

PUBLIC RELATIONS

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



FOR IMMEDIATE RELEASE

Brighthouse Financial Announces First Quarter 2018 Results

- *First quarter 2018 net loss available to shareholders of \$67 million as strong segment results were more than offset by net derivative losses*
- *Adjusted earnings* of \$283 million, driven by favorable investment results and lower expenses*
- *Annuity sales grew 35 percent over the first quarter of 2017*
- *Variable annuity assets above CTE95 increased to \$2.7 billion, due to solid performance from the company's hedging program*

CHARLOTTE, NC, May 7, 2018 – Brighthouse Financial, Inc. (“Brighthouse Financial”) (Nasdaq: BHF) announced today its financial results for the first quarter ended March 31, 2018.

First Quarter 2018 Results

The company reported a net loss available to shareholders of \$67 million in the first quarter of 2018, or \$0.56 on a per share basis, compared to a net loss available to shareholders of \$349 million in the first quarter of 2017. The company ended the first quarter of 2018 with stockholders’ equity (“book value”) of \$13.6 billion, or \$113.61 on a per share basis, and book value, excluding accumulated other comprehensive income (“AOCI”), of \$12.8 billion, or \$106.93 on a per share basis.

For the first quarter of 2018, the company reported adjusted earnings of \$283 million, or \$2.36 on a per share basis.

Adjusted earnings for the quarter included \$5 million of net unfavorable notable items, or \$0.04 on a per share basis, including:

- \$37 million in establishment costs related to planned technology and branding investments; and
- \$32 million of higher fee income related to previously recaptured business in the Life and Run-off segments.

Corporate expenses in the first quarter of 2018 were \$230 million pre-tax, down from \$287 million pre-tax in the fourth quarter of 2017. The company still expects corporate expenses in the first year post-separation of between \$1.0 and \$1.1 billion.

Annuity sales increased 35 percent quarter-over-quarter, driven by an increase in sales of Shield and fixed indexed annuities. On a sequential basis, annuity sales decreased by 6 percent due to normal seasonal fluctuations.

PUBLIC RELATIONS

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"We are very pleased with our results in the first quarter of 2018, including our strong adjusted earnings performance and outstanding quarter-over-quarter sales growth," commented Eric Steigerwalt, president and chief executive officer, Brighthouse Financial. "We are confident in our strategy and encouraged by our progress. We intend to continue focusing our efforts on offering simpler, more transparent products, enhancing our broad network of independent distribution partners, and building a recognized and respected brand."

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

	As of or For the Three Months Ended			
	March 31, 2018		March 31, 2017	
	Total	Per share	Total	Per share
Net income (loss) available to shareholders	\$(67)	\$(0.56)	\$(349)	N/A
Adjusted earnings (1)	\$283	\$2.36	\$280	N/A
Book value	\$13,608	\$113.61	\$15,116	N/A
Book value, excluding AOCI	\$12,807	\$106.93	\$13,610	N/A
Weighted average common shares outstanding - basic	119,773,106	N/A	N/A	N/A
Weighted average common shares outstanding - diluted	119,773,106	N/A	N/A	N/A
Ending common shares outstanding	119,773,106	N/A	N/A	N/A
Ending common shares outstanding - diluted	119,773,106	N/A	N/A	N/A

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

* 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 is 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 First Quarter 2018 Brighthouse Financial, Inc. Financial Supplement (which is available on the Brighthouse Financial Investor Relations web page at <http://investor.brighthousefinancial.com>). Additional information regarding notable items can be found on page 15 of this news release.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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Charlotte, NC 28277



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

Adjusted earnings	For the Three Months Ended		
	March 31, 2018 (1)	December 31, 2017	March 31, 2017
Annuities	\$226	\$208	\$228
Life	\$66	\$5	\$(7)
Run-off	\$50	\$(80)	\$49
Corporate & Other	\$(59)	\$859	\$10

(1) In the first quarter of 2018, the company completed a re-alignment of invested assets based on statutory target asset requirements across all segments. This invested asset re-alignment did not change earnings in total, but did impact individual segment results.

Sales (Unaudited, in millions)

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Annuities (1)	\$1,256	\$1,341	\$931
Life	\$2	\$3	\$17

(1) Annuities sales include sales of a fixed indexed annuity product sold by MassMutual, representing 90% of gross sales of that product. Sales of this product were \$173 million in the first quarter of 2018 and \$203 million in the fourth quarter of 2017. There were no sales of this product in the first quarter of 2017.

