

Sources & Uses

For Resolution Life Holdings, Inc.

- Equity and debt funding to cover the purchase price for the Retained Business
 - \$522MM
- Excess capital (specifically generated by the reinsurance transaction itself) to cover the purchase price for the Reinsured Business
 - \$100MM
- Working capital / other covered with residual excess capital
 - Such excess capital generated via accrued earnings during 2013
- LBL to be capitalized at 350% RBC following closing

Sources & Uses ⁽¹⁾

SMM, Unless Otherwise Noted

Sources		Uses	
Equity	\$372	<u>Purchase Price</u>	
Debt ⁽²⁾	150	For Retained Business	\$500
Subtotal	522	For Portion of '13 Earnings	22
		➤ Subtotal: Retained Business	522
Axxx Financing	503	For Reinsured Business	100
		Total Price	622
		<u>Capitalization of LBL</u>	
		Axxx Financing	503
		Dividend of Excess Capital	(144)
		Subtotal	359
		Working Capital / Other	44
Total Sources	1,025	Total Uses	1,025

Notes

1. Expected Sources & Uses as of August 2, 2013. The Sources & Uses may change based on developments between signing and closing
2. Capacity of up to \$175MM