

March 5, 2020

Business Update for Investors & Analysts



Note regarding forward-looking statements

This presentation and other oral or written statements that we make from time to time contains 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.

In particular, this presentation contains estimates of the impact of various market factors, under certain scenarios, on projected distributable earnings (the “distributable earnings projections”). Such distributable earnings projections are estimates and are not intended to predict our future results and performance, including the performance of our hedging program. Actual future results may differ from those shown, including as a result of changes in the operating and economic environments and natural variations in experience. The scenarios underlying our distributable earnings projections were selected for illustrative purposes only, are based on a number of assumptions as to the future and do not purport to address all of the many factors that may be relevant. We refer to one of the scenarios included in the distributable earnings projections as the “Base Case Scenario.” The Base Case Scenario is representative of relatively stable future market conditions, growing at rates that have historically been observed in U.S. capital markets. As a result, while the Base Case Scenario may be no more or less probable than any of the other illustrative scenarios, for the purpose of establishing certain financial targets, management utilizes the Base Case Scenario. The distributable earnings projections reflect market returns and interest rates starting from December 31, 2019 and no assurance can be given that future experience will be in line with the assumptions made – see “Risk Factors — Risk Related to Our Business — Our analyses of scenarios and sensitivities that we may utilize in connection with our variable annuity risk management strategies may involve significant estimates based on assumptions and may therefore result in material differences from actual outcomes compared to the sensitivities calculated under such scenarios” in our Annual Report on Form 10-K for the year ended December 31, 2019 (the “2019 Form 10-K”).

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; the reserves we are required to hold against our variable annuities as a result of actuarial guidelines; the potential material adverse effect of changes in accounting standards, practices and/or policies applicable to us, including changes in the accounting for long-duration contracts; our degree of leverage due to indebtedness; the impact of adverse capital and credit market conditions, including with respect to our ability to meet liquidity needs and access capital; the impact of changes in regulation and in supervisory and enforcement policies on our insurance business or other operations; the availability of reinsurance and the ability of the counterparties to our reinsurance or indemnification arrangements to perform their obligations thereunder; the adverse impact to liabilities for policyholder claims as a result of extreme mortality events; 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; 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 insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our shareholders and repurchase our common stock; the effectiveness of our policies and procedures in managing risk; our ability to market and distribute our products through distribution channels; whether all or any portion of the tax consequences of the 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; the potential material negative tax impact of potential future tax legislation that could make some of our products less attractive to consumers; and other factors described from time to time in documents that we file with the U.S. Securities and Exchange Commission (“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 2019 Form 10-K, 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 information

This presentation also contains certain statutory-based measures used by management and may also include measures that are not calculated based on accounting principles generally accepted in the United States of America, also known as “GAAP.” Please see our fourth quarter 2019 financial supplement available on the Brighthouse Financial Investor Relations website at <http://investor.brighthousefinancial.com> for definitions of such terms as well as additional information regarding our use of non-GAAP financial information, and related reconciliations.

Agenda

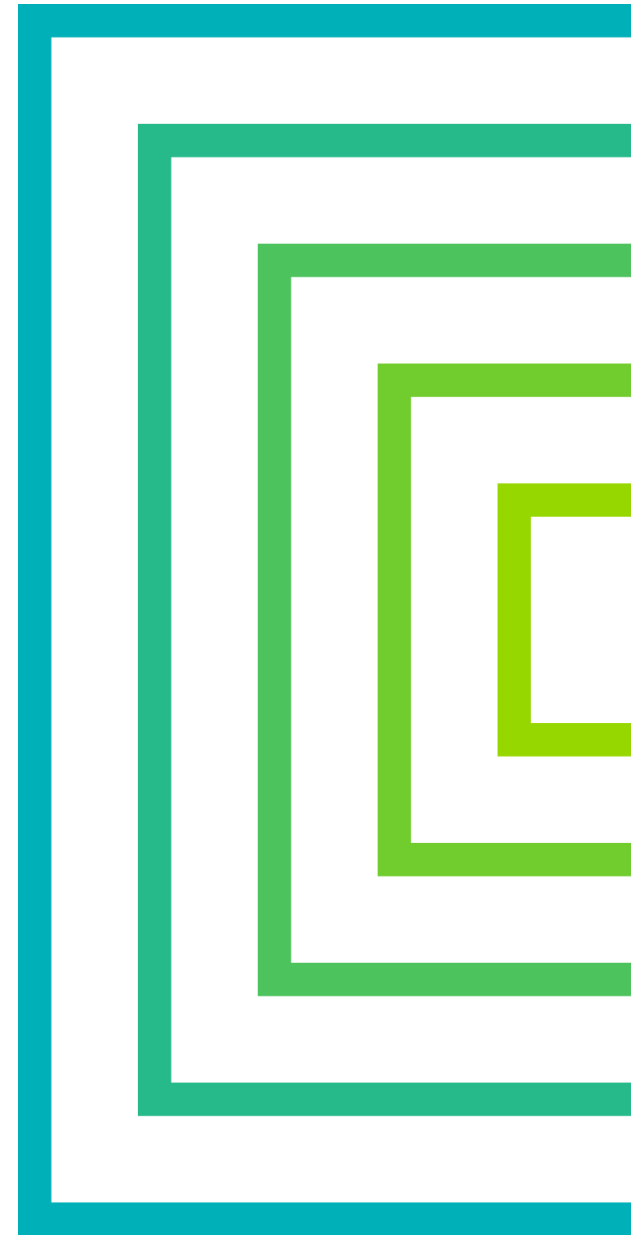
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|--------------------------------|-------------------------------|
| I. Company update and strategy | Eric Steigerwalt |
| II. Business growth strategy | Myles Lambert
Conor Murphy |
| III. Financial drivers | Ed Spehar |
| IV. Closing remarks | Eric Steigerwalt |