Annuities

Adjusted earnings in the Annuities segment were \$226 million in the current quarter, compared to adjusted earnings of \$228 million in the first quarter of 2017 and adjusted earnings of \$208 million in the fourth quarter of 2017.

There were no notable items in the periods presented. On a quarter-over-quarter basis, adjusted earnings remained flat, reflective of higher net investment income and lower taxes offset by higher deferred acquisition costs (DAC) amortization. On a sequential basis, adjusted earnings reflect higher net investment income, lower expenses and lower taxes. These items were partially offset by higher DAC amortization due to market performance in the quarter.

As mentioned above, annuity sales increased 35 percent quarter-over-quarter, driven by an increase in sales of Shield and fixed indexed annuities. On a sequential basis, annuity sales decreased by 6 percent due to normal seasonal fluctuations.

Life

Adjusted earnings in the Life segment were \$66 million in the current quarter, compared to an adjusted loss of \$7 million in the first quarter of 2017 and adjusted earnings of \$5 million in the fourth quarter of 2017.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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The current quarter includes \$16 million in favorable notable items. There were no notable items in either the first quarter of 2017 or the fourth quarter of 2017. On a quarter-over-quarter basis, adjusted earnings reflect favorable underwriting. On a sequential basis, adjusted earnings reflect higher net investment income due to portfolio re-alignment, favorable underwriting and lower taxes.

Life insurance sales were down, consistent with the company's strategy of migrating to simpler life insurance solutions. The company expects life insurance sales to remain at similar levels over the medium term, as it revamps its life insurance business.

Run-off

Adjusted earnings in the Run-off segment were \$50 million in the current quarter, compared to adjusted earnings of \$49 million in the first quarter of 2017 and an adjusted loss of \$80 million in the fourth quarter of 2017.

The current quarter includes \$16 million of favorable notable items. The first quarter of 2017 did not include notable items. The fourth quarter of 2017 included \$91 million in unfavorable notable items. On a quarter-over-quarter basis, adjusted earnings reflect unfavorable underwriting, partially offset by lower taxes. On a sequential basis, adjusted earnings reflect favorable underwriting, lower expenses and lower taxes.

Corporate & Other

Corporate & Other had an adjusted loss of \$59 million in the current quarter, compared to adjusted earnings of \$10 million in the first quarter of 2017 and adjusted earnings of \$859 million in the fourth quarter of 2017.

The current quarter includes \$37 million of unfavorable notable items while the first quarter of 2017 did not include notable items. The fourth quarter of 2017 included \$886 million in favorable notable items, primarily related to the enactment of tax reform. On a quarter-over-quarter basis, adjusted earnings reflect lower net investment income and higher expenses. On a sequential basis, adjusted earnings reflect lower expenses, partially offset by lower net investment income.

Net Investment Income

Net investment income for the first quarter was \$817 million. On a quarter-over-quarter basis, adjusted net investment income* decreased \$33 million to \$825 million from lower net derivative investment income. On a sequential basis, adjusted net investment income increased \$45 million, primarily as a result of an increase in alternative investment income.

The net investment income yield was 4.50 percent during the quarter.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
11225 N. Community House Rd.
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Statutory Capital and Liquidity (Unaudited, in billions)

	As of		
	March 31, 2018	December 31, 2017	March 31, 2017
Variable annuity assets above CTE95 (1)	\$2.7	\$2.6	N/A
Statutory combined total adjusted capital (2) (3)	\$6.5	\$6.6	\$4.2

(1) Conditional Tail Expectation ("CTE") 95 is defined as the amount of assets required to satisfy contract holder obligations across market environments in the average of the worst 5 percent of 1,000 capital market scenarios over the life of the contracts ("CTE95").

(2) Represents combined results for Brighthouse Life Insurance Company, Brighthouse Life Insurance Company of NY and New England Life Insurance Company.

(3) Reflects preliminary statutory results as of March 31, 2018.

Capitalization

Holding company liquid assets were \$647 million at March 31, 2018.

Statutory total adjusted capital on a preliminary basis decreased approximately \$100 million to \$6.5 billion at March 31, 2018, driven by an increase in variable annuity reserves related to market performance.

Assets above CTE95 increased to \$2.7 billion at March 31, 2018, due to solid performance of the company's hedging program.

Earnings Conference Call

Brighthouse Financial plans to hold a conference call and audio webcast to discuss its financial results for the first quarter of 2018 at 8:00 a.m. Eastern Time on Tuesday, May 8, 2018.

