

Financial supplement

Global Atlantic Financial Limited

(an indirect subsidiary of The Global Atlantic Financial Group LLC)

Fourth Quarter 2022

Information in this document is unaudited. This financial supplement is for informational purposes only and should be read in conjunction with Global Atlantic Financial Limited's consolidated financial statements for the year ended December 31, 2022

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Important notice

On February 1, 2021, KKR & Co. Inc., or together with its subsidiaries, “KKR,” completed the acquisition of Global Atlantic Financial Limited’s former ultimate parent, Global Atlantic Financial Group Limited, or “GAFG,” by The Global Atlantic Financial Group LLC (formerly Magnolia Parent LLC), a KKR subsidiary, or “TGAFG”. Alongside the aforementioned acquisition, TGAFG also raised \$250 million of primary capital, of which \$215 million was contributed into Global Atlantic Financial Limited. The accompanying financial statements are presented for Successor and Predecessor periods, which relate to the accounting periods starting on, and ending before, February 1, 2021, respectively, the date of the closing of the acquisition, and also reflects the impacts of pushing down purchase accounting entries and the election of new accounting policies to conform to those of its new parent company, establishing a new accounting basis. In particular, upon acquisition, Global Atlantic Financial Limited and its subsidiaries (“Global Atlantic”) became subject to certain accounting standards applicable to public companies, and in particular the standard on the recognition of current expected credit losses (“CECL”) on financial instruments. The implementation of the latter resulted in Global Atlantic recognizing a credit loss allowance of \$228 million in net income during the eleven months ended December 31, 2021. See Note 2—“Significant accounting policies and practices” and Note 16 — “Acquisition” in the unaudited interim consolidated financial statements for additional information.

Where applicable, prior year disclosures have been conformed to (i) the current period presentation and (ii) revisions to non-GAAP measure definitions. Global Atlantic undertakes no obligation to update or correct the information in this Financial Supplement.

Certain totals may not sum to the corresponding components due to rounding.

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Certain information contained in this financial supplement constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “target,” “intend,” “continue” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Past performance is not a guarantee of future results.

This financial supplement does not and shall not constitute an offer to buy or sell, or the solicitation of an offer to buy any securities of Global Atlantic. This financial supplement is not for distribution. THIS FINANCIAL SUPPLEMENT DOES NOT DISCLOSE THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT IN THE SECURITIES OF GLOBAL ATLANTIC. INVESTORS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE RELEVANT SECURITIES AND ANY APPLICABLE RISKS PRIOR TO TRANSACTING IN SECURITIES OF GLOBAL ATLANTIC. None of the information contained herein has been filed with the U.S. Securities and Exchange Commission, any securities administrator under any securities laws of any U.S. or non-U.S. jurisdiction or any other U.S. or non-U.S. governmental or self-regulatory authority. No such governmental authority or self-regulatory authority will pass on the merits of the adequacy of the information contained herein. Any representation to the contrary is unlawful.

Credit ratings

This list is provided for informational purposes only. Ratings are not recommendations to buy, sell, or hold securities, and each rating may be revised or revoked at any time at the sole discretion of the rating organization. Financial strength ratings apply to the issuing companies and do not apply to any specific product or underlying fund. Each individual insurer is solely responsible for the benefits and obligations of the products it issues.

	Ratings as of March 2, 2023			
	A.M. Best	Fitch	Moody's	Standard & Poor's
Credit ratings⁽¹⁾				
Global Atlantic Financial Limited				
Issuer Credit Rating / Issuer Default Rating / Issuer Rating				
Rating	N/A	BBB+	N/A	BBB-
Outlook	N/A	Stable	N/A	Positive
Global Atlantic (Fin) Company				
Issuer Credit Rating / Issuer Default Rating / Issuer Rating				
Rating	bbb	BBB+	Baa2	BBB-
Outlook	Positive	Stable	Stable	Positive
Financial strength ratings				
Commonwealth Annuity & Life Insurance	A	A	A2	A-
Forethought Life Insurance Company	A	A	A2	A-
Accordia Life and Annuity Company	A	A	A2	A-
First Allmerica Financial Life Insurance Company	A	A	A2	A-
Global Atlantic Re Limited	A	A	A2	A-
Global Atlantic Assurance Limited	A	A	A2	A-

(1) Fitch's credit rating is its Long Term Issuer Default Rating.