Company update & strategy

Business growth strategy

Financial drivers

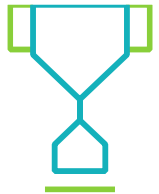
Closing remarks



We're Brighthouse Financial



We are on a mission to help people achieve financial security



We specialize in products designed to help people protect what they've earned and ensure it lasts



We are built on a foundation of experience and knowledge, which allows us to keep our promises and provide value to our distributors and the clients they serve

Strategic overview



Offer simpler products that provide value to all stakeholders



Broaden distribution footprint in the U.S.



Become a cost-competitive manufacturer over time

An established U.S. retail franchise

One of the largest providers of annuities and life insurance in the U.S.

Company Profile

\$227B

Total Assets

2M+

Customers

\$150B

Annuity Assets Under Management

\$400B

Life Insurance In-Force⁽¹⁾

400+

Independent Distribution Partners

Financial Strength

\$9.7B

Statutory Combined Total Adjusted Capital (TAC)

\$16.2B

Stockholders' Equity

552%

Combined Risk-Based Capital (RBC) Ratio

\$0.8B

Holding Company Liquid Assets

A+ / A / A / A3

Financial Strength Ratings
S&P / Fitch / A.M. Best / Moody's

Significant progress over the past two years



47%
Increase in TAC

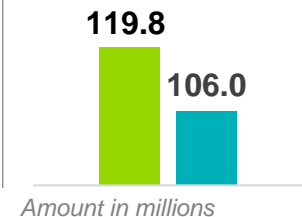
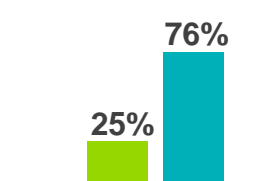
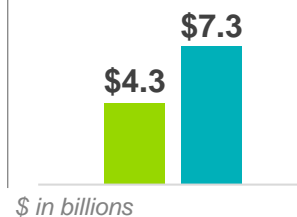
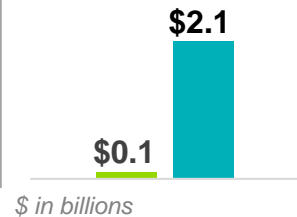
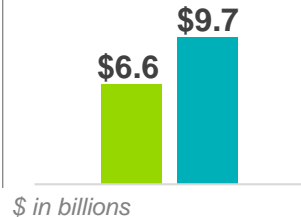
\$2.0B
Increase in
Ordinary Dividend
Capacity⁽¹⁾

68%
Increase in
Annuity Sales

3.0x
Increase in
Advisor
Awareness⁽²⁾

11%+
Reduction in
Shares
Outstanding

■ 2017
■ 2019



Metrics to drive shareholder value

Sales



- Total annual annuity sales target increased to \$8.5B+ in 2021
 - Targeting \$250M of total life sales in 2021
-

Corporate Expenses



- On track for \$150M run-rate corporate expense reduction by end of 2020
 - Targeting additional \$25M reduction in 2021
-

Capital Strength & Generation



- Combined RBC ratio target of 400% – 450% in normal markets
- Expect to take subsidiary dividends of \$1.3B in 2020
- On track for \$1.5B of capital return through 2021

Key messages

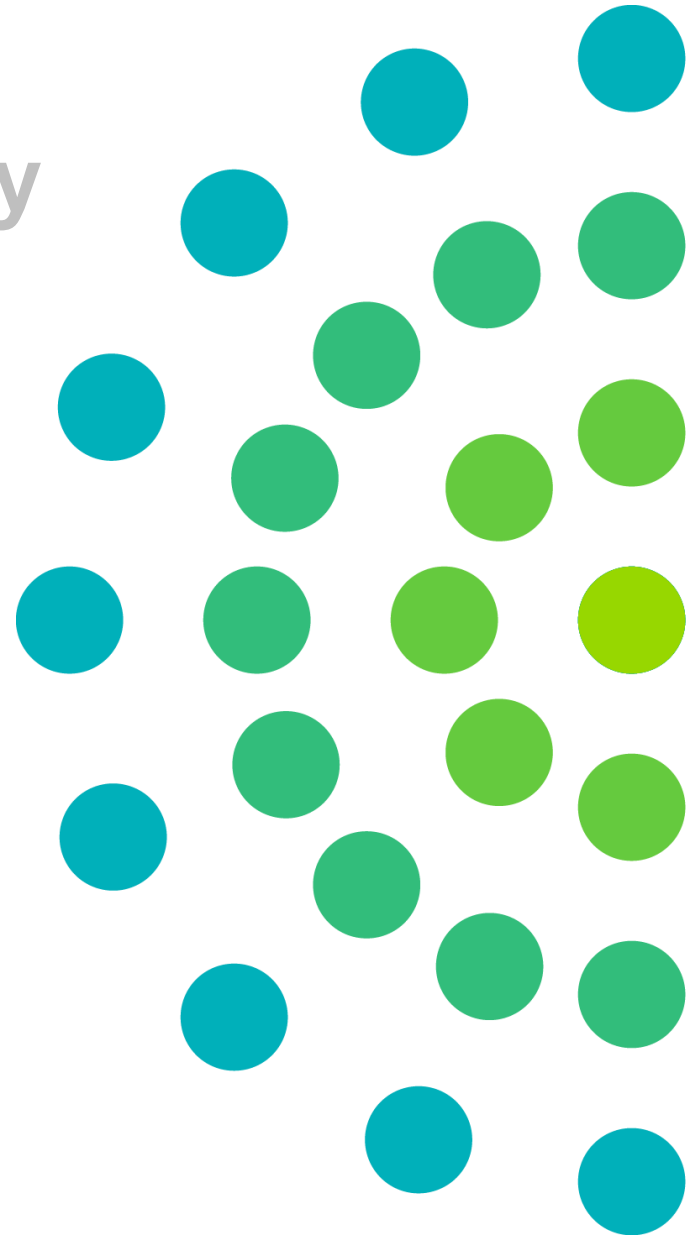
- Competitive annuity and life insurance products available through broad independent distribution network
- Strong sales momentum and identified growth opportunities
- Evolving business mix to less capital-intensive products
- Compelling distributable earnings across a range of market scenarios

