

## PUBLIC RELATIONS

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



## FOR IMMEDIATE RELEASE

### Brighthouse Financial Announces Second Quarter 2023 Results

- *Estimated combined risk-based capital ("RBC") ratio between 430% and 450%; holding company liquid assets of \$0.9 billion*
- *Repurchased approximately \$152 million of its common stock year-to-date through August 4, 2023*
- *Annuity sales increased 16% in the first half of 2023 compared with the same period in 2022*
- *Life sales increased 23% in the first half of 2023 compared with the same period in 2022*
- *Second quarter 2023 net loss available to shareholders of \$200 million, or \$3.01 per diluted share*
- *Second quarter 2023 adjusted earnings\* of \$271 million, or \$4.04 per diluted share*

**CHARLOTTE, NC, August 8, 2023 (as updated August 9, 2023)** – Brighthouse Financial, Inc. ("Brighthouse Financial" or the "company") (Nasdaq: BHF) announced today its financial results for the second quarter ended June 30, 2023.

#### Second Quarter 2023 Results

The company reported a net loss available to shareholders of \$200 million in the second quarter of 2023, or \$3.01 per diluted share, compared with net income available to shareholders of \$1,719 million in the second quarter of 2022. During the quarter, as a result of market performance, the value of our hedges decreased, as expected. Under GAAP accounting, all VA liabilities classified as market risk benefits are accounted for on a fair value basis. The company anticipates volatility in net income (loss) given the differences between these GAAP liabilities and our hedge target.

The company ended the second quarter of 2023 with common stockholders' equity ("book value") of \$3.2 billion, or \$48.64 per common share, and book value, excluding accumulated other comprehensive income ("AOCI") of \$9.1 billion, or \$137.80 per common share.

For the second quarter of 2023, the company reported adjusted earnings\* of \$271 million, or \$4.04 per diluted share, compared with adjusted earnings of \$144 million, or \$1.91 per diluted share, in the second quarter of 2022. There were no notable items in the current quarter.

\* 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 2023 Brighthouse Financial, Inc. Financial Supplement and/or the Second Quarter 2023 Brighthouse Financial, Inc. Earnings Call Presentation (which are available on the Brighthouse Financial Investor Relations webpage at <http://investor.brighthousefinancial.com>). GAAP results reflect the company's adoption, on January 1, 2023, of the provisions of FASB ASU 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI"), and any GAAP historical data contained herein has been updated retrospectively. 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



Corporate expenses in the second quarter of 2023 were \$221 million, up from \$210 million in the first quarter of 2023, both on a pre-tax basis.

Annuity sales increased 16% in the first half of 2023 compared with the same period in 2022, driven by higher fixed deferred annuity sales and Shield Level annuity sales, partially offset by lower variable annuity sales. Annuity sales were flat quarter-over-quarter and decreased 12% sequentially, primarily driven by lower fixed deferred annuity sales, partially offset by higher Shield Level annuity sales. Life sales increased 23% in the first half of 2023 compared with the same period in 2022, 32% quarter-over-quarter and 9% sequentially.

During the second quarter of 2023, the company repurchased \$64 million of its common stock, with an additional approximately \$26 million of its common stock repurchased, on a trade date basis, through August 4, 2023.

"During the second quarter of 2023, we delivered solid results while making additional progress in support of our strategic goals," said Eric Steigerwalt, president and CEO, Brighthouse Financial.

"I am proud of our many accomplishments in the quarter, including our strong annuity sales results, as well as the 16% increase in annuity sales that we generated in the first half of 2023 compared with the same period in 2022," Steigerwalt continued. "In addition, we grew life sales 32% quarter-over-quarter and 23% in the first half of 2023 compared with the same period last year. As we continue to execute our life insurance strategy, we are pleased to further strengthen our life insurance product suite with the launch last month of our newest life insurance product, Brighthouse SmartGuard Plus<sup>SM</sup>."

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

	As of or For the Three Months Ended			
	June 30, 2023		June 30, 2022	
	Total	Per share	Total	Per share
Net income (loss) available to shareholders (1)	\$(200)	\$(3.01)	\$1,719	\$22.91
Adjusted earnings (1)	\$271	\$4.04	\$144	\$1.91
Adjusted earnings, less notable items (1)	\$271	\$4.04	\$353	\$4.71
Weighted average common shares outstanding - diluted (1)	66,967,185	N/A	74,971,658	N/A
Book value	\$3,208	\$48.64	\$5,481	\$75.01
Book value, excluding AOCI	\$9,089	\$137.80	\$9,657	\$132.16
Ending common shares outstanding	65,956,660	N/A	73,072,766	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, 2023	March 31, 2023	June 30, 2022
Annuities	\$291	\$314	\$320
Life	\$15	\$1	\$29
Run-off (1)	\$(16)	\$(106)	\$(157)
Corporate & Other (1)	\$(19)	\$(14)	\$(48)

(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, 2023	March 31, 2023	June 30, 2022
Annuities (1)	\$2,473	\$2,799	\$2,486
Life	\$25	\$23	\$19

(1) Annuities sales include sales of a fixed index annuity product, which represents 100% of gross sales on directly written business and the proportion of assumed gross sales under reinsurance agreements. Sales of this product were \$98 million for the second quarter of 2023, \$122 million for the first quarter of 2023 and \$206 million for the second quarter of 2022.

