anticipated, such as establishment costs. The presentation of notable items is intended to help investors better understand our results and to evaluate and forecast those results.

Annuities

Adjusted earnings, less notable items(1)

($ in millions)



Highlights

- 10% growth in sales versus 4Q 2018
- Compared with 4Q 2018, results reflect:
  - Favorable market impacts and higher net investment income
  - Partially offset by higher expenses and lower fees
- Sequential results reflect:
  - Higher expenses and lower fees
  - Partially offset by favorable market impacts

Key metrics

	For the Three Months Ended		
($ in millions)	December 31, 2019	September 30, 2019	December 31, 2018
Sales	**$1,871**	**$1,808**	**$1,698**
Net flows	**($1,236)**	**($1,072)**	**($2,018)**
Account value	**$129,539**	**$125,776**	**$117,859**
VA Separate account returns	**6.14%**	**0.83%**	**(9.23)%**

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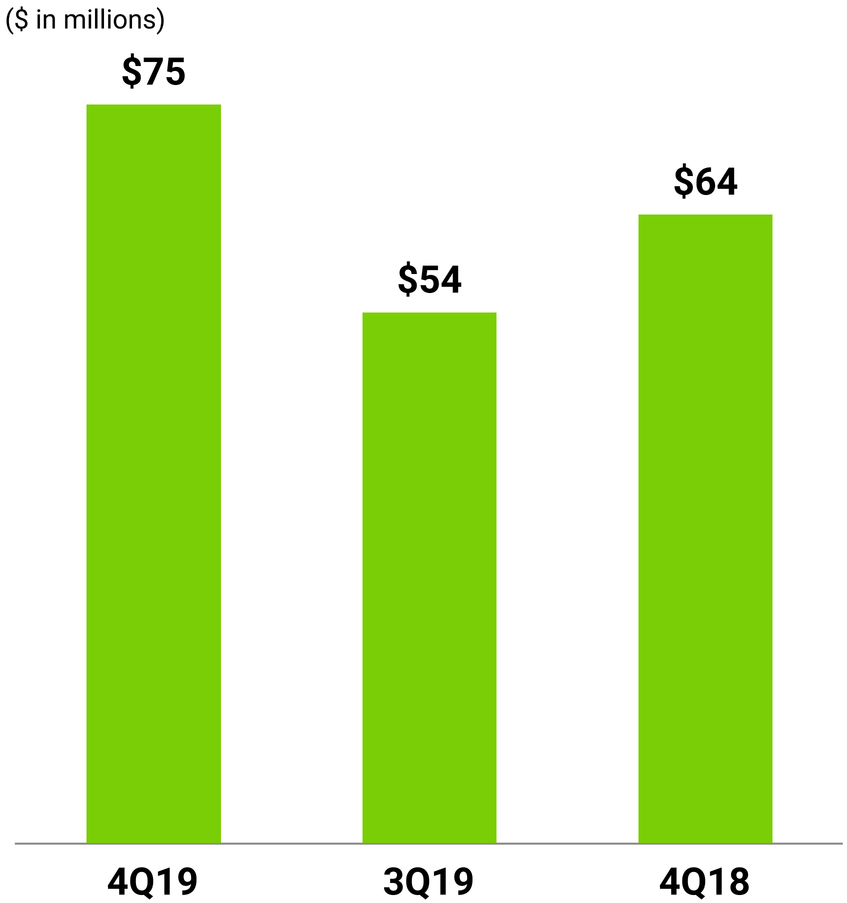
(1) See the Appendix for non-GAAP financial information, definitions, and reconciliations.

Life insurance

Adjusted earnings, less notable items[1]



Highlights

- Compared with 4Q 2018, results reflect:
  - Favorable market impacts
  - Partially offset by higher claims and lower net investment income
- Sequential results reflect:
  - Lower claims
  - Partially offset by lower net investment income

Key metrics

	For the Three Months Ended		
($ in millions)	December 31, 2019	September 30, 2019	December 31, 2018
Account value	**$8,175**	**$7,899**	**$7,426**
Life in-force, net of reinsurance[2]	**$357,658**	**$358,967**	**$372,576**

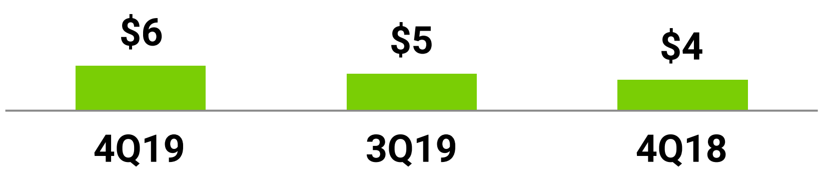
(1) See the Appendix for non-GAAP financial information, definitions, and reconciliations; (2) Amounts represented do not include ULSG and Group Life in-force, net of reinsurance, of $41.9 billion, $40.8 billion, and $41.5 billion for the three months ended December 31, 2019, September 30, 2019, and December 31, 2018, respectively, which are reported in the Run-off segment.