Company update & strategy

Business growth strategy

Financial drivers

Closing remarks



Annuity and life insurance growth strategy

**Core Sales
Expansion**



Wholesaler Productivity



Continued Product Expansions



Digital Platforms

**New /
Adjacent
Channels**



IMO and Other Partnerships

Meaningful growth in annuity sales since 2017



**Annuity
Sales Growth**

+68%



**Multi-Ticket
Sellers**

+43%



**Wholesaler
Productivity**

+45%



**Wholesaler
Count**

+10%



**Sales Growth
from Our
Top 20 Firms**

+81%

Diversification through growth of life insurance

- \$400B of life insurance in-force, net of reinsurance⁽¹⁾
- Recently developed new fully-digitized process with data-driven underwriting
- Launched SmartCareSM in 2019
- Additional life insurance products in development

SmartCareSM

First life insurance product launched as an independent company

Offered through **13** distributors

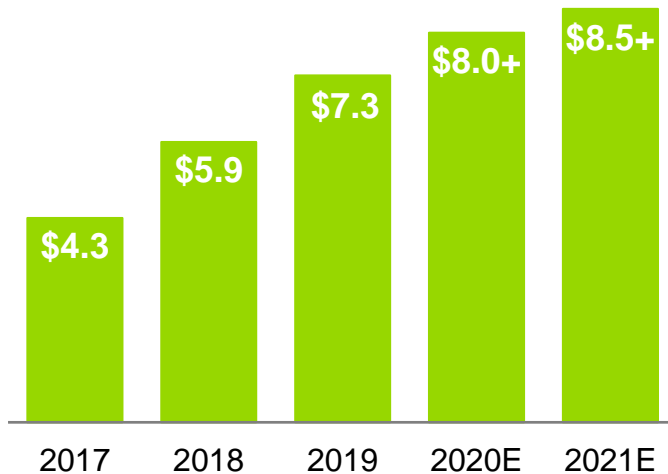


Representing access to **56,000+** advisors

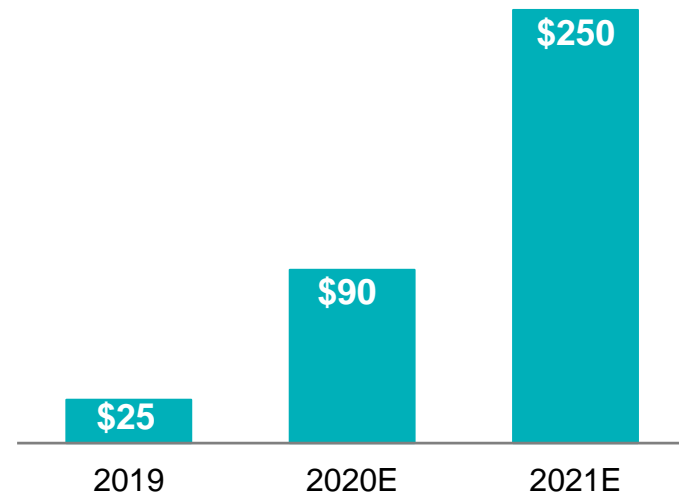
Continued sales momentum

Targeted distribution strategy with customized solutions

Annuity sales (\$ in billions)