Consolidated results

Financial highlights⁽¹⁾

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Consolidated results of operations										
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (25)	\$ 208	\$ 302	\$ 122	\$ 162	(115)%	\$ 607	\$ 452	\$ 57	34 %
Adjusted operating income, net of tax	280	217	233	199	576	(51)%	929	1,094	56	(15)%
ROE ⁽²⁾	NM	NM	406.7 %	14.1 %	12.9 %	NM	NM	10.8 %	8.7 %	NM
Adjusted ROE ⁽²⁾	(1.7)%	14.5 %	21.5 %	8.8 %	12.0 %	(13.7)%	10.6 %	9.8 %	14.9 %	0.8 %
Adjusted Operating ROE ⁽²⁾	18.7 %	15.1 %	16.6 %	14.4 %	42.7 %	(24.0)%	16.2 %	23.6 %	14.6 %	(7.4)%
ROA ⁽²⁾	(0.08)%	0.68 %	0.98 %	0.39 %	0.52 %	(0.60)%	0.49 %	0.45 %	0.70 %	0.04 %
Adjusted operating ROA, net of tax ⁽²⁾	0.95 %	0.76 %	0.83 %	0.73 %	2.21 %	(1.26)%	0.82 %	1.24 %	0.83 %	(0.42)%
Effective income tax rate	37.4 %	22.5 %	20.3 %	17.4 %	14.4 %	23.0 %	18.0 %	9.8 %	22.7 %	8.2 %
Adjusted operating tax rate	14.1 %	16.9 %	17.1 %	14.6 %	19.1 %	(5.0)%	15.6 %	15.4 %	15.2 %	0.2 %
Balance sheet items										
Total assets	\$ 173,443	\$ 165,521	\$ 167,318	\$ 167,493	\$ 166,552	4 %	\$ 173,443	\$ 166,552	\$ 126,710	4 %
Adjusted invested assets	121,088	115,436	113,553	111,868	105,658	15 %	121,088	105,658	81,905	15 %
Total liabilities	175,982	168,523	168,262	165,260	161,185	9 %	175,982	161,185	118,652	9 %
Total shareholders' equity	(2,810)	(3,300)	(1,261)	1,855	5,070	(155)%	(2,810)	5,070	7,775	(155)%
Adjusted shareholders' equity	6,174	5,812	5,683	5,571	5,486	13 %	6,174	5,486	4,638	13 %

(1) On February 1, 2021, KKR completed the acquisition of GAFG by TGAFG (a KKR subsidiary.) The financial information in this supplement are presented for Successor and Predecessor periods, which relate to the accounting periods starting on, and ending before, February 1, 2021, respectively, the date of the closing of the acquisition, and also reflects the impacts of pushing down purchase accounting entries, establishing a new accounting basis. In addition, alongside the aforementioned acquisition, TGAFG raised \$250 million of primary capital, of which \$215 million was contributed into Global Atlantic Financial Limited.

(2) Interim periods are annualized.

Consolidated statements of income

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Revenues										
Premiums	\$ 555	\$ 480	\$ (225)	\$ 372	\$ 527	5 %	\$ 1,182	\$ 2,226	\$ 77	(47)%
Policy fees	315	320	326	318	324	(3)%	1,279	1,148	98	11 %
Net investment income	1,230	1,056	895	777	909	35 %	3,958	2,723	266	45 %
Net investment gains (losses) ⁽¹⁾	(421)	(174)	(426)	(369)	171	(346)%	(1,390)	204	(56)	NM
Other income	36	36	32	35	38	(5)%	139	120	8	16 %
Total revenues	\$ 1,715	\$ 1,718	\$ 602	\$ 1,133	\$ 1,969	(13)%	\$ 5,168	\$ 6,421	\$ 393	(20)%
Benefits and expenses										
Policy benefits and claims ⁽¹⁾	\$ 1,416	\$ 1,087	\$ (45)	\$ 726	\$ 1,462	(3)%	\$ 3,184	\$ 5,056	\$ 226	(37)%
Amortization of policy acquisition costs	(3)	9	13	(8)	(9)	67 %	11	(66)	44	117 %
Insurance expenses	160	158	131	117	118	36 %	566	359	24	58 %
Total benefits and insurance expenses	1,573	1,254	99	835	1,571	– %	3,761	5,349	294	(30)%
Net underwriting income	142	464	503	298	398	(64)%	1,407	1,072	99	31 %
Interest expenses	29	26	19	13	18	61 %	87	62	4	40 %
General and administrative expenses	204	180	173	170	186	10 %	727	560	20	30 %
Income (loss) before income taxes	(91)	258	311	115	194	(147)%	593	450	75	32 %
Income tax expense (benefit)	(34)	58	63	20	28	(221)%	107	44	17	143 %
Net income (loss)	(57)	200	248	95	166	(134)%	486	406	58	20 %
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	(32)	(8)	(54)	(27)	4	NM	(121)	(46)	1	(163)%
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (25)	\$ 208	\$ 302	\$ 122	\$ 162	(115)%	\$ 607	\$ 452	\$ 57	34 %

(1) For the eleven month period ended December 31, 2021, includes \$219 million and \$9 million, respectively in net investments gains (losses) and policy benefits and claims, of credit loss allowances recognized upon the implementation of the CECL accounting standard.