Run-off segment and Corporate & Other

Run-off

Adjusted earnings, less notable items[1]

($ in millions)



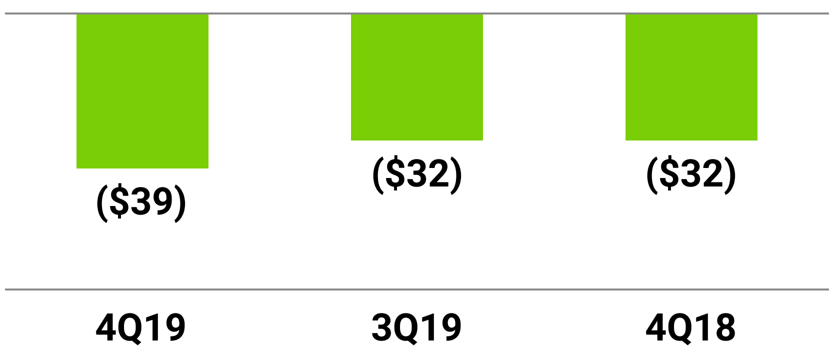
Highlights

- Results are comparable on both a quarter-over-quarter and sequential basis

Corporate & Other

Adjusted earnings, less notable items[1]

($ in millions)



Highlights

- Compared with 4Q 2018, results reflect:
  - Preferred stock dividends, which the company initiated in 2019
- Sequential results reflect:
  - Higher taxes

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(1) See the Appendix for non-GAAP financial information, definitions, and reconciliations.

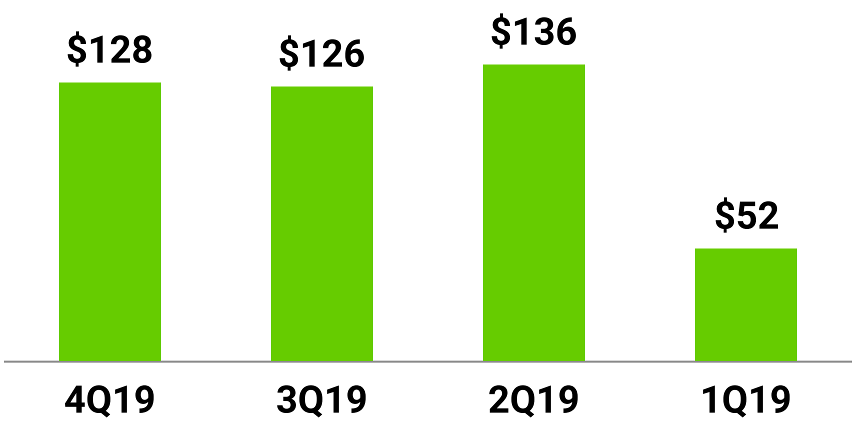
Robust capital & liquidity position

Capital position as of December 31, 2019

- TAC[(1)(2)] increased to ~$9.7 billion
- ~550% estimated combined RBC ratio[(1)(2)]
- Variable annuity assets increased to ~$1.7 billion above the CTE98 level[(2)]
- 2020 subsidiary ordinary dividend[(1)] capacity of ~$2.1 billion

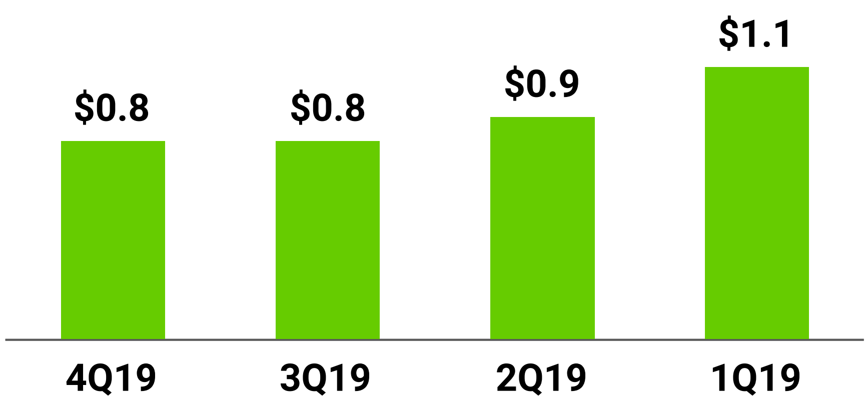
Common stock repurchases

($ in millions)



Holding company liquidity

($ in billions)



(1) Reflects preliminary statutory results as of December 31, 2019; (2) See the Appendix for non-GAAP financial information, definitions, and reconciliations.