To listen to the audio webcast via the internet, 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 from within the U.S. or +1-209-905-5952 from outside the U.S.

A replay of the conference call will be made available until Friday, May 18, 2018 on the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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Non-GAAP and Other Financial Disclosures

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

Non-GAAP Financial Disclosures

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

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

Non-GAAP financial measures:

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 equity
adjusted return on equity, less notable items
adjusted net investment income

Most directly comparable GAAP financial measures:

net income (loss) available to shareholders
net income (loss) available to shareholders
revenues
expenses
earnings per share
earnings per share
return on equity
return on equity
net investment income

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 (i) the impact of market volatility, which could distort trends, and (ii) businesses that have been or will be sold or exited by us, referred to as divested businesses.

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

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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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 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
- Amortization of unearned revenue related to net investment gains (loss) and net derivative gains (losses) and certain variable annuity GMIB fees ("GMIB Fees").⁽¹⁾

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 and hedging costs related to GMIBs ("GMIB Costs");⁽¹⁾
- 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.⁽¹⁾

The tax impact of the adjustments mentioned is calculated net of the U.S. 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 Equity

Adjusted earnings per common share and adjusted return on 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.

Adjusted return on 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 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 and excluding the incremental net investment income from consolidated securitization entities ("CSEs").

⁽¹⁾ Collectively, amounts related to GMIB, excluding amounts recorded in NDGL, may be referred to as "GMIB adjustments."

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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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 "stockholders' equity." Book value per common share is defined as ending Brighthouse Financial, Inc.'s stockholders' equity, including AOCI, divided by ending common shares outstanding - diluted. Book value per common share, excluding AOCI, is defined as ending Brighthouse Financial, Inc.'s stockholders' equity, excluding AOCI, divided by ending common shares outstanding - diluted.

CTE95

As part of our variable annuity risk management strategy, we intend to support our variable annuity business with assets consistent with those required at a Conditional Tail Expectation ("CTE")95 level, which is defined as the amount of assets required to satisfy contract holder obligations across market environments in the average of the worst 5 percent of 1,000 capital market scenarios over the life of the contracts ("CTE95").

Holding Company Liquid Assets

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

Sales

Statistical sales information for Life sales is calculated using the LIMRA definition of sales for core direct sales, excluding company-sponsored internal exchanges, corporate-owned life insurance, bank-owned life insurance, and private placement variable universal life insurance. Annuity sales consist of 100 percent of direct statutory premiums, except for fixed indexed annuity sales distributed through MassMutual that consist of 90 percent of gross sales. Annuity sales exclude company sponsored internal exchanges. These sales statistics do not correspond to revenues under GAAP, but are used as relevant measures of business activity.

PUBLIC RELATIONS

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



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, collateral received from derivative counterparties and the effects of consolidating under GAAP certain variable interest entities that are treated as CSEs.

Adjusted Statutory Earnings

Adjusted statutory earnings is a measure of our ability to pay future distributions and are reflective of whether our hedging program functions as intended. Adjusted statutory earnings is calculated as statutory pre-tax income less the variable annuities reserve methodology (Actuarial Guideline 43) and including both the reserve and capital methodology based CTE95 calculation and unrealized gains (losses) associated with the variable annuities risk management strategy.

Basis of Presentation

The information presented in this news release is derived from the consolidated financial statements of Brighthouse Financial, Inc. for periods subsequent to the separation from MetLife, Inc. that occurred on August 4, 2017, and is derived from the combined financial information of the MetLife U.S. Retail Separation Business for periods prior to the separation. The combined financial information was prepared in connection with the separation of a substantial portion of MetLife, Inc.'s former Retail segment as well as certain portions of its former Corporate Benefit Funding segment, and presents the combined results of operations and financial condition of certain former direct and indirect subsidiaries and certain of its current and former affiliates.

Forward-Looking Statements

This news release and other written or oral 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," "forecast," "objective," "continue," "aim," "plan," "believe" and other words and terms of similar meaning, or are tied to future periods, in connection with a discussion of future operating or financial performance. In particular, these include, without limitation, statements relating to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, trends in operating and financial results, as well as statements regarding the expected benefits of the separation from MetLife (the "Separation") and the recapitalization actions.