Components of return on assets

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Components of return on assets⁽¹⁾										
Net investment return ratio	3.97 %	3.47 %	2.90 %	2.48 %	2.93 %	1.04 %	3.19 %	2.71 %	3.26 %	0.48 %
Net cost of insurance ratio	(3.51)%	(1.94)%	(1.27)%	(1.53)%	(1.65)%	(1.86)%	(2.05)%	(1.65)%	(2.04)%	(0.40)%
Net underwriting ratio	0.46 %	1.53 %	1.63 %	0.95 %	1.28 %	(0.82)%	1.14 %	1.06 %	1.22 %	0.08 %
General and administrative expense ratio	(0.66)%	(0.59)%	(0.56)%	(0.54)%	(0.60)%	(0.06)%	(0.59)%	(0.56)%	(0.24)%	(0.03)%
Interest expense ratio	(0.09)%	(0.09)%	(0.06)%	(0.04)%	(0.06)%	(0.03)%	(0.07)%	(0.06)%	(0.05)%	(0.01)%
Income tax expense ratio	0.11 %	(0.19)%	(0.20)%	(0.06)%	(0.09)%	0.20 %	(0.09)%	(0.04)%	(0.21)%	(0.05)%
Non-controlling interest ratio	0.10 %	0.02 %	0.17 %	0.08 %	(0.01)%	0.11 %	0.10 %	0.05 %	(0.02)%	0.05 %
Return on assets	(0.08)%	0.68 %	0.98 %	0.39 %	0.52 %	(0.60)%	0.49 %	0.45 %	0.70 %	0.04 %

(1) Interim periods are annualized.

Components of adjusted operating return on assets, net of tax

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Adjusted operating return on assets, net of tax⁽¹⁾	0.95 %	0.76 %	0.83 %	0.73 %	2.21 %	(1.26)%	0.82 %	1.24 %	0.83 %	(0.42)%
Components of adjusted operating return on assets, net of tax:⁽¹⁾										
Net investment earned rate⁽²⁾	4.16 %	3.69 %	3.42 %	3.17 %	5.18 %	(1.02)%	3.62 %	3.78 %	4.37 %	(0.16)%
Adjusted net cost of insurance ratio	(2.49)%	(2.22)%	(1.83)%	(1.77)%	(1.82)%	(0.67)%	(2.08)%	(1.74)%	(2.80)%	(0.34)%
Adjusted net underwriting ratio	1.67 %	1.47 %	1.59 %	1.40 %	3.36 %	(1.69)%	1.54 %	2.04 %	1.57 %	(0.50)%
Adjusted general and administrative expense ratio	(0.46)%	(0.47)%	(0.52)%	(0.49)%	(0.56)%	0.10 %	(0.49)%	(0.50)%	(0.53)%	0.01 %
Adjusted interest expense ratio	(0.10)%	(0.09)%	(0.07)%	(0.05)%	(0.07)%	(0.03)%	(0.08)%	(0.07)%	(0.06)%	(0.01)%
Adjusted operating return on assets, before taxes	1.11 %	0.91 %	1.00 %	0.86 %	2.73 %	(1.62)%	0.97 %	1.47 %	0.98 %	(0.50)%
Adjusted income tax expense ratio	(0.16)%	(0.15)%	(0.17)%	(0.13)%	(0.52)%	0.36 %	(0.15)%	(0.23)%	(0.15)%	0.08 %
Adjusted operating return on assets, net of tax	0.95 %	0.76 %	0.83 %	0.73 %	2.21 %	(1.26)%	0.82 %	1.24 %	0.83 %	(0.42)%
Components of adjusted operating earnings:										
Adjusted net investment income⁽²⁾	\$ 1,231	\$ 1,055	\$ 965	\$ 862	\$ 1,352	(9)%	4,113	3,330	\$ 296	24 %
Adjusted net cost of insurance	740	633	518	483	477	55 %	2,374	1,536	190	55 %
Adjusted net underwriting income	491	422	447	379	875	(44)%	1,739	1,794	106	(3)%
Interest expenses	29	26	19	13	18	61 %	87	62	4	40 %
Adjusted general and administrative expenses	136	135	147	133	145	(6)%	551	439	36	26 %
Adjusted operating earnings, before income taxes	326	261	281	233	712	(54)%	1,101	1,293	66	(15)%
Adjusted operating income tax expense	(46)	(44)	(48)	(34)	(136)	66 %	(172)	(199)	(10)	14 %
Adjusted operating earnings, net of tax	\$ 280	\$ 217	\$ 233	\$ 199	\$ 576	(51)%	\$ 929	\$ 1,094	\$ 56	(15)%
Average total investments ⁽³⁾	\$ 124,018	\$ 121,766	\$ 123,498	\$ 125,289	\$ 124,147	— %	\$ 124,149	\$ 109,465	\$ 98,058	13 %
Average adjusted invested assets ⁽³⁾	118,281	114,495	112,711	108,763	104,386	13 %	113,528	96,122	81,366	18 %