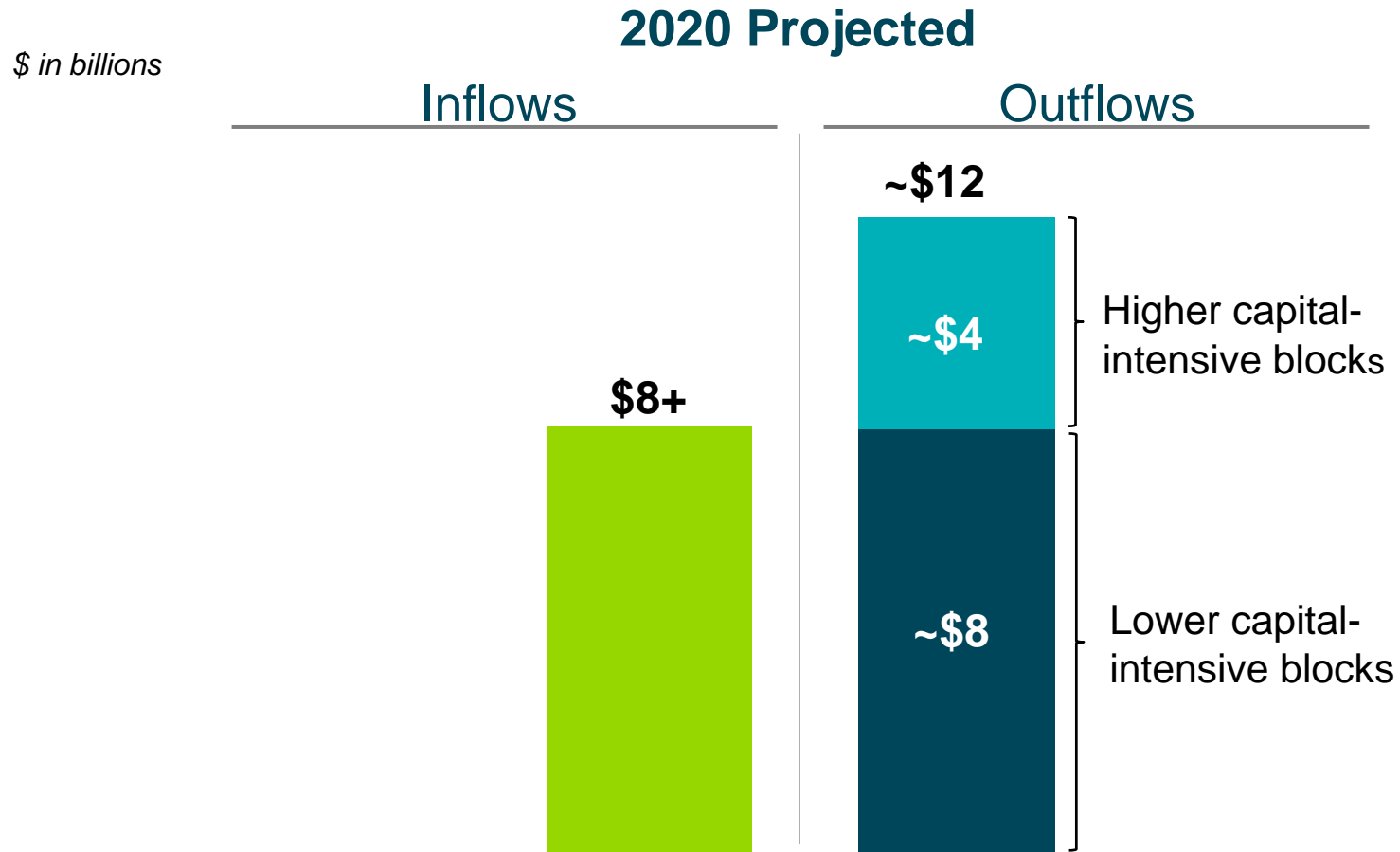


Life sales (\$ in millions)



New business priced with double-digit statutory internal rates of return

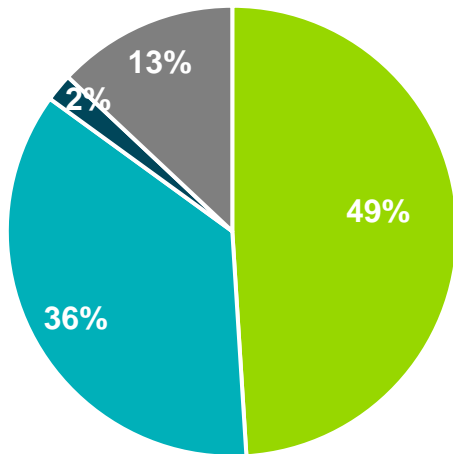
Improving annuity net flows



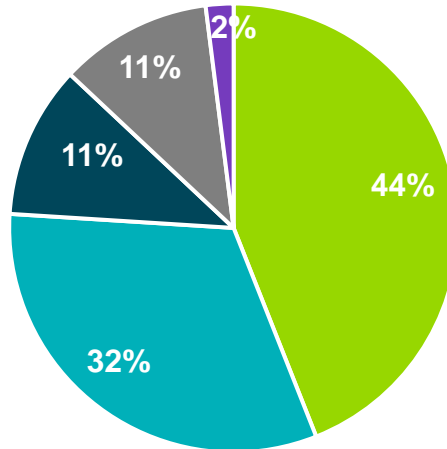
Evolving business mix to less capital-intensive products

