

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): August 5, 2021



Brighthouse
FINANCIAL®

Brighthouse Financial, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-37905
(Commission File Number)

81-3846992
(IRS Employer Identification No.)

11225 North Community House Road, Charlotte, North Carolina
(Address of principal executive offices)

28277
(Zip Code)

Registrant's telephone number, including area code: **(980) 365-7100**

Not Applicable
(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(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	BHF	The Nasdaq Stock Market LLC
Depositary Shares, each representing a 1/1,000th interest in a share of 6.600% Non-Cumulative Preferred Stock, Series A	BHFAP	The Nasdaq Stock Market LLC
Depositary Shares, each representing a 1/1,000th interest in a share of 6.750% Non-Cumulative Preferred Stock, Series B	BHFAO	The Nasdaq Stock Market LLC
Depositary Shares, each representing a 1/1,000th interest in a share of 5.375% Non-Cumulative Preferred Stock, Series C	BHFAN	The Nasdaq Stock Market LLC
6.250% Junior Subordinated Debentures due 2058	BHFAL	The Nasdaq Stock Market LLC

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 August 5, 2021, Brighthouse Financial, Inc. (“Brighthouse Financial” or the “Company”) issued (i) a news release announcing its results for the quarter ended June 30, 2021, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, and (ii) a Financial Supplement for the quarter ended June 30, 2021, a copy of which is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in Items 2.02, 7.01 and Exhibits 99.1 and 99.3 listed in Item 9.01 of this Current Report on Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

In connection with its earnings call for the quarter ended June 30, 2021, Brighthouse Financial has prepared a presentation for use with investors and other members of the investment community. This presentation is available on the Brighthouse Financial investor relations website at <http://investor.brighthousefinancial.com>.

Brighthouse Financial routinely uses its investor relations website to provide presentations, press releases and other information that may be deemed material to investors. Accordingly, the Company encourages investors and others interested in the Company to review the information that it shares at <http://investor.brighthousefinancial.com>.

Item 8.01. Other Events.

On August 5, 2021, Brighthouse Financial issued a news release announcing that it has authorized the repurchase of up to \$1 billion of Brighthouse Financial common stock. This stock repurchase program is in addition to the \$200 million stock repurchase authorization the Company announced in February 2021, under which \$34 million remains as of August 4, 2021. Repurchases under the stock repurchase program may be made through open market purchases, including pursuant to 10b5-1 plans or pursuant to accelerated stock repurchase plans, or through privately negotiated transactions, from time to time at management's discretion in accordance with applicable legal requirements. A copy of the news release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1**	News release of Brighthouse Financial, Inc., dated August 5, 2021, announcing its results for the quarter ended June 30, 2021
99.2*	News release of Brighthouse Financial, Inc., dated August 5, 2021, announcing common stock repurchase authorization
99.3**	Financial Supplement for the quarter ended June 30, 2021
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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 hereunto duly authorized.

BRIGHTHOUSE FINANCIAL, INC.

By: /s/ Lynn A. Dumais
Name: Lynn A. Dumais
 Chief
Title: Accounting Officer

Date: August 5, 2021

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Exhibit 99.1

FOR IMMEDIATE RELEASE

Brighthouse Financial Announces Second Quarter 2021 Results

- Announced a new repurchase authorization of up to an additional \$1 billion of common stock
- The company repurchased \$246 million of its common stock year-to-date through August 4, 2021
- Estimated combined risk-based capital ("RBC") ratio between 480% and 500%; holding company liquid assets of \$1.6 billion
- \$250 million subsidiary ordinary dividend paid to the holding company in the second quarter of 2021
- Regulatory approval for \$600 million dividend from Brighthouse Reinsurance Company of Delaware to Brighthouse Life Insurance Company received in July 2021
- Annuity sales increased 25% over the second quarter of 2020
- Life sales increased 117% over the second quarter of 2020
- Second quarter 2021 net income available to shareholders of \$10 million, or \$0.11 per diluted share
- Second quarter 2021 adjusted earnings, less notable items*, of \$458 million, or \$5.32 per diluted share

CHARLOTTE, NC, August 5, 2021 — Brighthouse Financial, Inc. ("Brighthouse Financial" or the "company") (Nasdaq: BHF) announced today its financial results for the second quarter ended June 30, 2021.

Second Quarter 2021 Results

The company reported net income available to shareholders of \$10 million in the second quarter of 2021, or \$0.11 per diluted share, compared with a net loss available to shareholders of \$1,998 million in the second quarter of 2020. During the quarter, as a result of market performance, the value of our hedges decreased, as expected. Due to being accounted for as insurance liabilities as required under U.S. GAAP, certain corresponding liabilities are less sensitive to market movements and, therefore, did not fully offset the decrease in the value of our hedges.

The company ended the second quarter of 2021 with common stockholders' equity ("book value") of \$14.8 billion, or \$175.19 per common share, and book value, excluding accumulated other comprehensive income ("AOCI") of \$10.2 billion, or \$120.62 per common share.

* Information regarding the non-GAAP and other financial measures included in this news release and a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP measures are provided in the Non-GAAP and Other Financial Disclosures discussion below, as well as in the tables that accompany this news release and/or the Second Quarter 2021 Brighthouse Financial, Inc. Financial Supplement and/or the Second Quarter 2021 Brighthouse Financial, Inc. Earnings Call Presentation (which are available on the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>). Additional information regarding notable items can be found on the last page of this news release.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



For the second quarter of 2021, the company reported adjusted earnings* of \$435 million, or \$5.05 per diluted share, compared with adjusted earnings of \$11 million, or \$0.11 per diluted share, in the second quarter of 2020.

Adjusted earnings for the quarter reflected a \$23 million after tax unfavorable notable item, or \$0.27 per diluted share, for establishment costs related to planned technology and other expenses associated with the company's separation from its former parent company.

Corporate expenses in the second quarter of 2021 were \$218 million, up from \$203 million in the first quarter of 2021, both on a pre-tax basis.

Annuity sales increased 25% quarter-over-quarter and 8% sequentially, driven by record sales of Shield Level annuities and variable annuities with FlexChoice Access. Life sales increased 117% quarter-over-quarter and 13% sequentially, driven by sales of SmartCare.

During the second quarter of 2021, the company repurchased \$125 million of its common stock, with an additional \$53 million of its common stock repurchased, on a trade date basis, through August 4, 2021. Since the announcement of its first stock repurchase authorization in August 2018, the company has repurchased \$1,266 million of its common stock, on a trade date basis, through August 4, 2021. The company also announced today a new repurchase authorization of up to \$1 billion of its common stock. This stock repurchase authorization is in addition to the \$200 million stock repurchase authorization the company announced in February 2021, under which \$34 million remains as of August 4, 2021.

"Brighthouse Financial delivered another quarter of strong results," said Eric Steigerwalt, president and CEO, Brighthouse Financial. "We maintained balance sheet strength, grew sales, prudently managed our expenses and repurchased more of our common stock. In addition, we are very pleased to announce today our new stock repurchase program, which positions us to achieve our goal of returning \$1.5 billion to our shareholders by the end of this year and supports our ongoing commitment to return capital to our shareholders."

Key Metrics (Unaudited, dollars in millions except share and per share amounts)

	As of or For the Three Months Ended			
	June 30, 2021		June 30, 2020	
	Total	Per share	Total	Per share
Net income (loss) available to shareholders (1)	\$10	\$0.11	\$(1,998)	\$(21.10)
Adjusted earnings (1)	\$435	\$5.05	\$11	\$0.11
Adjusted earnings, less notable items (1)	\$458	\$5.32	\$39	\$0.41
Weighted average common shares outstanding - diluted (1)	86,065,150	N/A	94,837,492	N/A
Book value	\$14,755	\$175.19	\$20,107	\$216.25
Book value, excluding AOCI	\$10,159	\$120.62	\$15,142	\$162.85
Ending common shares outstanding	84,223,669	N/A	92,979,854	N/A

(1) Per share amounts are on a diluted basis and may not recalculate 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. See Non-GAAP and Other Financial Disclosures discussion in this news release.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Results by Segment and Corporate & Other (Unaudited, in millions)

ADJUSTED EARNINGS	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Annuities	\$338	\$336	\$171
Life	\$68	\$42	\$48
Run-off (1)	\$122	\$76	\$(115)
Corporate & Other (1)	\$(93)	\$(69)	\$(93)

(1) The company uses the term "adjusted loss" throughout this news release to refer to negative adjusted earnings values.