(1) Interim periods are annualized.

(2) Includes \$28 million, \$45 million, \$15 million, \$429 million, \$51 million, and \$47 million of variable investment income (loss) for the quarters ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, respectively, derived from realized gains and losses from the sale of investments not related to asset/liability matching strategies.

(3) Quarterly averages are calculated by averaging the current and immediately preceding quarter; For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period; For the one-month period, calculated by averaging the beginning and ending periods.

Consolidated balance sheets

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022 Successor	3/31/2022	12/31/2021	
Assets						
Fixed maturity securities, available-for-sale, at fair value	\$ 63,860	\$ 60,622	\$ 61,842	\$ 65,869	\$ 70,523	(9)%
Fixed maturity securities, trading, at fair value	12,553	10,800	11,242	13,499	14,049	(11)%
Equity securities at fair value	18	20	21	39	289	(94)%
Mortgage and other loan receivables	35,091	35,420	34,701	31,577	28,877	22 %
Funds withheld receivable at interest	2,868	2,894	2,911	2,967	2,999	(4)%
Other invested assets	12,245	11,645	11,413	10,914	8,975	36 %
Total investments	126,635	121,401	122,130	124,865	125,712	1 %
Cash and cash equivalents	6,117	4,147	5,130	4,590	3,392	80 %
Restricted cash and cash equivalent	308	370	351	524	300	3 %
Accrued investment income	1,174	1,094	949	905	839	40 %
Reinsurance recoverable	27,920	26,163	26,225	24,639	25,062	11 %
Insurance Intangibles	1,723	1,632	1,549	1,481	1,407	22 %
Other assets	5,435	6,662	6,621	5,419	4,254	28 %
Separate account assets	4,131	4,052	4,363	5,070	5,586	(26)%
Total assets	\$ 173,443	\$ 165,521	\$ 167,318	\$ 167,493	\$ 166,552	4 %

Consolidated balance sheets (continued)

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022 Successor	3/31/2022	12/31/2021	
Liabilities						
Future policyholder benefits	\$ 18,841	\$ 18,397	\$ 17,963	\$ 18,148	\$ 18,053	4 %
Outstanding claims	254	261	301	309	290	(12)%
Contractholder deposit funds and other policyholder liabilities	122,129	117,076	115,483	112,619	108,177	13 %
Total policyholder liabilities	141,224	135,734	133,747	131,076	126,520	12 %
Debt	2,128	1,921	1,975	2,030	1,908	12 %
Funds withheld payable at interest	22,739	21,064	22,090	21,782	23,460	(3)%
Other liabilities	4,700	5,022	5,631	4,695	3,332	41 %
Reinsurance liabilities	1,060	730	456	607	379	180 %
Separate account liabilities	4,131	4,052	4,363	5,070	5,586	(26)%
Total liabilities	\$ 175,982	\$ 168,523	\$ 168,262	\$ 165,260	\$ 161,185	9 %
Redeemable non-controlling interests	\$ 83	\$ 82	\$ 81	\$ 82	\$ 82	1 %
Shareholders' Equity						
Additional paid-in capital	5,516	5,014	5,011	5,007	5,005	10 %
Retained earnings	1,059	1,084	876	574	452	134 %
Accumulated other comprehensive loss	(9,385)	(9,398)	(7,148)	(3,726)	(387)	NM
Total shareholders' equity	(2,810)	(3,300)	(1,261)	1,855	5,070	(155)%
Non-controlling interests	188	216	236	296	215	(13)%
Total equity	(2,622)	(3,084)	(1,025)	2,151	5,285	(150)%
Total liabilities, redeemable non-controlling interests and equity	\$ 173,443	\$ 165,521	\$ 167,318	\$ 167,493	\$ 166,552	4 %
Adjusted shareholders' equity	\$ 6,174	\$ 5,812	\$ 5,683	\$ 5,571	\$ 5,486	13 %
Average adjusted shareholders' equity ⁽¹⁾	5,993	5,747	5,627	5,529	5,396	11 %

(1) Quarterly averages are calculated by averaging the current and immediately preceding quarter.