#### *Annuities*

Adjusted earnings in the Annuities segment were \$291 million in the current quarter, compared with adjusted earnings of \$320 million in the second quarter of 2022 and adjusted earnings of \$314 million in the first quarter of 2023.

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

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

As mentioned above, annuity sales increased 16% in the first half of 2023 compared with the same period in 2022, driven by higher fixed deferred annuity sales and Shield Level annuity sales, partially offset by lower variable annuity sales. Annuity sales were flat quarter-over-quarter and decreased 12% sequentially, primarily driven by lower fixed deferred annuity sales, partially offset by higher Shield Level annuity sales.

#### *Life*

Adjusted earnings in the Life segment were \$15 million in the current quarter, compared with adjusted earnings of \$29 million in the second quarter of 2022 and adjusted earnings of \$1 million in the first quarter of 2023.

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

## PUBLIC RELATIONS

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



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

As mentioned above, life sales increased 23% in the first half of 2023 compared with the same period in 2022, 32% quarter-over-quarter and 9% sequentially.

### *Run-off*

The Run-off segment had an adjusted loss of \$16 million in the current quarter, compared with an adjusted loss of \$157 million in the second quarter of 2022 and an adjusted loss of \$106 million in the first quarter of 2023.

There were no notable items in the current quarter or the first quarter of 2023. The second quarter of 2022 included \$200 million of unfavorable notable items related to a settlement of a reinsurance matter as well as new reinsurance agreements.

On a quarter-over-quarter basis, the adjusted loss, less notable items, reflects lower net investment income, a lower underwriting margin and higher expenses. On a sequential basis, the adjusted loss, less notable items, reflects higher net investment income and a higher underwriting margin.

### *Corporate & Other*

Corporate & Other had an adjusted loss of \$19 million in the current quarter, compared with an adjusted loss of \$48 million in the second quarter of 2022 and an adjusted loss of \$14 million in the first quarter of 2023.

There were no notable items in the current quarter or the first quarter of 2023. The second quarter of 2022 included a \$9 million unfavorable notable item related to establishment costs.

On a quarter-over-quarter basis, the adjusted loss, less notable items, reflects higher net investment income and lower expenses, partially offset by a lower tax benefit. On a sequential basis, the adjusted loss, less notable items, reflects higher expenses.

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

	For the Three Months Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
Net investment income	\$1,196	\$1,059	\$1,061
Adjusted net investment income	\$1,219	\$1,097	\$1,070

### *Net Investment Income*

Net investment income was \$1,196 million and adjusted net investment income\* was \$1,219 million in the current quarter. On a quarter-over-quarter basis, adjusted net investment income increased \$149 million, primarily driven by asset growth and higher interest rates. On a sequential basis, adjusted net investment income increased \$122 million, primarily driven by alternative investment income.

The net investment income yield was 4.21% 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, 2023 (1)	March 31, 2023	June 30, 2022
Statutory combined total adjusted capital	\$7.6	\$8.2	\$8.2

(1) Reflects preliminary statutory results as of June 30, 2023.

### Capitalization

As of June 30, 2023:

- Statutory combined total adjusted capital<sup>(1)</sup> ("TAC") decreased to approximately \$7.6 billion, primarily driven by our annuity business; a portion of this decline is expected to reverse by year-end upon the completion of a reinsurance transaction between Brighthouse Life Insurance Company and its New York affiliate
- Estimated combined RBC ratio<sup>(1)</sup> was between 430% and 450%, with the decline from March 31 primarily driven by the decline in TAC
- Holding company liquid assets were approximately \$0.9 billion

(1) Reflects preliminary statutory results as of June 30, 2023.

## 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 2023 at 8:00 a.m. Eastern Time on Wednesday, August 9, 2023. 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 as a participant, please register in advance at <https://register.vevent.com/register/BI3fdc50abbcf6461481f180d76516cb48>.

A replay of the conference call will be made available until Friday, August 25, 2023, 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.,<sup>(1)</sup> we specialize in products designed to help people protect what they've earned and ensure it lasts. Learn more at [brighthousefinancial.com](http://brighthousefinancial.com).

(1) Ranked by 2022 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. AM Best, 2023.