Sales (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Annuities (1)	\$2,299	\$2,132	\$1,838
Life	\$26	\$23	\$12

(1) Annuities sales include sales of a fixed index annuity product sold by Massachusetts Mutual Life Insurance Company, representing 90% of gross sales of that product. Sales of this product were \$173 million for the second quarter of 2021, \$182 million for the first quarter of 2021, and \$309 million for the second quarter of 2020.

Annuities

Adjusted earnings in the Annuities segment were \$338 million in the current quarter, compared with adjusted earnings of \$171 million in the second quarter of 2020 and adjusted earnings of \$336 million in the first quarter of 2021.

There were no notable items in the current quarter or the comparison quarters.

On a quarter-over-quarter basis, adjusted earnings reflect higher net investment income, higher fees, lower deferred acquisition costs ("DAC") amortization and lower reserves, partially offset by higher expenses. On a sequential basis, adjusted earnings reflect lower reserves, partially offset by higher expenses and lower net investment income.

As mentioned above, annuity sales increased 25% quarter-over-quarter and 8% sequentially, driven by record sales of Shield Level annuities and variable annuities with FlexChoice Access.

Life

Adjusted earnings in the Life segment were \$68 million in the current quarter, compared with adjusted earnings of \$48 million in the second quarter of 2020 and adjusted earnings of \$42 million in the first quarter of 2021.

There were no notable items in the current quarter or the comparison quarters.

On a quarter-over-quarter basis, adjusted earnings reflect higher net investment income, partially offset by a lower underwriting margin. On a sequential basis, adjusted earnings reflect lower DAC amortization, a higher underwriting margin and higher net investment income.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



As mentioned above, life sales increased 117% quarter-over-quarter and 13% sequentially, driven by sales of SmartCare.

Run-off

Adjusted earnings in the Run-off segment were \$122 million in the current quarter, compared with an adjusted loss of \$115 million in the second quarter of 2020 and adjusted earnings of \$76 million in the first quarter of 2021.

There were no notable items in the current quarter or the second quarter of 2020. The first quarter of 2021 included a \$29 million unfavorable notable item.

On both a quarter-over-quarter basis and sequential basis, adjusted earnings, less notable items, reflect higher net investment income, partially offset by a lower underwriting margin.

Corporate & Other

Corporate & Other had an adjusted loss of \$93 million in the current quarter, compared with an adjusted loss of \$93 million in the second quarter of 2020 and an adjusted loss of \$69 million in the first quarter of 2021.

The current quarter and the comparison quarters each included an unfavorable notable item related to establishment costs of \$23 million, \$28 million and \$14 million for the second quarter of 2021, the second quarter of 2020 and the first quarter of 2021, respectively.

On a quarter-over-quarter basis, the adjusted loss, less notable items, reflects higher total preferred stock dividends, partially offset by lower expenses. On a sequential basis, the adjusted loss, less notable items, reflects higher expenses and a lower tax benefit, partially offset by lower total preferred stock dividends.

Net Investment Income and Adjusted Net Investment Income (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Net investment income	\$1,212	\$1,187	\$652
Adjusted net investment income	\$1,217	\$1,192	\$656

Net Investment Income

Net investment income was \$1,212 million and adjusted net investment income* was \$1,217 million in the current quarter. Adjusted net investment income increased \$561 million on a quarter-over-quarter basis, primarily driven by higher alternative investment income. On a sequential basis, adjusted net investment income increased \$25 million primarily driven by asset growth and higher alternative investment income.

The net investment income yield was 5.08% during the quarter.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Statutory Capital and Liquidity (Unaudited, in billions)

	As of		
	June 30, 2021 (1)	March 31, 2021	June 30, 2020
Statutory combined total adjusted capital	\$9.4	\$9.4	\$7.7

(1) Reflects preliminary statutory results as of June 30, 2021.

Capitalization

At June 30, 2021:

- Estimated combined RBC ratio between 480% and 500%
- Holding company liquid assets were approximately \$1.6 billion
- Combined statutory total adjusted capital on a preliminary basis of approximately \$9.4 billion, consistent with the prior quarter, driven by positive market factors, offset by a \$250 million subsidiary ordinary dividend paid to the holding company

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Earnings Conference Call

Brighthouse Financial will hold a conference call and audio webcast to discuss its financial results for the second quarter of 2021 at 8:00 a.m. Eastern Time on Friday, August 6, 2021. In connection with this call, the company has prepared a presentation for use with investors and other members of the investment community. This presentation is available on the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>.

To listen to the audio webcast via the internet and to access the related presentation, please visit the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>. To join the conference call via telephone, please dial (844) 358-9117 (+1 (209) 905-5952 from outside the U.S.) and use conference ID 6540909.

A replay of the conference call will be made available until Friday, August 27, 2021, on the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>.

About Brighthouse Financial, Inc.

Brighthouse Financial, Inc. (Brighthouse Financial) (Nasdaq: BHF) is on a mission to help people achieve financial security. As one of the largest providers of annuities and life insurance in the U.S.,⁽¹⁾ we specialize in products designed to help people protect what they've earned and ensure it lasts. Learn more at brighthousefinancial.com.

(1) Ranked by 2020 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. A.M. Best, 2021.

CONTACT

FOR INVESTORS

David Rosenbaum
(980) 949-3326
david.rosenbaum@brighthousefinancial.com

FOR MEDIA

Deon Roberts
(980) 949-3071
deon.roberts@brighthousefinancial.com

Dana Amante
(980) 949-3073
[damante@brighthousefinancial.com](mailto:damate@brighthousefinancial.com)

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Note Regarding Forward-Looking Statements

This news release 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, financial projections, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, as well as trends in operating and financial results.

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 risk due to guarantees within certain of our products; the effectiveness of our variable annuity exposure risk management strategy and the impact of such strategy on volatility in our profitability measures and negative effects on our statutory capital; material differences from actual outcomes compared to the sensitivities calculated under certain scenarios and sensitivities that we may utilize in connection with our variable annuity risk management strategies; the impact of interest rates on our future ULSS policyholder obligations and net income volatility; the impact of the ongoing worldwide COVID-19 pandemic; the potential material adverse effect of changes in accounting standards, practices or policies applicable to us, including changes in the accounting for long-duration contracts; loss of business and other negative impacts resulting from a downgrade or a potential downgrade in our financial strength or credit ratings; the availability of reinsurance and the ability of the 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; 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 such third parties and any inability to obtain information or assistance we need from third parties; the ability of our subsidiaries to pay dividends to us, and our ability to pay dividends to our shareholders and repurchase our common stock; the adverse impact on liabilities for policyholder claims as a result of extreme mortality events; the impact of adverse capital and credit market conditions, including with respect to our ability to meet liquidity needs and access capital; the impact of economic conditions in the capital markets and the U.S. and global economy, as well as geo-political or catastrophic events, on our investment portfolio, including on realized and unrealized losses and impairments, net investment spread and net investment income; the impact of events that adversely affect issuers, guarantors or collateral relating to our investments or our derivatives counterparties, on impairments, valuation allowances, reserves, net investment income and changes in unrealized gain or loss positions; the impact of changes in regulation and in supervisory and enforcement policies on our insurance business or other operations; the potential material negative tax impact of potential future tax legislation that could make some of our products less attractive to consumers; the effectiveness of our policies and procedures in managing risk; the loss or disclosure of confidential information, damage to our reputation and impairment of our ability to conduct business effectively as a result of any failure in cyber- or other information security systems; whether all or any portion of the tax consequences of our separation from MetLife, Inc. ("MetLife") 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 or disagreements regarding MetLife's or our obligations under our other agreements; and other factors described from time to time in documents that we file with the U.S. Securities and Exchange Commission (the "SEC").

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



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, 2020, 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 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 accounting principles generally accepted in the United States of America, also known as "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:

adjusted earnings
adjusted earnings, less notable items
adjusted revenues
adjusted expenses
adjusted earnings per common share
adjusted earnings per common share, less notable items
adjusted return on common equity
adjusted return on common equity, less notable items
adjusted net investment income

Most directly comparable GAAP financial measures:

net income (loss) available to shareholders (1)
net income (loss) available to shareholders (1)
revenues
expenses
earnings per common share, diluted (1)
earnings per common share, diluted (1)
return on common equity (2)
return on common equity (2)
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.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



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.

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 and amortization of premium 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").

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 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

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



(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.

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.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Holding Company Liquid Assets

Holding company liquid assets include liquid assets in Brighthouse Financial, Inc., Brighthouse Holdings, LLC, and Brighthouse Services, LLC. Liquid assets are comprised of 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 assets held in trust.