Capitalization

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	
	<i>Successor</i>					
Total debt	\$ 2,128	\$ 1,921	\$ 1,975	\$ 2,030	\$ 1,908	12 %
50% of subordinated debentures	(375)	(375)	(375)	(375)	(375)	— %
Fair value adjustment to senior notes hedged with interest rate swap ⁽¹⁾	197	205	152	97	24	NM
Adjusted debt	\$ 1,950	\$ 1,751	\$ 1,752	\$ 1,752	\$ 1,557	25 %
Total Global Atlantic Financial Limited shareholders' equity⁽²⁾	(2,810)	(3,300)	(1,261)	1,855	5,070	(155) %
Less: Accumulated other comprehensive income (AOCI) ⁽³⁾	(9,385)	(9,398)	(7,148)	(3,726)	(387)	NM
Less: Accumulated change in fair value of reinsurance balances and related assets	401	286	204	10	(29)	NM
Adjusted shareholders' equity	\$ 6,174	\$ 5,812	\$ 5,683	\$ 5,571	\$ 5,486	13 %
Capitalization ⁽²⁾	\$ (682)	\$ (1,379)	\$ 714	\$ 3,885	\$ 6,978	(110) %
Adjusted capitalization	8,302	7,733	7,658	7,601	7,394	12 %
Adjusted capitalization, excluding debt fair value adjustments	8,499	7,938	7,810	7,698	7,418	15 %
Debt-to-capitalization⁽²⁾	(312.0)%	(139.3)%	276.6 %	52.3 %	27.3 %	(339.3)%
Debt-to-adjusted capitalization	25.6 %	24.8 %	25.8 %	26.7 %	25.8 %	(0.2) %
Adjusted debt-to-adjusted capitalization, excluding debt fair value adjustments	22.9 %	22.1 %	22.4 %	22.8 %	21.0 %	1.9 %

Risk-based capital as of December 31, 2022

U.S. insurance subsidiaries ⁽⁴⁾	380%
Estimated consolidated RBC, including Bermuda subsidiaries ⁽⁵⁾	415%

(1) The Company has designated interest rate swaps to hedge the interest rate risk associated with the Senior Notes issued in October 2019 and due in 2029, and Senior Notes issued June 2021 and due in June 2031.

(2) Includes the impact to accumulated other comprehensive income ("AOCI") on available-for-sale securities that the Company does not expect to realize since the Company intends to hold the securities until recovery. As of December 31, 2022, the impact included \$11.8 billion in unrealized losses.

(3) Effective February 1, 2021, the date of the closing of the KKR acquisition, the AOCI balance was reduced to zero due to the impacts of pushing down purchase accounting entries and establishing a new accounting basis.

(4) Risk-Based Capital, or "RBC", for Commonwealth Annuity & Life Insurance Company, which consolidates all our U.S. insurance subsidiaries.

(5) Estimated consolidated RBC ratio includes our Bermuda insurance subsidiaries and the cash and securities at holding companies. U.S. Company Action Level, or "CAL", RBC factors are applied to the assets and liabilities of our Bermuda insurance subsidiaries to determine their CAL. Certain balances reflected in Total Available Capital, or "TAC", for Bermuda insurance subsidiaries are reported under an economic or principle-based approach.

Note: Global Atlantic may transition to a new group capital metric based off domiciliary regulatory capital ratios beginning in the 1st Quarter of 2023

Revolving credit facility credit agreement: Global Atlantic debt-to-total capitalization ratio

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	
Global Atlantic debt-to-total capitalization ratio	<i>Successor</i>					
Total debt – principal	\$ 2,300	\$ 2,100	\$ 2,100	\$ 2,100	\$ 1,900	21 %
Less: Subordinated debentures, due October 2051 ⁽¹⁾	750	750	750	750	750	— %
Plus: Accrued but unpaid interest ⁽¹⁾	6	16	5	16	5	20 %
Consolidated debt, as defined in the credit agreement	\$ 1,556	\$ 1,366	\$ 1,355	\$ 1,366	\$ 1,155	35 %
Adjusted shareholders' equity	6,174	5,812	5,683	5,571	5,486	13 %
Global Atlantic consolidated debt to total capitalization, as defined in the credit agreement	20.1 %	19.0 %	19.3 %	19.7 %	17.4 %	2.7 %
Maximum permitted ratio under the credit agreement	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	— %
Excess over maximum permitted ratio	14.9 %	16.0 %	15.7 %	15.3 %	17.6 %	(2.7)%
Global Atlantic net worth						
Minimum required net worth under the credit agreement	4,164	4,176	4,072	3,921	3,860	8 %
Excess over minimum required net worth	2,010	1,636	1,611	1,650	1,626	24 %