## CONTACT

### FOR INVESTORS

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

### FOR MEDIA

Deon Roberts  
(980) 949-3071  
[deon.roberts@brighthousefinancial.com](mailto:deon.roberts@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 between actual outcomes and the sensitivities calculated under certain scenarios 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 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 risks associated with climate change; the adverse impact of public health crises, extreme mortality events or similar occurrences on our business and the economy in general; 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 geopolitical events, military actions or catastrophic events, on our profitability measures as well as our investment portfolio, including on realized and unrealized losses and impairments, net investment spread and net investment income; the financial risks that our investment portfolio is subject to, including credit risk, interest rate risk, inflation risk, market valuation risk, liquidity risk, real estate risk, derivatives risk, and other factors outside our control; the impact of changes in regulation and in supervisory and enforcement policies or interpretations thereof 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 or increase our tax liability; the effectiveness of our policies, procedures and processes 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; 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, 2022, 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 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 enhance the understanding of our performance by the investor community by highlighting the results of operations and the underlying profitability drivers of our business.

The following non-GAAP financial 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.

#### *Adjusted Earnings, Adjusted Revenues and Adjusted Expenses*

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



## PUBLIC RELATIONS

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



Adjusted earnings reflects adjusted revenues less (i) adjusted expenses, (ii) provision for income tax expense (benefit), (iii) net income (loss) attributable to noncontrolling interests and (iv) 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 in calculating the adjusted revenues component of adjusted earnings:

- Net investment gains (losses); and
- 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").

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

- Change in market risk benefits; and
- Change in fair value of the crediting rate on experience-rated contracts ("Market Value Adjustments").

The tax impact of the adjustments discussed above 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 GAAP net investment income plus Investment Hedge Adjustments.

## PUBLIC RELATIONS

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



### 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 unfavorable (favorable) after-tax 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.

#### *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.

#### *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.

## PUBLIC RELATIONS

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



Annuity sales consist of 100 percent of direct statutory premiums, except for fixed index annuity sales, which represents 100 percent of gross sales on directly written business and the proportion of assumed gross sales under reinsurance agreements. 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 percentage 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 a percentage 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 (loss) from operations adjusted for the favorable or unfavorable impacts of (i) net realized capital gains (losses), (ii) the change in total asset requirement at CTE98, net of the change in our variable annuity reserves, and (iii) unrealized gains (losses) associated with our variable annuities and Shield hedging programs and other equity risk management strategies. Normalized statutory earnings (loss) may be further adjusted for certain unanticipated items that impact 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.

## 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, 2023	March 31, 2023	June 30, 2022
<b>Revenues</b>			
Premiums	\$211	\$197	\$167
Universal life and investment-type product policy fees	601	606	609
Net investment income	1,196	1,059	1,061
Other revenues	130	93	118
Revenues before NIGL and NDGL	2,138	1,955	1,955
Net investment gains (losses)	(64)	(96)	(66)
Net derivative gains (losses)	(1,811)	(575)	1,977
<b>Total revenues</b>	<b>\$263</b>	<b>\$1,284</b>	<b>\$3,866</b>
<b>Expenses</b>			
Policyholder benefits and claims	\$689	\$687	\$717
Interest credited to policyholder account balances	452	422	284
Amortization of DAC and VOBA	157	156	158
Change in market risk benefits	(1,300)	194	(62)
Interest expense on debt	38	38	38
Other expenses	464	440	554
<b>Total expenses</b>	<b>500</b>	<b>1,937</b>	<b>1,689</b>
Income (loss) before provision for income tax	(237)	(653)	2,177
Provision for income tax expense (benefit)	(62)	(156)	432
<b>Net income (loss)</b>	<b>(175)</b>	<b>(497)</b>	<b>1,745</b>
Less: Net income (loss) attributable to noncontrolling interests	—	2	—
<b>Net income (loss) attributable to Brighthouse Financial, Inc.</b>	<b>(175)</b>	<b>(499)</b>	<b>1,745</b>
Less: Preferred stock dividends	25	26	26
<b>Net income (loss) available to Brighthouse Financial, Inc.'s common shareholders</b>	<b>\$(200)</b>	<b>\$(525)</b>	<b>\$1,719</b>