Annuity account value by product type

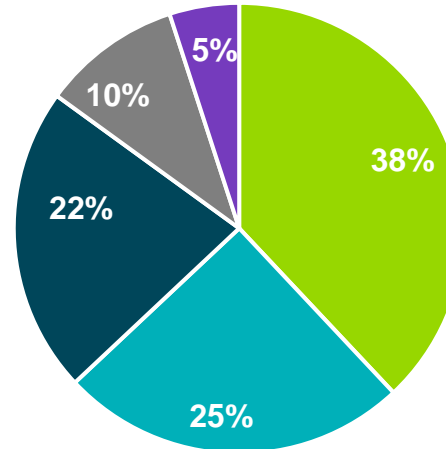
2016



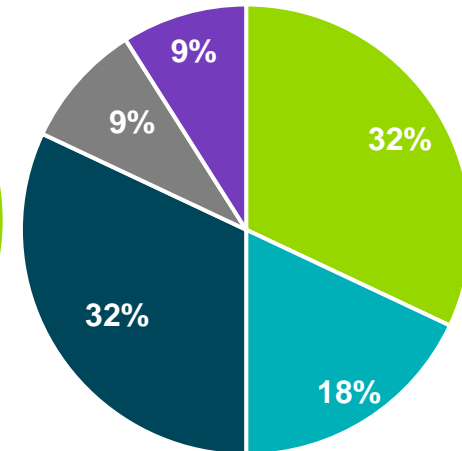
2019



2022E



2025E

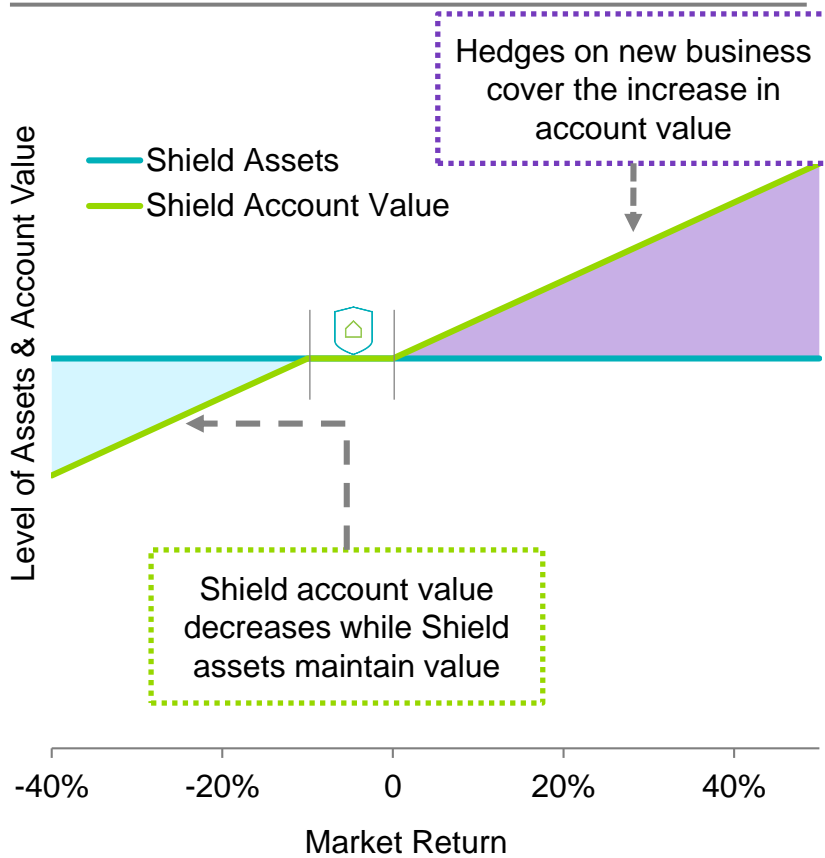


■ VA Non-Capital Intensive
 ■ VA Capital Intensive
 ■ Shield
 ■ Fixed & Income
 ■ FIA

Lower capital-intensive products and greater cash flow generation

Shield Level annuities complement VA in-force block

Shield Level – Illustrative⁽¹⁾



Key highlights

- Risk offset for VA business
- Invested in fixed instruments

Key takeaways

- Continued sales momentum driven by diversified products and distribution expansion
- Sales growth continues to improve net flows and company risk profile
- Evolving business mix to less capital-intensive products and greater cash flow generation

Company update & strategy

Business growth strategy

Financial drivers

Closing remarks



Key messages on financial strategy





- Lower risk profile compared with separation
- Hedging strategy preserves distributable earnings across scenarios
- Compelling RBC ratio and holding company cash in stressed markets
- Significant long-term total company distributable earnings profile

VA hedging strategy overview

Change in first loss position and hedging approach

<i>\$ in billions</i>	Original Strategy	Revised Strategy
First loss position	\$2.0	Up to \$0.5
Hedging approach ⁽¹⁾	OTM	More ATM

Change in hedge instruments relative to original strategy

Equity markets	Total Return Swaps	
	Options	
Interest rates	Swaps/Forwards	
	Options	

Less volatility in distributable earnings across scenarios

Projected VA distributable earnings, cumulative 2020 – 2022⁽¹⁾

<i>\$ in billions</i>	Original Strategy	Revised Strategy
Base	\$1.4 – 2.4	\$2.2
Upside (Scenario 2)	\$2.4 – 3.4	\$2.6
Lower SA Return ⁽²⁾ (Scenario 3)	\$0.5 – 1.5	\$1.8
Lower SA Return/Rates ⁽²⁾ (Scenario 4)	\$0.0 – 0.8	\$1.3
Equity Shock/Low Rates (Scenario 5)	\$0.0	\$1.3