See Note 10 in the audited financial statements for the year ended December 31, 2021 for a description of the material terms of Global Atlantic revolving credit facility entered into on August 4, 2021, including the credit agreement consolidated debt to total capitalization and consolidated net worth covenants.

(1) In accordance with the credit agreement for Global Atlantic's revolving credit facility entered into on August 4, 2021, hybrid securities (including subordinated debentures), are treated as equity and excluded from accrued interest and total debt calculations.

Assumption Review

Unaudited (\$ in millions, except percentages)

We review the assumptions underlying our reserves, deferred revenue, and expenses at least annually, usually in the third quarter. As we analyze our assumptions, to the extent we choose to update one or more of those assumptions, there may be an “unlocking” impact. Upon completion of assumption review during the Third Quarter 2022, we recognized a \$15 million net unfavorable unlocking impact on adjusted operating earnings, before income taxes (as compared to a \$19 million net favorable unlocking impact on adjusted operating earnings, before income taxes in the Third Quarter 2021).

For the three months ended September 30, 2022, the net unfavorable unlocking impact on net income and adjusted operating earnings was primarily due to an increase in expected future surrender experience of annuity policies partially as a result of higher interest rates, and a decrease in expected future surrender experience of life insurance policies. For the three months ended September 30, 2021, the net favorable unlocking impact on net income and adjusted operating earnings was primarily due to lower expected future mortality rates.

The following table reflects the impacts to adjusted operating earnings, before income taxes and to income before income taxes, from our assumption review:

	Third Quarter	
	2022	2021
(\$ in millions)		
Total assumption review impact on adjusted operating earnings, before income taxes	\$ (15)	\$ 19
Assumption review impact on adjustments to derive adjusted operating earnings, before income taxes	—	—
Total assumption review impact on income before income taxes	\$ (15)	\$ 19

The following table reflects the impact on income before income taxes by financial statement line item from our assumption review:

	Third Quarter	
	2022	2021
(\$ in millions)		
Impacts of assumption review, by statement of income line item:		
Policy benefits and claims	\$ (23)	\$ 21
Amortization of policy acquisition costs	8	(2)
Total assumption review impact on income before income taxes	\$ (15)	\$ 19

Product and operational data

New business volume by origination channel and product

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Individual channel⁽¹⁾:										
Fixed-Rate Annuities	\$ 1,517	\$ 1,206	\$ 1,481	\$ 1,039	\$ 607	150 %	\$ 5,243	\$ 4,044	\$ 339	30 %
Fixed-Indexed Annuities	897	1,261	1,117	904	861	4 %	4,179	3,166	227	32 %
Variable Annuities	8	12	11	11	17	(53)%	42	57	7	(26)%
Total retirement products	\$ 2,422	\$ 2,479	\$ 2,609	\$ 1,954	\$ 1,485	63 %	\$ 9,464	\$ 7,267	\$ 573	30 %
Life insurance products	\$ 9	\$ 7	\$ 12	\$ 7	\$ 21	(57)%	\$ 35	\$ 49	\$ 2	(29)%
Preneed Life	\$ 67	\$ 72	\$ 73	\$ 65	\$ 66	2 %	\$ 277	\$ 230	\$ 15	20 %
Institutional channel⁽²⁾:										
Block ⁽³⁾⁽⁵⁾	\$ 2,955	\$ —	\$ 5	\$ 2,777	\$ 6	NM	\$ 5,737	\$ 17,105	\$ —	(66)%
Flow & pension risk transfer	3,107	2,571	2,143	1,699	1,645	89 %	9,520	5,088	412	87 %
Funding agreement-backed notes ⁽⁴⁾	—	—	900	1,100	600	(100)%	2,000	2,800	650	(29)%

(1) New business volumes in individual markets are referred to as sales. In Company's individual market channel, sales of annuities include all money paid into new and existing contracts. Individual market channel sales of life insurance products are based on commissionable premium and individual market channel sales for preneed life are based on the face amount of insurance. Life insurance product sales do not include the recurring premiums that policyholders may pay over time.