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 index annuity sales distributed through MassMutual that consist of 90 percent of gross sales. Annuity sales exclude certain 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 (Loss)

Normalized statutory earnings (loss) is used by management to measure our insurance companies' ability to pay future distributions and is reflective of whether our hedging program functions as intended. Normalized statutory earnings (loss) is calculated as statutory pre-tax net gain from operations adjusted for the favorable or unfavorable impacts of (i) net realized capital gains (losses), (ii) the change in total asset requirement at CTE95, net of the change in our variable annuity reserves, and (iii) unrealized gains (losses) associated with our variable annuities risk management strategy. Normalized statutory earnings (loss) 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.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



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. The reporting of our combined risk-based capital ratio is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Condensed Statements of Operations (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Revenues			
Premiums	\$162	\$184	\$193
Universal life and investment-type product policy fees	919	930	827
Net investment income	1,212	1,187	652
Other revenues	101	127	93
Revenues before NIGL and NDGL	2,394	2,428	1,765
Net investment gains (losses)	(34)	14	(34)
Net derivative gains (losses)	(684)	(1,504)	(2,653)
Total revenues	\$1,676	\$938	\$(922)
Expenses			
Interest credited to policyholder account balances	\$287	\$297	\$276
Policyholder benefits and claims	752	756	839
Amortization of DAC and VOBA	8	91	(92)
Interest expense on debt	40	41	45
Other expenses	568	521	532
Total expenses	1,655	1,706	1,600
Income (loss) before provision for income tax	21	(768)	(2,522)
Provision for income tax expense (benefit)	(10)	(185)	(531)
Net income (loss)	31	(583)	(1,991)
Less: Net income (loss) attributable to noncontrolling interests	—	2	—
Net income (loss) attributable to Brighthouse Financial, Inc.	31	(585)	(1,991)
Less: Preferred stock dividends	21	25	7
Net income (loss) available to Brighthouse Financial, Inc.'s common shareholders	\$10	\$(610)	\$(1,998)

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Condensed Balance Sheets (Unaudited, in millions)

	As of		
	June 30, 2021	March 31, 2021	June 30, 2020
ASSETS			
Investments:			
Fixed maturity securities available-for-sale	\$84,785	\$78,971	\$76,796
Equity securities	91	106	129
Mortgage loans	16,732	15,690	15,791
Policy loans	1,255	1,245	1,201
Limited partnerships and limited liability companies	3,546	3,219	2,354
Short-term investments	1,293	1,673	4,537
Other invested assets	2,863	2,267	6,364
Total investments	110,565	103,171	107,172
Cash and cash equivalents	4,882	4,025	7,325
Accrued investment income	827	734	664
Reinsurance recoverables	15,290	15,257	14,359
Premiums and other receivables	837	872	859
DAC and VOBA	5,122	5,148	4,856
Current income tax recoverable	—	—	1
Other assets	494	506	532
Separate account assets	115,839	112,224	99,599
Total assets	\$253,856	\$241,937	\$235,367
LIABILITIES AND EQUITY			
Liabilities			
Future policy benefits	\$43,427	\$42,426	\$41,841
Policyholder account balances	60,300	55,152	50,338
Other policy-related balances	3,356	3,355	3,152
Payables for collateral under securities loaned and other transactions	5,143	4,281	7,876
Long-term debt	3,436	3,435	3,979
Current income tax payable	150	152	—
Deferred income tax liability	1,109	812	2,567
Other liabilities	4,916	5,018	5,041
Separate account liabilities	115,839	112,224	99,599
Total liabilities	237,676	226,855	214,393
Equity			
Preferred stock, at par value	—	—	—
Common stock, at par value	1	1	1
Additional paid-in capital	13,842	13,858	13,307
Retained earnings (deficit)	(1,088)	(1,119)	3,523
Treasury stock	(1,236)	(1,112)	(887)
Accumulated other comprehensive income (loss)	4,596	3,389	4,965
Total Brighthouse Financial, Inc.'s stockholders' equity	16,115	15,017	20,909
Noncontrolling interests	65	65	65
Total equity	16,180	15,082	20,974
Total liabilities and equity	\$253,856	\$241,937	\$235,367

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Reconciliation of Net Income (Loss) Available to Shareholders to Adjusted Earnings and Adjusted Earnings, Less Notable Items, and Reconciliation of Net Income (Loss) Available to Shareholders per Common Share to Adjusted Earnings per Common Share and Adjusted Earnings, Less Notable Items per Common Share (Unaudited, in millions except per share data)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
ADJUSTED EARNINGS, LESS NOTABLE ITEMS			
Net income (loss) available to shareholders	\$10	\$(610)	\$(1,998)
Less: Net investment gains (losses)	(34)	14	(34)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(689)	(1,509)	(2,657)
Less: GMIB Fees and GMIB Costs	75	122	(125)
Less: Amortization of DAC and VOBA	128	84	249
Less: Market value adjustments and other	(19)	31	24
Less: Provision for income tax (expense) benefit on reconciling adjustments	114	263	534
Adjusted earnings	435	385	11
Less: Notable items	(23)	(43)	(28)
Adjusted earnings, less notable items	\$458	\$428	\$39
ADJUSTED EARNINGS, LESS NOTABLE ITEMS PER COMMON SHARE (1)			
Net income (loss) available to shareholders per common share	\$0.11	\$(6.96)	\$(21.10)
Less: Net investment gains (losses)	(0.40)	0.16	(0.36)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(8.01)	(17.23)	(28.06)
Less: GMIB Fees and GMIB Costs	0.87	1.39	(1.32)
Less: Amortization of DAC and VOBA	1.49	0.96	2.63
Less: Market value adjustments and other	(0.22)	0.35	0.25
Less: Provision for income tax (expense) benefit on reconciling adjustments	1.32	3.00	5.64
Less: Impact of inclusion of dilutive shares	—	0.03	—
Adjusted earnings per common share	5.05	4.36	0.11
Less: Notable items	(0.27)	(0.49)	(0.30)
Adjusted earnings, less notable items per common share	\$5.32	\$4.86	\$0.41

(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. See Non-GAAP and Other Financial Disclosures discussion in this news release.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Reconciliation of Net Investment Income to Adjusted Net Investment Income (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Net investment income	\$1,212	\$1,187	\$652
Less: Investment hedge adjustments	(5)	(5)	(4)
Adjusted net investment income	\$1,217	\$1,192	\$656

Notable Items (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
NOTABLE ITEMS IMPACTING ADJUSTED EARNINGS			
Actuarial items and other insurance adjustments	\$—	\$29	\$—
Establishment costs	23	14	28
Total notable items (1)	\$23	\$43	\$28
NOTABLE ITEMS BY SEGMENT AND CORPORATE & OTHER			
Annuities	\$—	\$—	\$—
Life	—	—	—
Run-off	—	29	—
Corporate & Other	23	14	28
Total notable items (1)	\$23	\$43	\$28

(1) 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.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



Exhibit 99.2

FOR IMMEDIATE RELEASE

Brighthouse Financial Announces \$1 Billion Stock Repurchase Program

CHARLOTTE, NC, August 5, 2021 — Brighthouse Financial, Inc. ("Brighthouse Financial" or the "company") (Nasdaq: BHF) announced today that it has authorized the repurchase of up to \$1 billion of its common stock. The stock repurchase program is in addition to the \$200 million stock repurchase authorization announced by the company in February 2021, under which \$34 million remains as of August 4, 2021.

"We are pleased to announce this new authorization as it reflects our financial strength, positions us to achieve our goal of returning \$1.5 billion to our shareholders by the end of this year and supports our ongoing commitment to return capital to our shareholders," said Eric Steigerwalt, president and CEO, Brighthouse Financial. "Since the announcement of our first stock repurchase authorization in August of 2018 through August 4 of this year, we have repurchased almost \$1.3 billion of our common stock, which represents a reduction of more than 31% of shares outstanding from the time we became an independent, public company."

Repurchases under the program may be made through open market purchases, including pursuant to 10b5-1 plans or pursuant to accelerated stock repurchase plans, or through privately negotiated transactions, from time to time at management's discretion in accordance with applicable legal requirements.

Note Regarding Forward-Looking Statements

This news release 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, financial projections, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, as well as trends in operating and financial results.

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. These include the risks, uncertainties and other factors identified in Brighthouse Financial's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, particularly in the sections entitled "Risk Factors" and "Quantitative and Qualitative Disclosure About Market Risk," as well as in Brighthouse Financial's other subsequent filings with the U.S. Securities and Exchange Commission. Further, any forward-looking statement speaks only as of the date on which it is made, and Brighthouse Financial does not undertake any 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.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
Charlotte, NC 28277



About Brighthouse Financial, Inc.