Significant reduction in equity market sensitivity

Projected VA distributable earnings sensitivities, cumulative 2020 – 2022⁽¹⁾

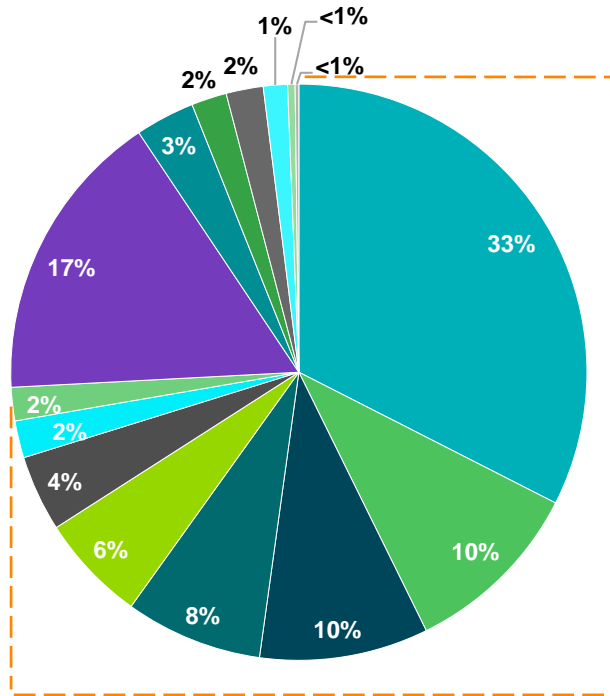
\$ in billions

- Original strategy
- Revised strategy

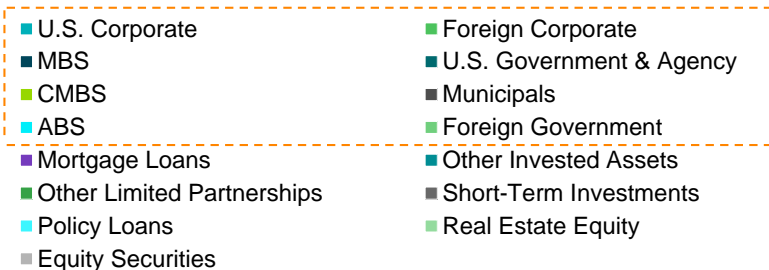


Well-diversified, high-quality investment portfolio

Portfolio composition by asset class⁽¹⁾



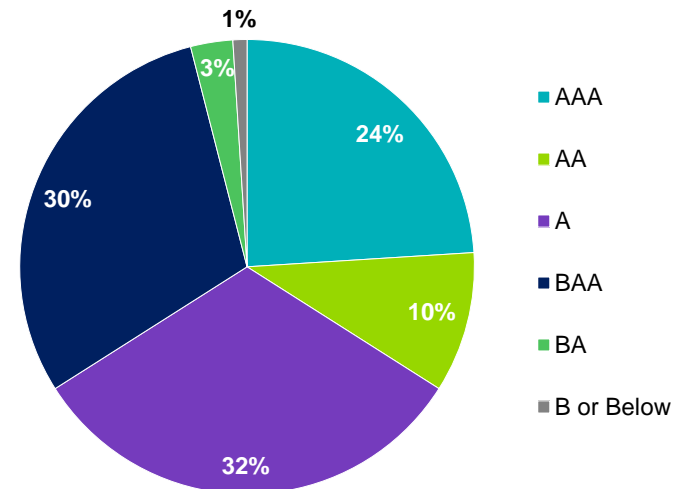
Fixed Maturity Securities