Appendix

Non-GAAP and Other Financial Disclosures

Our definitions of the non-GAAP and other financial measures may differ from those used by other companies.

Non-GAAP Financial Disclosures

We present certain measures of our performance that are not calculated in accordance with GAAP. We believe that these non-GAAP financial measures highlight our results of operations and the underlying profitability drivers of our business, as well as enhance the understanding of our performance by the investor community.

The following non-GAAP financial measures, previously referred to as operating measures, should not be viewed as substitutes for the most directly comparable financial measures calculated in accordance with GAAP:

Non-GAAP financial measures:		Most directly comparable GAAP financial measures:	
(i)	adjusted earnings	(i)	net income (loss) available to shareholders (1)
(ii)	adjusted earnings, less notable items	(ii)	net income (loss) available to shareholders (1)
(iii)	adjusted revenues	(iii)	revenues
(iv)	adjusted expenses	(iv)	expenses
(v)	adjusted earnings per common share	(v)	earnings per common share, diluted (1)
(vi)	adjusted earnings per common share, less notable items	(vi)	earnings per common share, diluted (1)
(vii)	adjusted return on common equity	(vii)	return on common equity (2)
(viii)	adjusted return on common equity, less notable items	(viii)	return on common equity (2)
(ix)	adjusted net investment income	(ix)	net investment income

(1) Brighthouse uses net income (loss) available to shareholders to refer to net income (loss) available to Brighthouse Financial, Inc.'s common shareholders, and earnings per common share, diluted to refer to net income (loss) available to shareholders per common share.

(2) Brighthouse uses return on common equity to refer to return on Brighthouse Financial, Inc.'s common stockholders' equity.

Reconciliations to the most directly comparable historical GAAP measures are included for those measures which are presented herein. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are not accessible on a forward-looking basis because we believe it is not possible without unreasonable efforts to provide other than a range of net investment gains and losses and net derivative gains and losses, which can fluctuate significantly within or outside the range and from period to period and may have a material impact on net income (loss) available to shareholders.

Adjusted Earnings, Adjusted Revenues and Adjusted Expenses

Adjusted earnings, which may be positive or negative, is used by management to evaluate performance, allocate resources and facilitate comparisons to industry results. This financial measure focuses on our primary businesses principally by excluding the impact of market volatility, which could distort trends.

Non-GAAP and Other Financial Disclosures (Cont.)

Adjusted earnings reflects adjusted revenues less adjusted expenses, both net of income tax, and excludes net income (loss) attributable to noncontrolling interests and preferred stock dividends. Provided below are the adjustments to GAAP revenues and GAAP expenses used to calculate adjusted revenues and adjusted expenses, respectively.

The following are significant items excluded from total revenues, net of income tax, in calculating the adjusted revenues component of adjusted earnings:

- Net investment gains (losses);
- Net derivative gains (losses) ("NDGL"), except earned income on derivatives that are hedges of investments or that are used to replicate certain investments, but do not qualify for hedge accounting treatment (“Investment Hedge Adjustments”); and
- Certain variable annuity GMIB fees (“GMIB Fees”) and amortization of unearned revenue related to net investment gains (losses) and net derivative gains (losses).

The following are significant items excluded from total expenses, net of income tax, in calculating the adjusted expenses component of adjusted earnings:

- Amounts associated with benefits related to GMIBs (“GMIB Costs”);
- Amounts associated with periodic crediting rate adjustments based on the total return of a contractually referenced pool of assets and market value adjustments associated with surrenders or terminations of contracts (“Market Value Adjustments”); and
- Amortization of deferred acquisition costs ("DAC") and value of business acquired ("VOBA") related to (i) net investment gains (losses), (ii) net derivative gains (losses), (iii) GMIB Fees and GMIB Costs and (iv) Market Value Adjustments.

The tax impact of the adjustments mentioned is calculated net of the statutory tax rate, which could differ from our effective tax rate.

Consistent with GAAP guidance for segment reporting, adjusted earnings is also our GAAP measure of segment performance.

Adjusted Earnings per Common Share and Adjusted Return on Common Equity

Adjusted earnings per common share and adjusted return on common equity are measures used by management to evaluate the execution of our business strategy and align such strategy with our shareholders’ interests.