Brighthouse Financial, Inc. (Brighthouse Financial) (Nasdaq: BHF) is on a mission to help people achieve financial security. As one of the largest providers of annuities and life insurance in the U.S.,⁽¹⁾ we specialize in products designed to help people protect what they've earned and ensure it lasts. Learn more at brighthousefinancial.com.

⁽¹⁾ Ranked by 2020 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. A.M. Best, 2021.

CONTACT

FOR INVESTORS

David Rosenbaum
(980) 949-3326
david.rosenbaum@brighthousefinancial.com

FOR MEDIA

Deon Roberts
(980) 949-3071
deon.roberts@brighthousefinancial.com

Dana Amante
(980) 949-3073
damante@brighthousefinancial.com

Brighthouse Financial, Inc. Financial Supplement

Second Quarter 2021

Table of Contents

Financial Results

- 1 Key Metrics
- 2 GAAP Statements of Operations
- 3 GAAP Balance Sheets

Earnings and Select Metrics from Business Segments and Corporate & Other

- 5 Statements of Adjusted Earnings by Segment and Corporate & Other
- 7 Annuities — Statements of Adjusted Earnings
- 8 Annuities — Select Operating Metrics
- 10 Life — Statements of Adjusted Earnings
- 11 Life — Select Operating Metrics
- 13 Run-off — Statements of Adjusted Earnings
- 14 Run-off — Select Operating Metrics
- 15 Corporate & Other — Statements of Adjusted Earnings

Other Information

- 17 DAC and VOBA and Net Derivative Gains (Losses)
- 18 Notable Items
- 19 Variable Annuity Separate Account Returns and Allocations
- 20 Summary of Investments
- 21 Statutory Statement of Operations Information
- 22 Statutory Balance Sheet and Surplus Information

Appendix

- A-1 Note Regarding Forward-Looking Statements
- A-2 Non-GAAP and Other Financial Disclosures
- A-6 Acronyms
- A-7 Reconciliation of Net Income (Loss) Available to Shareholders to Adjusted Earnings and Adjusted Earnings, Less Notable Items, and Reconciliation of Net Income (Loss) Available to Shareholders per Common Share to Adjusted Earnings per Common Share and Adjusted Earnings, Less Notable Items per Common Share
- A-8 Reconciliation of Return on Common Equity to Adjusted Return on Common Equity
- A-9 Reconciliation of Total Revenues to Adjusted Revenues and Reconciliation of Total Expenses to Adjusted Expenses
- A-10 Investment Reconciliation Details

Note: See the Appendix for non-GAAP financial information, definitions and reconciliations. Financial information, unless otherwise noted, is rounded to millions. Some financial information, therefore, may not sum to the corresponding total.

As used in this financial supplement, "Brighthouse Financial," "Brighthouse," the "Company," "we," "our" and "us" refer to Brighthouse Financial, Inc.





Financial Results



Key Metrics (Unaudited, dollars in millions except per share amounts)

	As of or For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Financial Results and Metrics (1)					
Net income (loss) available to shareholders	\$10	\$(610)	\$(1,045)	\$(3,012)	\$(1,998)
Adjusted earnings	\$435	\$385	\$189	\$(689)	\$11
Adjusted earnings, less notable items (2)	\$458	\$428	\$272	\$388	\$39
Total corporate expenses (3)	\$218	\$203	\$236	\$204	\$210
Combined total adjusted capital (4)	\$9,400	\$9,421	\$8,617	\$8,432	\$7,724
Combined risk-based capital ratio (4), (5)	480%-500%	500%-520%	487%	525%-545%	515%-535%
Stockholders' Equity					
Brighthouse Financial, Inc.'s stockholders' equity	\$16,115	\$15,017	\$18,023	\$18,266	\$20,909
Less: Preferred stock, net	1,360	1,360	1,360	802	802
Brighthouse Financial, Inc.'s common stockholders' equity, including AOCI	\$14,755	\$13,657	\$16,663	\$17,464	\$20,107
Less: AOCI	4,596	3,389	5,716	5,381	4,965
Brighthouse Financial, Inc.'s common stockholders' equity, excluding AOCI	\$10,159	\$10,268	\$10,947	\$12,083	\$15,142
Return on Common Equity (1)					
Return on common equity	(28.2)%	(37.9)%	(6.1)%	(6.3)%	14.3%
Return on common equity, excluding AOCI	(39.7)%	(50.7)%	(8.1)%	(8.0)%	17.8%
Adjusted return on common equity	2.7%	(0.8)%	(2.0)%	(1.3)%	2.3%
Earnings Per Common Share, Diluted (1), (6)					
Net income (loss) available to shareholders per common share	\$0.11	\$(6.96)	\$(11.69)	\$(32.49)	\$(21.10)
Adjusted earnings per common share	\$5.05	\$4.36	\$2.10	\$(7.43)	\$0.11
Adjusted earnings, less notable items per common share	\$5.32	\$4.86	\$3.03	\$4.19	\$0.41
Weighted average common shares outstanding	86,065,150	88,124,035	89,890,162	92,693,188	94,837,492
Book Value Per Common Share					
Book value per common share (1)	\$175.19	\$157.26	\$188.90	\$191.58	\$216.25
Book value per common share, excluding AOCI (1)	\$120.62	\$118.24	\$124.10	\$132.55	\$162.85
Ending common shares outstanding	84,223,669	86,841,260	88,211,618	91,158,927	92,979,854

(1) See definitions for Non-GAAP and Other Financial Disclosures in the Appendix beginning on page A-2.

(2) See additional information regarding notable items on page 18.

(3) Includes functional department expenses, public company expenses, certain investment expenses, retirement funding and incentive compensation; and excludes establishment costs.

(4) Reflects preliminary statutory results as of or for the three months ended June 30, 2021. See additional information on page 22.

(5) The RBC ratio is reported as a preliminary range on the quarters.

(6) For loss periods, dilutive shares were not included in the calculation of net income (loss) available to shareholders per common share or adjusted earnings per common share as inclusion of such shares would have an anti-dilutive effect.

GAAP Statements of Operations (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Revenues							
Premiums	\$162	\$184	\$191	\$184	\$193	\$346	\$391
Universal life and investment-type product policy fees	919	930	868	882	827	1,849	1,713
Net investment income	1,212	1,187	1,037	996	652	2,399	1,568
Other revenues	101	127	119	99	93	228	195
Revenues before NIGL and NDGL	2,394	2,428	2,215	2,161	1,765	4,822	3,867
Net investment gains (losses)	(34)	14	326	5	(34)	(20)	(53)
Net derivative gains (losses)	(684)	(1,504)	(2,410)	(1,857)	(2,653)	(2,188)	4,249
Total revenues	\$1,676	\$938	\$131	\$309	\$(922)	\$2,614	\$8,063
Expenses							
Interest credited to policyholder account balances	\$287	\$297	\$276	\$281	\$276	\$584	\$535
Policyholder benefits and claims	752	756	638	3,047	839	1,508	2,026
Amortization of DAC and VOBA	8	91	(156)	244	(92)	99	678
Interest expense on debt	40	41	45	47	45	81	92
Other expenses	568	521	634	533	532	1,089	1,002
Total expenses	1,655	1,706	1,437	4,152	1,600	3,361	4,333
Income (loss) before provision for income tax	21	(768)	(1,306)	(3,843)	(2,522)	(747)	3,730
Provision for income tax expense (benefit)	(10)	(185)	(275)	(850)	(531)	(195)	762
Net income (loss)	31	(583)	(1,031)	(2,993)	(1,991)	(552)	2,968
Less: Net income (loss) attributable to noncontrolling interests	—	2	1	2	—	2	2
Net income (loss) attributable to Brighthouse Financial, Inc.	31	(585)	(1,032)	(2,995)	(1,991)	(554)	2,966
Less: Preferred stock dividends	21	25	13	17	7	46	14
Net income (loss) available to Brighthouse Financial, Inc.'s common shareholders	\$10	\$(610)	\$(1,045)	\$(3,012)	\$(1,998)	\$(600)	\$2,952

GAAP Balance Sheets (Unaudited, in millions)