PUBLIC RELATIONS

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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. 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 counterparty risk due to guarantees within certain of our products; the effectiveness of our exposure management strategy and the impact of such strategy on net income volatility and negative effects on our statutory capital; the additional reserves we will be required to hold against our variable annuities as a result of actuarial guidelines; a sustained period of low equity market prices and interest rates that are lower than those we assumed when we issued our variable annuity products; our degree of leverage due to indebtedness incurred in connection with the Separation; the effect adverse capital and credit market conditions may have on our ability to meet liquidity needs and our access to capital; the impact of changes in regulation and in supervisory and enforcement policies on our insurance business or other operations; the effectiveness of our risk management policies and procedures; the availability of reinsurance and the ability of our counterparties to our reinsurance or indemnification arrangements to perform their obligations thereunder; heightened competition, including with respect to service, product features, scale, price, actual or perceived financial strength, claims-paying ratings, credit ratings, e-business capabilities and name recognition; changes in accounting standards, practices and/or policies applicable to us; the ability of our insurance subsidiaries to pay dividends to us, and our ability to pay dividends to our shareholders; our ability to market and distribute our products through distribution channels; the impact of the Separation on our business and profitability due to MetLife's strong brand and reputation, the increased costs related to replacing arrangements with MetLife with those of third parties and incremental costs as a public company; whether the operational, strategic and other benefits of the Separation can be achieved, and our ability to implement our business strategy; whether all or any portion of the Separation tax consequences 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 matters and agreements including the potential of outcomes adverse to us that could cause us to owe MetLife material tax reimbursements or payments; the impact on our business structure, profitability, cost of capital and flexibility due to restrictions we have agreed to that preserve the tax-free treatment of certain parts of the Separation; the potential material negative tax impact of the Tax Cuts and Jobs Act and other potential future tax legislation that could decrease the value of our tax attributes, lead to increased RBC requirements and cause other cash expenses, such as reserves, to increase materially and make some of our products less attractive to consumers; whether the distribution will qualify for non-recognition treatment for U.S. federal income tax purposes and potential indemnification to MetLife if the distribution does not so qualify; our ability to attract and retain key personnel; and other factors described from time to time in documents that we file with the U.S. Securities and Exchange Commission (the "SEC").

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements included and the risks, uncertainties and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2017, particularly in the sections entitled "Risk Factors" and "Quantitative and Qualitative Disclosures About Market Risk," as well as in our periodic reports, current reports on Form 8-K and other documents we file from time to time 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.

PUBLIC RELATIONS

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About Brighthouse Financial, Inc.

Brighthouse Financial, Inc. (Nasdaq: BHF) is a major provider of annuities and life insurance in the U.S. Established by MetLife, we are on a mission to help people achieve financial security. We specialize in products that play an essential role in helping people protect what they've earned and ensure it lasts. Learn more at www.brighthousefinancial.com.

CONTACT

FOR INVESTORS

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

FOR MEDIA

Tim Miller
(980) 949-3121
tim.w.miller@brighthousefinancial.com

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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Condensed Statements of Operations (Unaudited, in millions)

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Revenues			
Premiums	\$229	\$233	\$176
Universal life and investment-type product policy fees	1,002	963	953
Net investment income	817	769	782
Other revenues	105	322	74
Revenues before NIGL and NDGL	2,153	2,287	1,985
Net investment gains (losses)	(4)	6	(55)
Net derivative gains (losses)	(334)	(413)	(965)
Total revenues	\$1,815	\$1,880	\$965
Expenses			
Interest credited to policyholder account balances	\$267	\$273	\$275
Policyholder benefits and claims	738	904	864
Amortization of DAC and VOBA	305	231	(148)
Interest expense on debt	37	37	45
Other expenses	581	657	519
Total expenses	1,928	2,102	1,555
Income (loss) before provision for income tax	(113)	(222)	(590)
Provision for income tax expense (benefit)	(48)	(890)	(241)
Net income (loss)	(65)	668	(349)
Less: Net income (loss) attributable to noncontrolling interests	2	—	—
Net income (loss) available to Brighthouse Financial, Inc.'s common shareholders	\$(67)	\$668	\$(349)

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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Charlotte, NC 28277



Condensed Balance Sheets (Unaudited, in millions)