Adjusted earnings per common share is defined as adjusted earnings for the period divided by the weighted average number of fully diluted shares of common stock outstanding for the period. The weighted average common shares outstanding used to calculate adjusted earnings per share will differ from such shares used to calculate diluted net income (loss) available to shareholders per common share when the inclusion of dilutive shares has an anti-dilutive effect for one calculation but not for the other.

Adjusted return on common equity is defined as total annual adjusted earnings on a four quarter trailing basis, divided by the simple average of the most recent five quarters of total Brighthouse Financial, Inc.'s common stockholders’ equity, excluding AOCI.

Non-GAAP and Other Financial Disclosures (Cont.)

Adjusted Net Investment Income

We present adjusted net investment income to measure our performance for management purposes, and we believe it enhances the understanding of our investment portfolio results. Adjusted net investment income represents net investment income including investment hedge adjustments.

Other Financial Disclosures

Corporate Expenses

Corporate expenses includes functional department expenses, public company expenses, certain investment expenses, retirement funding and incentive compensation; and excludes establishment costs.

Notable items

Certain of the non-GAAP measures described above may be presented further adjusted to exclude notable items. Notable items reflect the impact on our results of certain unanticipated items and events, as well as certain items and events that were anticipated, such as establishment costs. The presentation of notable items and non-GAAP measures, less notable items is intended to help investors better understand our results and to evaluate and forecast those results.

Book Value per Common Share and Book Value per Common Share, excluding AOCI

Brighthouse uses the term “book value” to refer to “Brighthouse Financial, Inc.'s common stockholders’ equity, including AOCI.” Book value per common share is defined as ending Brighthouse Financial, Inc.'s common stockholders’ equity, including AOCI, divided by ending common shares outstanding. Book value per common share, excluding AOCI, is defined as ending Brighthouse Financial, Inc.'s common stockholders’ equity, excluding AOCI, divided by ending common shares outstanding.

CTE95

CTE95 is defined as the amount of assets required to satisfy contract holder obligations across market environments in the average of the worst five percent of a set of capital market scenarios over the life of the contracts.

CTE98

CTE98 is defined as the amount of assets required to satisfy contract holder obligations across market environments in the average of the worst two percent of a set of capital market scenarios over the life of the contracts.

Holding Company Liquid Assets

Holding company liquid assets include liquid assets in Brighthouse Financial, Inc., Brighthouse Holdings, LLC, and Brighthouse Services, LLC. Liquid assets include cash and cash equivalents, short-term investments and publicly traded securities excluding assets that are pledged or otherwise committed. Assets pledged or otherwise committed include amounts received in connection with derivatives and collateral financing arrangements.

Non-GAAP and Other Financial Disclosures (Cont.)

Other Financial Disclosures (cont.)

Total Adjusted Capital

Total adjusted capital primarily consists of statutory capital and surplus, as well as the statutory asset valuation reserve. When referred to as “combined,” represents that of our insurance subsidiaries as a whole.

Sales

Life insurance sales consist of 100 percent of annualized new premium for term life, first-year paid premium for whole life, universal life, and variable universal life, and total paid premium for indexed universal life. We exclude company-sponsored internal exchanges, corporate-owned life insurance, bank-owned life insurance, and private placement variable universal life.

Annuity sales consist of 100 percent of direct statutory premiums, except for fixed indexed annuity sales distributed through MassMutual that consist of 90 percent of gross sales. Annuity sales exclude company sponsored internal exchanges. These sales statistics do not correspond to revenues under GAAP, but are used as relevant measures of business activity.

Net Investment Income Yield

Similar to adjusted net investment income, we present net investment income yields as a performance measure we believe enhances the understanding of our investment portfolio results. Net investment income yields are calculated on adjusted net investment income as a percent of average quarterly asset carrying values. Asset carrying values exclude unrealized gains (losses), collateral received in connection with our securities lending program, freestanding derivative assets and collateral received from derivative counterparties. Investment fee and expense yields are calculated as investment fees and expenses as a percent of average quarterly asset estimated fair values. Asset estimated fair values exclude collateral received in connection with our securities lending program, freestanding derivative assets and collateral received from derivative counterparties.

Normalized Statutory Earnings

Normalized statutory earnings is used by management to measure our insurance companies' ability to pay future distributions and are reflective of whether our hedging program functions as intended. Normalized statutory earnings is calculated as statutory pre-tax income less the change in the variable annuities reserve methodology (Actuarial Guideline 43) while including the change in both the reserve and capital methodology based CTE95 calculation, as well as unrealized gains (losses) associated with the variable annuities risk management strategy. Normalized statutory earnings may be further adjusted for certain unanticipated items that impacted our results in order to help management and investors better understand, evaluate and forecast those results.