(2) New business volume from the Company's institutional market channel is based on the assets assumed, net of any ceding commission, and is gross of any retrocessions to investment vehicles that participate in qualifying reinsurance transactions sourced by the Company and to other third party reinsurers.

(3) The Company expects block reinsurance transactions to be episodic rather than steady quarter over quarter. Similarly, funding agreements issued in the FABN program are subject to capital markets conditions and not expected to be consistent quarter over quarter.

(4) Funding agreement new business volumes represents funding agreements issued in connection with our FABN program only.

(5) Effective July 1, 2021, we entered into a reinsurance transaction, whereby we assumed \$7.9bn of assets. We then concurrently retroceded \$2.4 billion of assets to a third party on a funds withheld basis. New business volume from our Institutional channel reported above includes amounts concurrently retroceded.

Reserves by product

Unaudited (\$ in millions, except percentages)

	Balances as of										YoY Change	
	12/31/2022		9/30/2022		6/30/2022		3/31/2022		12/31/2021			
	Successor										General Account	Separate Account
	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account		
Fixed-Rate Annuity	\$ 23,225	\$ —	\$ 22,691	\$ —	\$ 22,585	\$ —	\$ 22,198	\$ —	\$ 22,081	\$ —	5 %	— %
Fixed-Indexed Annuity	23,162	—	22,514	—	21,663	—	21,200	—	20,759	—	12 %	— %
Variable Annuity	221	2,308	229	2,309	268	2,483	289	2,797	344	3,088	(36)%	(25)%
Indexed Universal Life	12,243	—	12,116	—	12,126	—	12,188	—	12,134	—	1 %	— %
Fixed Universal Life	1,380	—	1,405	—	1,414	—	1,427	—	1,452	—	(5)%	— %
Term & Whole Life	569	—	583	—	593	—	612	—	617	—	(8)%	— %
Preneed	2,859	—	2,854	—	2,851	—	2,857	—	2,897	—	(1)%	— %
Funding agreements - FHLB	2,104	—	2,099	—	2,196	—	2,206	—	2,229	—	(6)%	— %
Total Individual	65,763	2,308	64,491	2,309	63,696	2,483	62,977	2,797	62,513	3,088	5 %	(25)%
Retirement	59,161	1,320	54,998	1,271	53,574	1,372	52,298	1,663	49,049	1,834	21 %	(28)%
Life	9,804	503	9,693	472	9,738	508	9,751	610	9,771	664	— %	(24)%
Funding agreements - FHLB	299	—	299	—	305	—	308	—	321	—	(7)%	— %
Funding agreements - FABN	5,132	—	5,108	—	5,249	—	4,422	—	3,464	—	48 %	— %
Total Institutional⁽¹⁾	74,396	1,823	70,098	1,743	68,866	1,880	66,779	2,273	62,605	2,498	19 %	(27)%
Closed Block	1,016	—	1,096	—	1,136	—	1,270	—	1,351	—	(25)%	— %
Other Corporate ⁽²⁾	49	—	49	—	49	—	50	—	51	—	(4)%	— %
Total Corporate & Other	1,065	—	1,145	—	1,185	—	1,320	—	1,402	—	(24)%	— %
Total Reserves	\$ 141,224	\$ 4,131	\$ 135,734	\$ 4,052	\$ 133,747	\$ 4,363	\$ 131,076	\$ 5,070	\$ 126,520	\$ 5,586	12 %	(26)%

(1) Institutional channel reserves are sourced using customized reinsurance solutions such as block, flow and PRT.

(2) Other Corporate primarily includes accident & health reserves that we assumed as part of a reinsurance transaction in 2009 which are offset by the Reinsurance recoverable line item in the consolidated financial statements.