ASSETS	As of				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Investments:					
Fixed maturity securities available-for-sale	\$84,785	\$78,971	\$82,495	\$79,338	\$76,796
Equity securities	91	106	138	117	129
Mortgage loans	16,732	15,690	15,808	15,746	15,791
Policy loans	1,255	1,245	1,291	1,289	1,201
Limited partnerships and limited liability companies	3,546	3,219	2,810	2,562	2,354
Short-term investments	1,293	1,673	3,242	4,239	4,537
Other invested assets	2,863	2,267	3,747	5,038	6,364
Total investments	110,565	103,171	109,531	108,329	107,172
Cash and cash equivalents	4,882	4,025	4,108	6,189	7,325
Accrued investment income	827	734	676	781	664
Reinsurance recoverables	15,290	15,257	15,338	15,052	14,359
Premiums and other receivables	837	872	820	1,035	859
DAC and VOBA	5,122	5,148	4,911	4,664	4,856
Current income tax recoverable	—	—	—	—	1
Other assets	494	506	516	447	532
Separate account assets	115,839	112,224	111,969	103,184	99,599
Total assets	\$253,856	\$241,937	\$247,869	\$239,681	\$235,367
LIABILITIES AND EQUITY					
Liabilities					
Future policy benefits	\$43,427	\$42,426	\$44,448	\$44,537	\$41,841
Policyholder account balances	60,300	55,152	54,508	52,798	50,338
Other policy-related balances	3,356	3,355	3,411	3,088	3,152
Payables for collateral under securities loaned and other transactions	5,143	4,281	5,252	6,989	7,876
Long-term debt	3,436	3,435	3,436	3,979	3,979
Current income tax payable	150	152	126	72	—
Deferred income tax liability	1,109	812	1,620	1,816	2,567
Other liabilities	4,916	5,018	5,011	4,887	5,041
Separate account liabilities	115,839	112,224	111,969	103,184	99,599
Total liabilities	237,676	226,855	229,781	221,350	214,393
Equity					
Preferred stock, at par value	—	—	—	—	—
Common stock, at par value	1	1	1	1	1
Additional paid-in capital	13,842	13,858	13,878	13,314	13,307
Retained earnings (deficit)	(1,088)	(1,119)	(534)	511	3,523
Treasury stock	(1,236)	(1,112)	(1,038)	(941)	(887)
Accumulated other comprehensive income (loss)	4,596	3,389	5,716	5,381	4,965
Total Brighthouse Financial, Inc.'s stockholders' equity	16,115	15,017	18,023	18,266	20,909
Noncontrolling interests	65	65	65	65	65
Total equity	16,180	15,082	18,088	18,331	20,974
Total liabilities and equity	\$253,856	\$241,937	\$247,869	\$239,681	\$235,367



Earnings and Select Metrics from Business Segments and Corporate & Other

Statements of Adjusted Earnings by Segment and Corporate & Other (Cont.) (Unaudited, in millions)

	For the Six Months Ended June 30, 2021				
	Annuities	Life	Run-off	Corporate & Other	Total
Adjusted revenues					
Premiums	\$54	\$252	\$—	\$40	\$346
Universal life and investment-type product policy fees	1,221	189	314	—	1,724
Net investment income	1,083	334	961	31	2,409
Other revenues	197	18	15	—	230
Total adjusted revenues	\$2,555	\$793	\$1,290	\$71	\$4,709
Adjusted expenses					
Interest credited to policyholder account balances	\$367	\$55	\$157	\$3	\$582
Policyholder benefits and claims	291	454	818	33	1,596
Amortization of DAC and VOBA	250	55	—	6	311
Interest expense on debt	—	—	—	81	81
Other operating costs	816	92	90	91	1,089
Total adjusted expenses	1,724	656	1,065	214	3,659
Adjusted earnings before provision for income tax	831	137	225	(143)	1,050
Provision for income tax expense (benefit)	157	27	27	(29)	182
Adjusted earnings after provision for income tax	674	110	198	(114)	868
Less: Net income (loss) attributable to noncontrolling interests and preferred stock dividends	—	—	—	48	48
Adjusted earnings	\$674	\$110	\$198	\$(162)	\$820
	For the Six Months Ended June 30, 2020				
	Annuities	Life	Run-off	Corporate & Other	Total
Adjusted revenues					
Premiums	\$75	\$273	\$—	\$43	\$391
Universal life and investment-type product policy fees	1,093	170	321	—	1,584
Net investment income	865	185	490	36	1,576
Other revenues	170	11	14	—	195
Total adjusted revenues	\$2,203	\$639	\$825	\$79	\$3,746
Adjusted expenses					
Interest credited to policyholder account balances	\$317	\$52	\$165	\$1	\$535
Policyholder benefits and claims	368	385	803	31	1,587
Amortization of DAC and VOBA	195	54	—	7	256
Interest expense on debt	—	—	—	92	92
Other operating costs	729	75	93	105	1,002
Total adjusted expenses	1,609	566	1,061	236	3,472
Adjusted earnings before provision for income tax	594	73	(236)	(157)	274
Provision for income tax expense (benefit)	107	14	(51)	(34)	36
Adjusted earnings after provision for income tax	487	59	(185)	(123)	238
Less: Net income (loss) attributable to noncontrolling interests and preferred stock dividends	—	—	—	16	16
Adjusted earnings	\$487	\$59	\$(185)	\$(139)	\$222

Annuities — Statements of Adjusted Earnings (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Adjusted revenues							
Premiums	\$18	\$36	\$38	\$34	\$40	\$54	\$75
Universal life and investment-type product policy fees	618	603	588	569	527	1,221	1,093
Net investment income	533	550	486	469	405	1,083	865
Other revenues	88	109	91	85	80	197	170
Total adjusted revenues	\$1,257	\$1,298	\$1,203	\$1,157	\$1,052	\$2,555	\$2,203
Adjusted expenses							
Interest credited to policyholder account balances	\$182	\$185	\$165	\$169	\$162	\$367	\$317
Policyholder benefits and claims	118	173	153	9	164	291	368
Amortization of DAC and VOBA	123	127	118	127	157	250	195
Interest expense on debt	—	—	—	—	—	—	—
Other operating costs	417	399	407	373	364	816	729
Total adjusted expenses	840	884	843	678	847	1,724	1,609
Adjusted earnings before provision for income tax	417	414	360	479	205	831	594
Provision for income tax expense (benefit)	79	78	67	92	34	157	107
Adjusted earnings	\$338	\$336	\$293	\$387	\$171	\$674	\$487

Annuities — Select Operating Metrics (Unaudited, in millions)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
VARIABLE AND SHIELD LEVEL ANNUITIES ACCOUNT VALUE (1)					
Account value, beginning of period	\$125,527	\$124,227	\$115,111	\$110,993	\$100,691
Deposits	2,173	1,972	1,838	1,428	1,319
Withdrawals, surrenders and contract benefits	(2,874)	(2,748)	(2,593)	(1,958)	(1,827)
Net flows (2)	(701)	(776)	(755)	(530)	(508)
Investment performance (3)	6,026	2,869	10,663	5,404	11,496
Policy charges and other	(835)	(793)	(792)	(756)	(686)
Account value, end of period	\$130,017	\$125,527	\$124,227	\$115,111	\$110,993
FIXED ANNUITIES ACCOUNT VALUE (4)					
Account value, beginning of period	\$15,404	\$15,358	\$14,443	\$13,660	\$13,313
Deposits	197	231	1,159	946	548
Withdrawals, surrenders and contract benefits	(231)	(279)	(332)	(242)	(291)
Net flows (2)	(34)	(48)	827	704	257
Interest credited	98	107	89	98	92
Other	(12)	(13)	(1)	(19)	(2)
Account value, end of period	\$15,456	\$15,404	\$15,358	\$14,443	\$13,660
INCOME ANNUITIES (1)					
Income annuity insurance liabilities	\$4,665	\$4,624	\$4,817	\$4,798	\$4,587

(1) Includes general account and separate account.

(2) Deposits and withdrawals include policy exchanges.

(3) Includes imputed interest on indexed annuities and the interest credited on the general account investment option of variable products.

(4) Includes fixed index annuities.

Annuities — Select Operating Metrics (Cont.) (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
VARIABLE AND SHIELD LEVEL ANNUITY SALES							
Shield Level Annuities (1)	\$1,593	\$1,423	\$1,359	\$934	\$905	\$3,016	\$2,045
GMWB/GMAB	393	366	332	350	277	759	599
GMDB only	100	95	81	87	82	195	169
GMI B	18	23	23	19	22	41	41
Total variable and Shield Level annuity sales	\$2,104	\$1,907	\$1,795	\$1,390	\$1,286	\$4,011	\$2,854
FIXED AND INCOME ANNUITY SALES							
Fixed index annuities (2)	\$173	\$182	\$253	\$234	\$309	\$355	\$517
Fixed deferred annuities	22	42	902	709	239	64	430
Single premium immediate annuities	—	1	—	1	4	1	5
Other fixed and income annuities	—	—	1	1	—	—	1
Total fixed and income annuity sales	\$195	\$225	\$1,156	\$945	\$552	\$420	\$953

(1) Shield Level Annuities refers to our suite of structured annuities consisting of products marketed under various names.