Risk-Based Capital Ratio

The risk-based capital ratio is a method of measuring an insurance company’s capital, taking into consideration its relative size and risk profile, in order to ensure compliance with minimum regulatory capital requirements set by the National Association of Insurance Commissioners. When referred to as “combined,” represents that of our insurance subsidiaries as a whole.

Adjusted earnings by segment and Corporate & Other, less notable items

($ in millions, post-tax)	For the Three Months Ended December 31, 2019	For the Three Months Ended September 30, 2019	For the Three Months Ended December 31, 2018	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Annuities	$265	$203	$175	$1,028	$1,023
Life	$75	$73	$64	$231	$228
Run-off	$6	($426)	$18	($454)	($43)
Corporate & Other	($64)	($19)	($71)	($206)	($316)
Adjusted earnings[1]	**$282**	**($169)**	**$186**	**$599**	**$892**
Notable items by segment and Corporate & Other[1]					
Annuities	($42)	$30	($12)	($12)	($166)
Life	$—	($19)	$—	($19)	($27)
Run-off	$—	$431	($14)	$443	$110
Corporate & Other	$25	($13)	$39	$69	$189
Notable items[1]	**($17)**	**$429**	**$13**	**$481**	**$106**
Adjusted earnings, less notable items by segment and Corporate & Other[1]					
Annuities	$223	$233	$163	$1,016	$857
Life	$75	$54	$64	$212	$201
Run-off	$6	$5	$4	($11)	$67
Corporate & Other	($39)	($32)	($32)	($137)	($127)
Adjusted earnings, less notable items[1]	**$265**	**$260**	**$199**	**$1,080**	**$998**

(1) See "Non-GAAP and other financial disclosures" and "Reconciliation of net income (loss) to adjusted earnings" in this Appendix. See slide 5 for notable items.

Reconciliation of net income (loss) available to shareholders to adjusted earnings, less notable items and net income (loss) available to shareholders per common share to adjusted earnings, less notable items per common share

($ in millions, except per share)	For the Three Months Ended December 31, 2019	For the Three Months Ended September 30, 2019	For the Three Months Ended December 31, 2018	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Net income (loss) available to shareholders	**($1,077)**	**$676**	**$1,442**	**($761)**	**$865**
Less: Net investment gains (losses)	33	27	(86)	112	(207)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(1,897)	1,057	2,038	(1,994)	687
Less: GMIB Fees and GMIB Costs	34	(4)	(137)	43	(124)
Less: Amortization of DAC and VOBA	93	2	(233)	153	(435)
Less: Market value adjustments and other	17	(14)	(1)	(36)	38
Less: Provision for income tax (expense) benefit on reconciling adjustments	361	(223)	(325)	362	14
Adjusted earnings(1)	**282**	**(169)**	**186**	**599**	**892**
Less: Notable items	17	(429)	(13)	(481)	(106)
Adjusted earnings, less notable items (1)	**$265**	**$260**	**$199**	**$1,080**	**$998**
Net income (loss) available to shareholders per common share(2)	**($10.02)**	**$6.06**	**$12.14**	**($6.76)**	**$7.21**
Less: Net investment gains (losses)	0.31	0.24	(0.73)	1.00	(1.73)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(17.65)	9.48	17.17	(17.72)	5.73
Less: GMIB Fees and GMIB Costs	0.32	(0.04)	(1.15)	0.38	(1.03)
Less: Amortization of DAC and VOBA	0.87	0.02	(1.96)	1.36	(3.63)
Less: Market value adjustments and other	0.16	(0.13)	(0.01)	(0.32)	0.32
Less: Provision for income tax (expense) benefit on reconciling adjustments	3.36	(2.00)	(2.74)	3.22	0.12
Less: Impact of inclusion of dilutive shares	0.01	—	—	0.01	—
Adjusted earnings per common share(1)(2)	**$2.61**	**($1.52)**	**$1.56**	**$5.31**	**$7.44**
Less: Notable items	0.16	(3.85)	(0.11)	(4.27)	(0.88)
Adjusted earnings, less notable items per common share (1) (2)	**$2.46**	**$2.33**	**$1.68**	**$9.58**	**$8.33**

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(1) See "Non-GAAP and other financial disclosures" in this Appendix.
(2) Per share calculations are on a diluted basis and may not recalculate or foot due to rounding. For loss periods, dilutive shares were not included in the calculation as inclusion of such shares would have an anti-dilutive effect.