## PUBLIC RELATIONS

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



### Condensed Balance Sheets (Unaudited, in millions)

	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
<b>ASSETS</b>			
Investments:			
Fixed maturity securities available-for-sale	\$77,577	\$77,685	\$78,606
Equity securities	91	91	96
Mortgage loans	22,614	22,823	21,508
Policy loans	1,288	1,273	1,277
Limited partnerships and limited liability companies	4,914	4,803	4,683
Short-term investments	1,125	1,386	920
Other invested assets	3,677	3,229	3,345
Total investments	111,286	111,290	110,435
Cash and cash equivalents	3,737	3,685	5,071
Accrued investment income	1,027	985	852
Reinsurance recoverables	18,650	18,451	15,698
Premiums and other receivables	573	516	765
DAC and VOBA	4,968	5,027	5,196
Current income tax recoverable	31	30	18
Deferred income tax asset	1,897	1,673	1,272
Market risk benefit assets	602	510	375
Other assets	382	395	425
Separate account assets	88,392	87,440	88,843
<b>Total assets</b>	<b>\$231,545</b>	<b>\$230,002</b>	<b>\$228,950</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Future policy benefits	\$31,899	\$32,286	\$33,492
Policyholder account balances	78,643	76,120	66,717
Market risk benefit liabilities	9,783	10,729	12,304
Other policy-related balances	3,784	3,816	3,944
Payables for collateral under securities loaned and other transactions	4,133	4,401	6,675
Long-term debt	3,156	3,157	3,157
Other liabilities	6,783	6,234	6,573
Separate account liabilities	88,392	87,440	88,843
<b>Total liabilities</b>	<b>226,573</b>	<b>224,183</b>	<b>221,705</b>
<b>Equity</b>			
Preferred stock, at par value	—	—	—
Common stock, at par value	1	1	1
Additional paid-in capital	14,039	14,054	14,113
Retained earnings (deficit)	(1,069)	(894)	(945)
Treasury stock	(2,183)	(2,119)	(1,813)
Accumulated other comprehensive income (loss)	(5,881)	(5,288)	(4,176)
<b>Total Brighthouse Financial, Inc.'s stockholders' equity</b>	<b>4,907</b>	<b>5,754</b>	<b>7,180</b>
Noncontrolling interests	65	65	65
<b>Total equity</b>	<b>4,972</b>	<b>5,819</b>	<b>7,245</b>
<b>Total liabilities and equity</b>	<b>\$231,545</b>	<b>\$230,002</b>	<b>\$228,950</b>

## 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, 2023	March 31, 2023	June 30, 2022
<b>ADJUSTED EARNINGS, LESS NOTABLE ITEMS</b>			
<b>Net income (loss) available to shareholders</b>	<b>\$(200)</b>	<b>\$(525)</b>	<b>\$1,719</b>
Less: Net investment gains (losses)	(64)	(96)	(66)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(1,834)	(613)	1,968
Less: Change in market risk benefits	1,300	(194)	62
Less: Market value adjustments	2	(8)	32
Less: Provision for income tax (expense) benefit on reconciling adjustments	125	191	(421)
<b>Adjusted earnings</b>	<b>271</b>	<b>195</b>	<b>144</b>
Less: Notable items	—	—	(209)
<b>Adjusted earnings, less notable items</b>	<b>\$271</b>	<b>\$195</b>	<b>\$353</b>
<b>ADJUSTED EARNINGS, LESS NOTABLE ITEMS PER COMMON SHARE (1)</b>			
<b>Net income (loss) available to shareholders per common share</b>	<b>\$(3.01)</b>	<b>\$(7.72)</b>	<b>\$22.91</b>
Less: Net investment gains (losses)	(0.96)	(1.41)	(0.88)
Less: Net derivative gains (losses), excluding investment hedge adjustments	(27.49)	(9.03)	26.25
Less: Change in market risk benefits	19.48	(2.86)	0.83
Less: Market value adjustments	0.03	(0.12)	0.43
Less: Provision for income tax (expense) benefit on reconciling adjustments	1.87	2.81	(5.62)
Less: Impact of inclusion of dilutive shares	0.01	0.02	—
<b>Adjusted earnings per common share</b>	<b>4.04</b>	<b>2.86</b>	<b>1.91</b>
Less: Notable items	—	—	(2.79)
<b>Adjusted earnings, less notable items per common share</b>	<b>\$4.04</b>	<b>\$2.86</b>	<b>\$4.71</b>

(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, 2023	March 31, 2023	June 30, 2022
Net investment income	\$1,196	\$1,059	\$1,061
Less: Investment hedge adjustments	(23)	(38)	(9)
<b>Adjusted net investment income</b>	<b>\$1,219</b>	<b>\$1,097</b>	<b>\$1,070</b>

### Notable Items (Unaudited, in millions)

	For the Three Months Ended		
	June 30, 2023	March 31, 2023	June 30, 2022
<b>NOTABLE ITEMS IMPACTING ADJUSTED EARNINGS</b>			
Actuarial items and other insurance adjustments	\$—	\$—	\$200
Establishment costs	—	—	9
Debt repayment costs	—	—	—
Prior year tax matters	—	—	—
<b>Total notable items (1)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$209</b>
<b>NOTABLE ITEMS BY SEGMENT AND CORPORATE &amp; OTHER</b>			
Annuities	\$—	\$—	\$—
Life	—	—	—
Run-off	—	—	200
Corporate & Other	—	—	9
<b>Total notable items (1)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$209</b>

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