	As of		
	March 31, 2018	December 31, 2017	March 31, 2017
ASSETS			
Investments:			
Fixed maturity securities available-for-sale	\$63,178	\$64,991	\$60,870
Equity securities (1)	160	161	215
Mortgage loans, net	11,308	10,742	9,908
Policy loans	1,517	1,523	1,512
Real estate joint ventures	441	433	242
Other limited partnership interests	1,700	1,669	1,596
Short-term investments	293	312	1,058
Other invested assets (1)	2,452	2,507	3,892
Total investments	81,049	82,338	79,293
Cash and cash equivalents	1,888	1,857	5,812
Accrued investment income	640	601	641
Reinsurance recoverables	12,746	12,763	12,869
Premiums and other receivables	781	762	817
DAC and VOBA	6,083	6,286	6,500
Current income tax recoverable	832	740	1,247
Other assets	593	588	644
Separate account assets	114,385	118,257	115,365
Total assets	\$218,997	\$224,192	\$223,188
LIABILITIES AND EQUITY			
Liabilities			
Future policy benefits	\$36,223	\$36,616	\$33,622
Policyholder account balances	37,940	37,783	36,986
Other policy-related balances	2,991	2,985	3,009
Payables for collateral under securities loaned and other transactions	4,244	4,169	7,177
Long-term financing obligations:			
Debt	3,609	3,612	807
Reserve financing	—	—	3,897
Deferred income tax liability	752	927	2,445
Other liabilities	5,180	5,263	4,764
Separate account liabilities	114,385	118,257	115,365
Total liabilities	205,324	209,612	208,072
Equity			
Common stock	1	1	—
Additional paid-in capital	12,432	12,432	—
Retained earnings	374	406	—
Shareholder's net investment	—	—	13,610
Accumulated other comprehensive income (loss)	801	1,676	1,506
Total Brighthouse Financial, Inc.'s stockholders' equity	13,608	14,515	15,116
Noncontrolling interests	65	65	—
Total equity	13,673	14,580	15,116
Total liabilities and equity	\$218,997	\$224,192	\$223,188

(1) The Company reclassified \$71 million as of December 31, 2017 and \$75 million as of March 31, 2017 of FHLB common stock from equity securities to other invested assets, principally at estimated fair value, to conform to current presentation.

For periods ending prior to the separation, stockholders' equity was previously reported as shareholder's net investment.

PUBLIC RELATIONS

Brighthouse Financial, Inc.
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Reconciliation of Net Income (Loss) Available to Shareholders to Adjusted Earnings and Reconciliation of Net Income (Loss) Available to Shareholders per Common Share to Adjusted Earnings per Common Share (Unaudited, in millions except per share data)

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Net income (loss) available to shareholders	\$ (67)	\$ 668	\$ (349)
Adjustments from net income (loss) available to shareholders to adjusted earnings:			
Less: Net investment gains (losses)	(4)	6	(55)
Less: Net derivative gains (losses)	(342)	(424)	(1,041)
Less: GMIB adjustments	(133)	(76)	132
Less: Market value adjustments	31	(3)	(6)
Less: Other	5	—	(12)
Less: Provision for income tax (expense) benefit on reconciling adjustments	93	173	353
Adjusted earnings	\$283	\$992	\$280
Net income (loss) available to shareholders per common share	\$ (0.56)	\$ 5.58	N/A
Less: Net investment gains (losses)	(0.03)	0.05	N/A
Less: Net derivative gains (losses)	(2.86)	(3.54)	N/A
Less: GMIB adjustments	(1.11)	(0.63)	N/A
Less: Market value adjustments	0.26	(0.02)	N/A
Less: Other	0.04	—	N/A
Less: Provision for income tax (expense) benefit on reconciling adjustments	0.78	1.44	N/A
Adjusted earnings per common share	\$2.36	\$8.28	N/A

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

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Net investment income	\$817	\$769	\$782
Less: Investment hedge adjustments	(8)	(11)	(76)
Less: Incremental net investment income from CSEs	—	—	—
Adjusted net investment income	\$825	\$780	\$858

PUBLIC RELATIONS

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Charlotte, NC 28277



Notable Items (Unaudited, in millions)

	For the Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
NOTABLE ITEMS IMPACTING ADJUSTED EARNINGS			
Actuarial items and other insurance adjustments	\$(32)	\$91	\$—
Establishment costs	37	47	—
Separation related transactions	—	14	—
Tax reform adjustment (1)	—	(947)	—
Other	—	—	—
Total notable items (2)	\$5	\$(795)	\$—
NOTABLE ITEMS BY SEGMENT AND CORPORATE & OTHER			
Annuities	\$—	\$—	\$—
Life	(16)	—	—
Run-off	(16)	91	—
Corporate & Other	37	(886)	—
Total notable items (2)	\$5	\$(795)	\$—

(1) The notable item for the three month period ended December 31, 2017 includes a reduction of \$222 million in a tax-related obligation to our former parent, MetLife, Inc.

(2) 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.