Key highlights

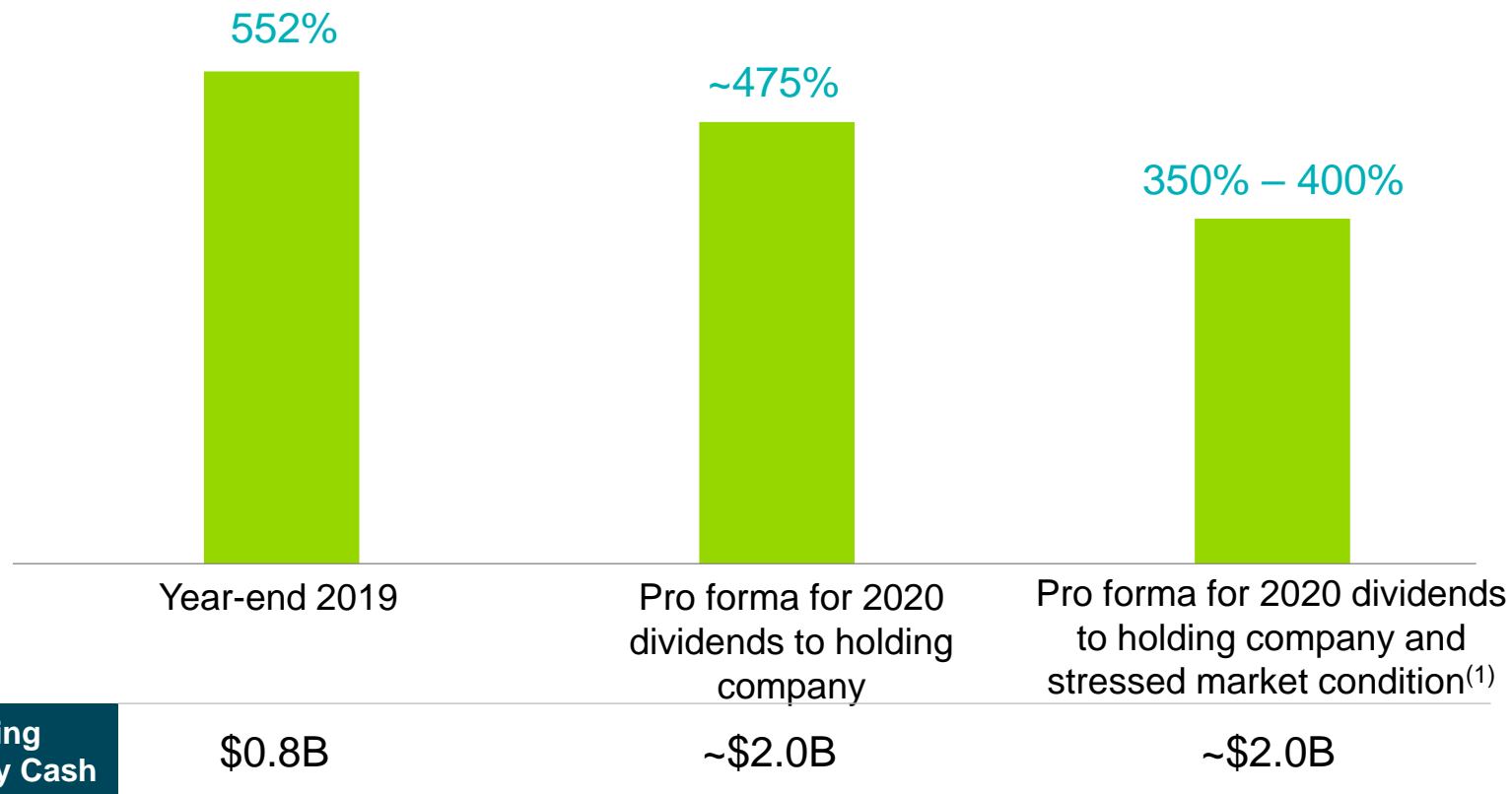
- \$96B general account assets
- 74% fixed maturities
 - ↳ 96% investment grade

Fixed maturities securities portfolio⁽¹⁾⁽²⁾



Balance sheet strength under stressed market conditions

Combined RBC ratio



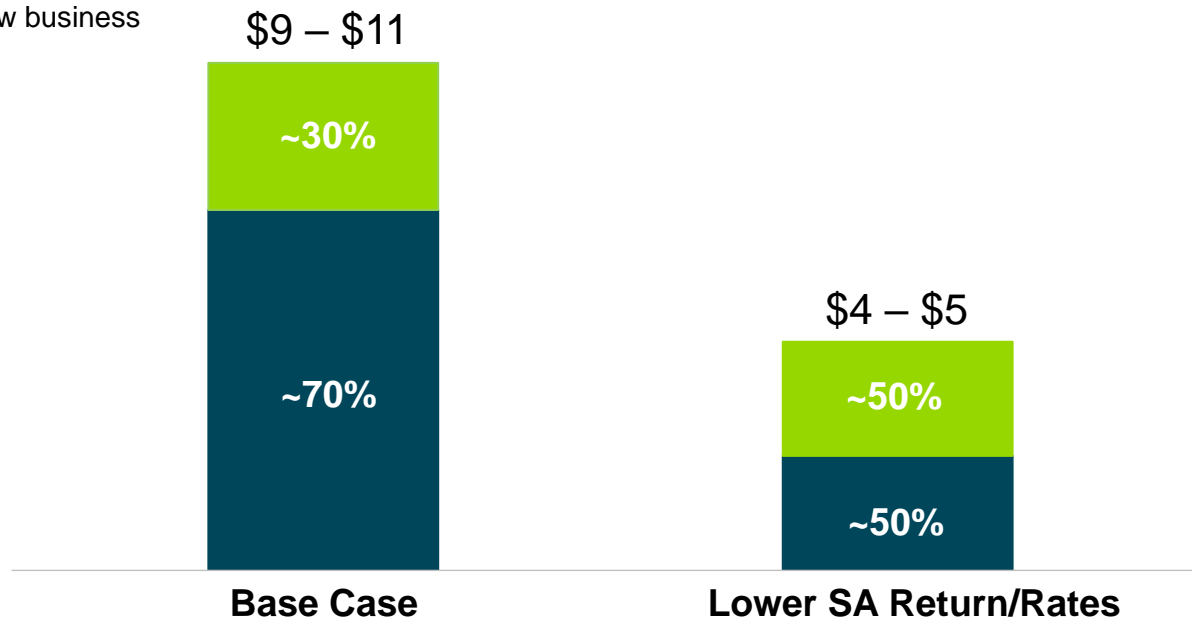
Brighthouse FINANCIAL[®] (1) Stressed market condition assumes 25% equity decline, credit downturn, and 10-Yr U.S. Treasury at 1%.