(2) Represents 100% of gross sales on directly written business and the proportion of assumed gross sales under reinsurance agreements.

Life — Statements of Adjusted Earnings (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Adjusted revenues							
Premiums	\$125	\$127	\$131	\$129	\$132	\$252	\$273
Universal life and investment-type product policy fees	83	106	62	83	77	189	170
Net investment income	168	166	144	131	69	334	185
Other revenues	7	11	8	7	7	18	11
Total adjusted revenues	\$383	\$410	\$345	\$350	\$285	\$793	\$639
Adjusted expenses							
Interest credited to policyholder account balances	\$24	\$31	\$27	\$27	\$25	\$55	\$52
Policyholder benefits and claims	216	238	246	132	148	454	385
Amortization of DAC and VOBA	10	45	3	50	(4)	55	54
Interest expense on debt	—	—	—	—	—	—	—
Other operating costs	48	44	54	47	56	92	75
Total adjusted expenses	298	358	330	256	225	656	566
Adjusted earnings before provision for income tax	85	52	15	94	60	137	73
Provision for income tax expense (benefit)	17	10	2	18	12	27	14
Adjusted earnings	\$68	\$42	\$13	\$76	\$48	\$110	\$59

Life — Select Operating Metrics (Unaudited, in millions)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
LIFE ACCOUNT VALUE: GENERAL ACCOUNT					
Universal and variable universal life account value, beginning of period	\$2,670	\$2,674	\$2,670	\$2,674	\$2,691
Premiums and deposits (1)	78	74	69	65	67
Surrenders and contract benefits	(39)	(46)	(43)	(38)	(43)
Net flows	39	28	26	27	24
Net transfers from (to) separate account	9	8	25	16	11
Interest credited	25	28	26	26	25
Policy charges and other	(76)	(68)	(73)	(73)	(77)
Universal and variable universal life account value, end of period	\$2,667	\$2,670	\$2,674	\$2,670	\$2,674
LIFE ACCOUNT VALUE: SEPARATE ACCOUNT					
Variable universal life account value, beginning of period	\$6,373	\$6,230	\$5,582	\$5,261	\$4,478
Premiums and deposits	47	49	50	50	51
Surrenders and contract benefits	(64)	(81)	(54)	(49)	(44)
Net flows	(17)	(32)	(4)	1	7
Investment performance	423	237	733	390	839
Net transfers from (to) general account	(9)	(8)	(25)	(16)	(11)
Policy charges and other	(49)	(54)	(56)	(54)	(52)
Variable universal life account value, end of period	\$6,721	\$6,373	\$6,230	\$5,582	\$5,261

(1) Includes premiums and sales directed to the general account investment option of variable products.

Run-off — Statements of Adjusted Earnings (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Adjusted revenues							
Premiums	\$—	\$—	\$2	\$—	\$—	\$—	\$—
Universal life and investment-type product policy fees	155	159	155	163	159	314	321
Net investment income	499	462	396	383	166	961	490
Other revenues	8	7	7	7	7	15	14
Total adjusted revenues	\$662	\$628	\$560	\$553	\$332	\$1,290	\$825
Adjusted expenses							
Interest credited to policyholder account balances	\$77	\$80	\$82	\$82	\$88	\$157	\$165
Policyholder benefits and claims	399	419	405	1,870	349	818	803
Amortization of DAC and VOBA	—	—	—	—	—	—	—
Interest expense on debt	—	—	—	—	—	—	—
Other operating costs	46	44	49	44	41	90	93
Total adjusted expenses	522	543	536	1,996	478	1,065	1,061
Adjusted earnings before provision for income tax	140	85	24	(1,443)	(146)	225	(236)
Provision for income tax expense (benefit)	18	9	(1)	(304)	(31)	27	(51)
Adjusted earnings	\$122	\$76	\$25	\$(1,139)	\$(115)	\$198	\$(185)

Run-off — Select Operating Metrics (Unaudited, in millions)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
UNIVERSAL LIFE WITH SECONDARY GUARANTEES ACCOUNT VALUE					
Account value, beginning of period	\$5,740	\$5,823	\$5,865	\$5,930	\$5,979
Premiums and deposits (1)	174	175	181	176	181
Surrenders and contract benefits	(27)	(49)	(23)	(40)	(31)
Net flows	147	126	158	136	150
Interest credited	50	49	51	51	57
Policy charges and other	(254)	(258)	(251)	(252)	(256)
Account value, end of period	\$5,683	\$5,740	\$5,823	\$5,865	\$5,930
	As of				
LIFE INSURANCE IN-FORCE					
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Universal Life with Secondary Guarantees					
Life Insurance in-force, before reinsurance	\$75,487	\$76,050	\$76,745	\$76,342	\$76,872
Life Insurance in-force, net of reinsurance	\$37,133	\$36,690	\$37,044	\$36,842	\$37,126

(1) Includes premiums and sales directed to the general account investment option of variable products.

Corporate & Other — Statements of Adjusted Earnings (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Adjusted revenues							
Premiums	\$19	\$21	\$20	\$21	\$21	\$40	\$43
Universal life and investment-type product policy fees	—	—	—	—	—	—	—
Net investment income	17	14	16	18	16	31	36
Other revenues	—	—	2	—	—	—	—
Total adjusted revenues	\$36	\$35	\$38	\$39	\$37	\$71	\$79
Adjusted expenses							
Interest credited to policyholder account balances	\$3	\$—	\$1	\$1	\$1	\$3	\$1
Policyholder benefits and claims	15	18	16	10	14	33	31
Amortization of DAC and VOBA	3	3	3	(19)	4	6	7
Interest expense on debt	40	41	45	47	45	81	92
Other operating costs	57	34	116	32	71	91	105
Total adjusted expenses	118	96	181	71	135	214	236
Adjusted earnings before provision for income tax	(82)	(61)	(143)	(32)	(98)	(143)	(157)
Provision for income tax expense (benefit)	(10)	(19)	(15)	(38)	(12)	(29)	(34)
Adjusted earnings after provision for income tax	(72)	(42)	(128)	6	(86)	(114)	(123)
Less: Net income (loss) attributable to noncontrolling interests and preferred stock dividends	21	27	14	19	7	48	16
Adjusted earnings	\$(93)	\$(69)	\$(142)	\$(13)	\$(93)	\$(162)	\$(139)



Other Information



Notable Items (Unaudited, in millions)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
NOTABLE ITEMS IMPACTING ADJUSTED EARNINGS					
Actuarial items and other insurance adjustments	\$—	\$29	\$17	\$1,062	\$—
Establishment costs	23	14	32	15	28
Debt repayment costs	—	—	34	—	—
Total notable items (1)	\$23	\$43	\$83	\$1,077	\$28
NOTABLE ITEMS BY SEGMENT AND CORPORATE & OTHER					
Annuities	\$—	\$—	\$—	\$(102)	\$—
Life	—	—	17	11	—
Run-off	—	29	—	1,172	—
Corporate & Other	23	14	66	(4)	28
Total notable items (1)	\$23	\$43	\$83	\$1,077	\$28

(1) 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.

Variable Annuity Separate Account Returns and Allocations (Unaudited)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
VARIABLE ANNUITY SEPARATE ACCOUNT RETURNS					
Total Quarterly VA separate account gross returns	5.91%	2.93%	11.48%	6.04%	14.11%
TOTAL VARIABLE ANNUITY SEPARATE ACCOUNT ALLOCATIONS					
Percent allocated to equity funds	28.62%	29.28%	27.88%	26.85%	26.31%
Percent allocated to bond funds/other funds	8.40%	8.44%	8.43%	8.82%	8.73%
Percent allocated to target volatility funds	21.14%	20.15%	21.69%	22.38%	22.85%
Percent allocated to balanced funds	41.84%	42.13%	42.00%	41.95%	42.11%

Summary of Investments (Unaudited, dollars in millions)