Significant long-term total company distributable earnings

Total company projected distributable earnings, cumulative 2020 - 2029

\$ in billions

- Non-VA & new business
- VA



Significant distributable earnings even in persistent low return/rate environment

Key takeaways

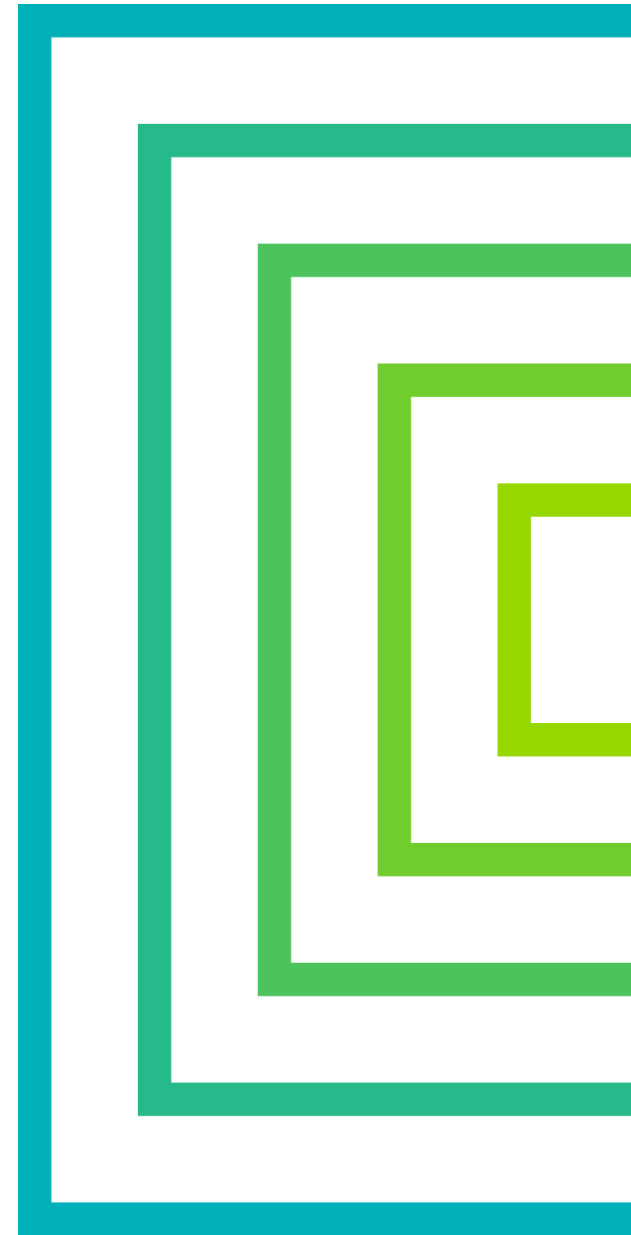
- Prudence and flexibility define financial management strategy
- Ensure strong balance sheet in stressed markets to protect franchise
- Significant distributable earnings story

Company update & strategy

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Closing remarks



Closing remarks

- Competitive annuity and life insurance products available through broad independent distribution network
- Strong sales momentum and identified growth opportunities
- Evolving business mix to less capital-intensive products
- Compelling distributable earnings across a range of market scenarios

Appendix



Projected VA distributable earnings

■ 2020 - 2022
■ 2020 - 2024
 \$ in billions



Assumptions as of December 31, 2019

Separate Account Return	6.5%	9.0%	4.0%	4.0%	(25)% shock to equities, then 6.5% SA return
10-year U.S. Treasury	Mean reversion to 3.75% by 2029	Mean reversion to 3.75% by 2029	Mean reversion to 3.75% by 2029	Forward curve	Drop to 1% and increases to 1.3% over 10 years

Projected VA distributable earnings across scenarios

For the Three Years Ending
December 31, 2020 to December 31, 2022

<i>\$ in billions</i>	Base Case	Upside	Lower SA Return	Lower SA Return/Rates	Equity Shock/ Low Rates
Fees	\$8.3	\$8.5	\$8.1	\$8.1	\$7.3
Hedge gains/(losses) (including Shield net impact)	(4.5)	(6.2)	(2.9)	(2.7)	4.4
Benefits and expenses	(3.5)	(3.4)	(3.5)	(3.5)	(3.8)
Investment income	1.3	1.3	1.3	1.4	1.4
(Increase)/decrease in VA target funding level	(0.4)	1.4	(2.2)	(3.0)	(9.0)
Subtotal	1.2	1.6	0.8	0.3	0.3
Release of VA Capital (in 2020)	1.0	1.0	1.0	1.0	1.0
Variable annuity distributable earnings	\$2.2	\$2.6	\$1.8	\$1.3	\$1.3

VA assets in excess of CTE98 across scenarios

Projected VA distributable earnings across scenarios

For the Five Years Ending
December 31, 2020 to December 31, 2024

<i>\$ in billions</i>	Base Case	Upside	Lower SA Return	Lower SA Return/Rates	Equity Shock/ Low Rates
Fees	\$12.9	\$13.4	\$12.5	\$12.5	\$11.5
Hedge gains/(losses) (including Shield net impact)	(6.5)	(9.1)	(4.4)	(4.0)	2.4
Benefits and expenses	(5.7)	(5.6)	(5.9)	(5.9)	(6.6)
Investment income	2.3	2.1	2.4	2.4	2.5
(Increase)/decrease in VA target funding level	(0.4)	2.5	(2.9)	(4.5)	(9.5)
Subtotal	2.6	3.3	1.7	0.5	0.3
Release of VA Capital (in 2020)	1.0	1.0	1.0	1.0	1.0
Variable annuity distributable earnings	\$3.6	\$4.3	\$2.7	\$1.5	\$1.3

VA assets in excess of CTE98 across scenarios