	June 30, 2021		December 31, 2020	
	Amount	% of Total	Amount	% of Total
Fixed maturity securities:				
U.S. corporate securities	\$37,917	32.84%	\$37,906	33.36%
Foreign corporate securities	11,829	10.25%	11,511	10.13%
U.S. government and agency securities	9,258	8.02%	8,638	7.60%
Residential mortgage-backed securities	8,723	7.55%	8,294	7.30%
Commercial mortgage-backed securities	6,998	6.06%	6,790	5.98%
State and political subdivision securities	4,835	4.19%	4,640	4.08%
Asset-backed securities	3,356	2.91%	2,884	2.54%
Foreign government securities	1,869	1.62%	1,832	1.60%
Total fixed maturity securities	84,785	73.44%	82,495	72.59%
Equity securities	91	0.08%	138	0.12%
Mortgage loans:				
Commercial mortgage loans	10,252	8.88%	9,714	8.55%
Agricultural mortgage loans	3,791	3.28%	3,538	3.11%
Residential mortgage loans	2,786	2.41%	2,650	2.33%
Allowance for credit losses	(97)	(0.08)%	(94)	(0.08)%
Total mortgage loans, net	16,732	14.49%	15,808	13.91%
Policy loans	1,255	1.09%	1,291	1.14%
Limited partnerships and limited liability companies	3,546	3.07%	2,810	2.47%
Cash, cash equivalents and short-term investments	6,175	5.35%	7,350	6.47%
Other invested assets:				
Derivatives:				
Interest rate	948	0.82%	2,094	1.84%
Equity market	1,456	1.26%	1,227	1.08%
Foreign currency exchange rate	236	0.20%	220	0.19%
Credit	41	0.04%	41	0.04%
Total derivatives	2,681	2.32%	3,582	3.15%
FHLB common stock	63	0.05%	39	0.04%
Other	119	0.11%	126	0.11%
Total other invested assets	2,863	2.48%	3,747	3.30%
Total investments and cash and cash equivalents	\$115,447	100.00%	\$113,639	100.00%

For the Three Months Ended

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Net investment income yield (1), (2)	5.08%	5.12%	4.56%	4.42%	2.98%

(1) Yields are calculated on investment income as a percent of average quarterly asset carrying values. Investment income includes investment hedge adjustments, excludes realized gains and losses and reflects the GAAP adjustments described beginning on page A-2 of the Appendix hereto. 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.

(2) 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.

Statutory Statement of Operations Information (Unaudited, in millions except Normalized Statutory Earnings (Loss))

COMBINED REVENUES AND EXPENSES (1)	For the Three Months Ended					For the Six Months Ended	
	PRELIMINARY June 30, 2021 (2)	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	PRELIMINARY June 30, 2021 (2)	June 30, 2020
Total revenues (Line 9)	\$3,500	\$3,551	\$3,503	\$2,904	\$1,421	\$7,051	\$7,161
Total benefits and expenses before dividends to policyholders (Line 28)	\$3,700	\$1,824	\$1,445	\$1,351	\$(1,401)	\$5,524	\$11,644
COMBINED NET INCOME (LOSS) (1)							
Gain (loss) from operations net of taxes and dividends to policyholders (Line 33)	\$(200)	\$1,737	\$2,187	\$1,519	\$2,817	\$1,537	\$(4,488)
Net realized capital gains (losses), net of taxes and certain transfers to interest maintenance reserve (Line 34)	(400)	(812)	(453)	(1,253)	741	(1,212)	1,224
Net income (loss) (Line 35)	\$(600)	\$925	\$1,734	\$266	\$3,558	\$325	\$(3,264)
NORMALIZED STATUTORY EARNINGS (LOSS) (3), (4)							
Statutory net gain (loss) from operations, pre-tax						\$1.8	\$(4.3)
Add: net realized capital gains (losses)						(1.3)	1.2
Add: change in total asset requirement at CTE95, net of the change in VA reserves						(0.6)	0.5
Add: unrealized gains (losses) on VA hedging program						0.1	2.3
Add: other adjustments, net						—	0.1
Normalized statutory earnings (loss)						\$—	\$(0.2)

(1) Combined statutory results are for Brighthouse Life Insurance Company, Brighthouse Life Insurance Company of NY and New England Life Insurance Company.

(2) Reflects preliminary statutory results for the three months and six months ended June 30, 2021.

(3) See definitions for Non-GAAP and Other Financial Disclosures in the Appendix beginning on page A-2.

(4) Normalized statutory earnings (loss), presented in billions, is for Brighthouse Life Insurance Company and New England Life Insurance Company.

Statutory Balance Sheet and Surplus Information (Unaudited, in millions)

COMBINED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS (1)	As of				
	PRELIMINARY June 30, 2021 (2)	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total assets (Line 28)	\$205,000	\$197,181	\$197,847	\$192,215	\$189,871
Total liabilities (Line 28)	\$197,000	\$189,012	\$190,287	\$184,709	\$182,938
Total capital and surplus (Line 38)	\$8,000	\$8,169	\$7,560	\$7,506	\$6,933
COMBINED TAC AND RBC RATIO (1), (3)					
Combined total adjusted capital	\$9,400	\$9,421	\$8,617	\$8,432	\$7,724
Combined risk-based capital ratio (4)	480%-500%	500%-520%	487%	525%-545%	515%-535%
COMBINED ORDINARY DIVIDEND CAPACITY (1)					
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Dividends paid to Holding Company	\$250	\$—	\$511	\$—	\$500
Remaining ordinary dividend capacity (5)	\$588	\$838	\$816	\$1,327	\$1,327

(1) Combined statutory results are for Brighthouse Life Insurance Company and New England Life Insurance Company.

(2) Reflects preliminary statutory results as of June 30, 2021.

(3) See definitions for Non-GAAP and Other Financial Disclosures in the Appendix beginning on page A-2.

(4) The RBC ratio is reported as a preliminary range on the quarters.

(5) Reflects remaining dividend amounts that may be paid at one or more points in time during the respective calendar year without prior regulatory approval.



Appendix



Note Regarding Forward-Looking Statements

This financial supplement 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, financial projections, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, as well as trends in operating and financial results.

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 risk due to guarantees within certain of our products; the effectiveness of our variable annuity exposure risk management strategy and the impact of such strategy on volatility in our profitability measures and negative effects on our statutory capital; material differences from actual outcomes compared to the sensitivities calculated under certain scenarios and sensitivities that we may utilize in connection with our variable annuity risk management strategies; the impact of interest rates on our future ULSP policyholder obligations and net income volatility; the impact of the ongoing worldwide COVID-19 pandemic; the potential material adverse effect of changes in accounting standards, practices or policies applicable to us, including changes in the accounting for long-duration contracts; loss of business and other negative impacts resulting from a downgrade or a potential downgrade in our financial strength or credit ratings; the availability of reinsurance and the ability of the 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; 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 such third parties and any inability to obtain information or assistance we need from third parties; the ability of our subsidiaries to pay dividends to us, and our ability to pay dividends to our shareholders and repurchase our common stock; the adverse impact on liabilities for policyholder claims as a result of extreme mortality events; the impact of adverse capital and credit market conditions, including with respect to our ability to meet liquidity needs and access capital; the impact of economic conditions in the capital markets and the U.S. and global economy, as well as geo-political or catastrophic events, on our investment portfolio, including on realized and unrealized losses and impairments, net investment spread and net investment income; the impact of events that adversely affect issuers, guarantors or collateral relating to our investments or our derivatives counterparties, on impairments, valuation allowances, reserves, net investment income and changes in unrealized gain or loss positions; the impact of changes in regulation and in supervisory and enforcement policies on our insurance business or other operations; the potential material negative tax impact of potential future tax legislation that could make some of our products less attractive to consumers; the effectiveness of our policies and procedures in managing risk; the loss or disclosure of confidential information, damage to our reputation and impairment of our ability to conduct business effectively as a result of any failure in cyber- or other information security systems; whether all or any portion of the tax consequences of our separation from MetLife, Inc. (“MetLife”) 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 or disagreements regarding MetLife’s or our obligations under our other agreements; 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, 2020, 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 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:

<u>Non-GAAP financial measures:</u>	<u>Most directly comparable GAAP financial measures:</u>
(i) adjusted earnings	(i) net income (loss) available to shareholders
(ii) adjusted earnings, less notable items	(i) (1) net income (loss) available to shareholders
(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.

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.

Non-GAAP and Other Financial Disclosures (Cont.)

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), except earned income and amortization of premium 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").

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 DAC and 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.

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.

Non-GAAP and Other Financial Disclosures (Cont.)

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 are comprised of 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 assets held in trust.

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.

Non-GAAP and Other Financial Disclosures (Cont.)

Other Financial Disclosures (cont.)

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 index annuity sales distributed through MassMutual that consist of 90 percent of gross sales. Annuity sales exclude certain 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 (Loss)

Normalized statutory earnings (loss) is used by management to measure our insurance companies' ability to pay future distributions and is reflective of whether our hedging program functions as intended. Normalized statutory earnings (loss) is calculated as statutory pre-tax net gain from operations adjusted for the favorable or unfavorable impacts of (i) net realized capital gains (losses), (ii) the change in total asset requirement at CTE95, net of the change in our variable annuity reserves, and (iii) unrealized gains (losses) associated with our variable annuities risk management strategy. Normalized statutory earnings (loss) 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. The reporting of our combined risk-based capital ratio is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

Acronyms

AOCI	Accumulated other comprehensive income (loss)
CTE	Conditional tail expectations
DAC	Deferred policy acquisition costs
FHLB	Federal Home Loan Bank
GAAP	Accounting principles generally accepted in the United States of America
GMAB	Guaranteed minimum accumulation benefits
GMDB	Guaranteed minimum death benefits
GMIB	Guaranteed minimum income benefits
GMWB	Guaranteed minimum withdrawal benefits
LIMRA	Life Insurance Marketing and Research Association
NDGL	Net derivative gains (losses)
NIGL	Net investment gains (losses)
RBC	Risk-based capital
TAC	Total adjusted capital
ULSG	Universal life insurance with secondary guarantees
VA	Variable annuity
VOBA	Value of business acquired

Reconciliation of Net Income (Loss) Available to Shareholders to Adjusted Earnings and Adjusted Earnings, Less Notable Items, and Reconciliation of Net Income (Loss) Available to Shareholders per Common Share to Adjusted Earnings per Common Share and Adjusted Earnings, Less Notable Items per Common Share (Unaudited, in millions except per share data)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
ADJUSTED EARNINGS, LESS NOTABLE ITEMS					
Net income (loss) available to shareholders	\$10	\$(610)	\$(1,045)	\$(3,012)	\$(1,998)
Less: Net investment gains (losses)	(34)	14	326	5	(34)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(689)	(1,509)	(2,415)	(1,862)	(2,657)
Less: GMIB Fees and GMIB Costs	75	122	236	(957)	(125)
Less: Amortization of DAC and VOBA	128	84	280	(86)	249
Less: Market value adjustments and other	(19)	31	11	(41)	24
Less: Provision for income tax (expense) benefit on reconciling adjustments	114	263	328	618	534
Adjusted earnings	435	385	189	(689)	11
Less: Notable items	(23)	(43)	(83)	(1,077)	(28)
Adjusted earnings, less notable items	\$458	\$428	\$272	\$388	\$39
ADJUSTED EARNINGS, LESS NOTABLE ITEMS PER COMMON SHARE (1), (2)					
Net income (loss) available to shareholders per common share	\$0.11	\$(6.96)	\$(11.69)	\$(32.49)	\$(21.10)
Less: Net investment gains (losses)	(0.40)	0.16	3.65	0.05	(0.36)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(8.01)	(17.23)	(27.03)	(20.09)	(28.06)
Less: GMIB Fees and GMIB Costs	0.87	1.39	2.64	(10.32)	(1.32)
Less: Amortization of DAC and VOBA	1.49	0.96	3.13	(0.93)	2.63
Less: Market value adjustments and other	(0.22)	0.35	0.12	(0.44)	0.25
Less: Provision for income tax (expense) benefit on reconciling adjustments	1.32	3.00	3.67	6.67	5.64
Less: Impact of inclusion of dilutive shares	—	0.03	0.02	—	—
Adjusted earnings per common share	5.05	4.36	2.10	(7.43)	0.11
Less: Notable items	(0.27)	(0.49)	(0.92)	(11.62)	(0.30)
Adjusted earnings, less notable items per common share	\$5.32	\$4.86	\$3.03	\$4.19	\$0.41

(1) See definitions for 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.

Reconciliation of Return on Common Equity to Adjusted Return on Common Equity (Unaudited, dollars in millions)

	Four Quarters Cumulative Trailing Basis				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
ADJUSTED EARNINGS					
Net income (loss) available to shareholders	\$ (4,657)	\$ (6,665)	\$ (1,105)	\$ (1,137)	\$ 2,551
Less: Net investment gains (losses)	311	311	278	(15)	7
Less: Net derivative gains (losses), excluding investment hedge adjustments	(6,475)	(8,443)	(36)	482	3,401
Less: GMIB Fees and GMIB Costs	(524)	(724)	(1,012)	(1,214)	(261)
Less: Amortization of DAC and VOBA	406	527	(228)	(415)	(327)
Less: Market value adjustments and other	(18)	25	(49)	(43)	(16)
Less: Provision for income tax (expense) benefit on reconciling adjustments	1,323	1,743	220	253	(588)
Adjusted earnings	\$320	\$(104)	\$(278)	\$(185)	\$335
	Five Quarters Average Stockholders' Equity Basis				
BRIGHOUSE FINANCIAL, INC.'S COMMON STOCKHOLDERS' EQUITY, EXCLUDING AOCI					
Brighthouse Financial, Inc.'s stockholders' equity	\$17,666	\$18,518	\$18,749	\$18,683	\$18,285
Less: Preferred stock, net	1,137	947	758	568	490
Brighthouse Financial, Inc.'s common stockholders' equity	16,529	17,571	17,991	18,115	17,795
Less: AOCI	4,809	4,420	4,390	3,960	3,424
Brighthouse Financial, Inc.'s common stockholders' equity, excluding AOCI	\$11,720	\$13,151	\$13,601	\$14,155	\$14,371
	Five Quarters Average Common Stockholders' Equity Basis				
ADJUSTED RETURN ON COMMON EQUITY					
Return on common equity	(28.2)%	(37.9)%	(6.1)%	(6.3)%	14.3%
Return on AOCI	(96.8)%	(150.8)%	(25.2)%	(28.7)%	74.5%
Return on common equity, excluding AOCI	(39.7)%	(50.7)%	(8.1)%	(8.0)%	17.8%
Less: Return on net investment gains (losses)	2.7%	2.4%	2.1%	(0.1)%	—%
Less: Return on net derivative gains (losses), excluding investment hedge adjustments	(55.2)%	(64.2)%	(0.3)%	3.4%	23.7%
Less: Return on GMIB Fees and GMIB Costs	(4.5)%	(5.5)%	(7.4)%	(8.6)%	(1.8)%
Less: Return on amortization of DAC and VOBA	3.5%	4.0%	(1.7)%	(2.9)%	(2.3)%
Less: Return on market value adjustments and other	(0.2)%	0.1%	(0.4)%	(0.3)%	—%
Less: Return on provision for income tax (expense) benefit on reconciling adjustments	11.3%	13.3%	1.6%	1.8%	(4.1)%
Adjusted return on common equity	2.7%	(0.8)%	(2.0)%	(1.3)%	2.3%

Reconciliation of Total Revenues to Adjusted Revenues and Reconciliation of Total Expenses to Adjusted Expenses (Unaudited, in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
Total revenues	\$1,676	\$938	\$131	\$309	\$(922)	\$2,614	\$8,063
Less: Net investment gains (losses)	(34)	14	326	5	(34)	(20)	(53)
Less: Net derivative gains (losses)	(684)	(1,504)	(2,410)	(1,857)	(2,653)	(2,188)	4,249
Less: GMIB Fees	63	62	63	68	63	125	128
Less: Investment hedge adjustments	(5)	(5)	(5)	(5)	(4)	(10)	(8)
Less: Other	(2)	—	11	(1)	—	(2)	1
Total adjusted revenues	\$2,338	\$2,371	\$2,146	\$2,099	\$1,706	\$4,709	\$3,746
Total expenses	\$1,655	\$1,706	\$1,437	\$4,152	\$1,600	\$3,361	\$4,333
Less: Amortization of DAC and VOBA	(128)	(84)	(280)	86	(249)	(212)	422
Less: GMIB Costs	(12)	(60)	(173)	1,025	188	(72)	419
Less: Other	17	(31)	—	40	(24)	(14)	20
Total adjusted expenses	\$1,778	\$1,881	\$1,890	\$3,001	\$1,685	\$3,659	\$3,472

Investment Reconciliation Details (Unaudited, dollars in millions)

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2021	June 30, 2020
NET INVESTMENT GAINS (LOSSES)							
Investment portfolio gains (losses)	\$(28)	\$16	\$329	\$2	\$(13)	\$(12)	\$(11)
Investment portfolio writedowns	(6)	(2)	(3)	3	(21)	(8)	(42)
Net investment gains (losses)	\$(34)	\$14	\$326	\$5	\$(34)	\$(20)	\$(53)

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
NET INVESTMENT INCOME YIELD					
Investment income yield (1)	5.21%	5.25%	4.70%	4.56%	3.11%
Investment fees and expenses (2)	(0.13)%	(0.13)%	(0.14)%	(0.14)%	(0.13)%
Net investment income yield	5.08%	5.12%	4.56%	4.42%	2.98%

(1) Yields are calculated on investment income as a percent of average quarterly asset carrying values. Investment income includes investment hedge adjustments, excludes realized gains and losses and reflects the GAAP adjustments described beginning on page A-2 of this Appendix. 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.

(2) 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.