General account reserve roll forward by origination channel

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	
	<i>Successor</i>					
Individual						
Reserve liability, gross, opening balance	\$ 64,491	\$ 63,696	\$ 62,977	\$ 62,513	\$ 61,786	4 %
Deposits	2,690	2,717	2,866	2,227	1,772	52 %
Surrenders, benefits and fees	(1,644)	(1,713)	(1,571)	(1,382)	(1,304)	(26)%
Other reserve changes	226	(209)	(576)	(381)	259	(13)%
Reserve liability, gross, ending	65,763	64,491	63,696	62,977	62,513	5 %
Reinsurance recoverable	(331)	(353)	(354)	(360)	(367)	10 %
Net individual reserve liability	\$ 65,432	\$ 64,138	\$ 63,342	\$ 62,617	\$ 62,146	5 %
Institutional						
Reserve liability, gross, opening balance	\$ 70,098	\$ 68,866	\$ 66,779	\$ 62,605	\$ 61,399	14 %
Deposits ⁽¹⁾	5,347	2,325	3,141	5,297	1,999	167 %
Surrenders, benefits and fees	(1,106)	(789)	(667)	(691)	(632)	(75)%
Other reserve changes	57	(304)	(387)	(432)	(161)	135 %
Reserve liability, gross, ending	74,396	70,098	68,866	66,779	62,605	19 %
Reinsurance recoverable	(26,635)	(24,843)	(24,829)	(23,059)	(23,386)	(14)%
Net institutional reserve liability	\$ 47,761	\$ 45,255	\$ 44,037	\$ 43,720	\$ 39,219	22 %
Consolidated						
Reserve liability, gross, opening balance	\$ 135,734	\$ 133,747	\$ 131,076	\$ 126,520	\$ 124,612	9 %
Deposits ⁽¹⁾	8,037	5,042	6,007	7,524	3,771	113 %
Surrenders, benefits and fees	(2,750)	(2,502)	(2,235)	(2,073)	(1,936)	(42)%
Other reserve changes	203	(553)	(1,101)	(895)	73	178 %
Reserve liability, gross, ending	141,224	135,734	133,747	131,076	126,520	12 %
Reinsurance recoverable	(27,920)	(26,163)	(26,225)	(24,639)	(25,062)	(11)%
Net reserve liability	\$ 113,304	\$ 109,571	\$ 107,522	\$ 106,437	\$ 101,458	12 %

(1) Deposits also include total reserves at inception of block reinsurance transactions before any retro cession to Ivy Re and Ivy Re II, reinsurance entities sponsored by the Company.

Surrender charge protection by product

Unaudited (\$ in millions, except percentages)

Years of Surrender Charge Remaining	Fixed-rate and Fixed-indexed Annuities					
	12/31/2022			12/31/2021		
	Successor					
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 21,087	27.0 %	— %	\$ 17,695	26.5 %	— %
Greater than 0 to less than 3	18,026	23.1 %	5.4 %	14,623	21.9 %	4.8 %
3 to less than 6	29,665	38.0 %	7.0 %	25,729	38.5 %	6.2 %
6 to less than 9	6,451	8.3 %	7.1 %	5,862	8.8 %	6.7 %
9 or greater	2,852	3.6 %	8.8 %	2,898	4.3 %	8.3 %
Total	\$ 78,081	100.0 %	5.0 %	\$ 66,807	100.0 %	4.6 %

Years of Surrender Charge Remaining	Indexed and Fixed Universal Life					
	12/31/2022			12/31/2021		
	Successor					
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 6,965	56.4 %	0.4 %	\$ 6,644	54.0 %	0.3 %
Greater than 0 to less than 3	1,460	11.8 %	3.0 %	1,357	11.0 %	2.8 %
3 to less than 6	2,075	16.8 %	6.3 %	2,365	19.3 %	7.1 %
6 to less than 9	450	3.7 %	11.2 %	575	4.7 %	11.7 %
9 or greater	1,391	11.3 %	22.2 %	1,353	11.0 %	23.9 %
Total	\$ 12,341	100.0 %	4.5 %	\$ 12,294	100.0 %	5.0 %

Account values by guaranteed minimum interest rates

Unaudited (\$ in millions, except percentages)

Range of Guaranteed Minimum Crediting Rates:	Subset of Account Values with Adjustable Crediting Rates Subject to Guaranteed Minimums					Total
	At guaranteed minimum	1 - 49 bps above guaranteed minimum	50 - 99 bps above guaranteed minimum	100 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	
<i>(As of December 31, 2022)</i>						
<i>Successor</i>						
Individual channel	\$ 9,006	\$ 184	\$ 1,214	\$ 3,820	\$ 16,343	\$ 30,567
Institutional channel and strategic acquisitions	18,930	1,802	1,100	3,134	6,590	31,556
Total	\$ 27,936	\$ 1,986	\$ 2,314	\$ 6,954	\$ 22,933	\$ 62,123
Percentage of total	45.0 %	3.2 %	3.7 %	11.2 %	36.9 %	100.0 %
Percentage from institutional channel and strategic acquisitions	67.8 %	90.7 %	47.5 %	45.1 %	28.7 %	50.8 %

Range of Guaranteed Minimum Crediting Rates:	Subset of Account Values with Adjustable Crediting Rates Subject to Guaranteed Minimums					Total
	At guaranteed minimum	1 - 49 bps above guaranteed minimum	50 - 99 bps above guaranteed minimum	100 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	
<i>(As of December 31, 2021)</i>						
<i>Successor</i>						
Individual channel	\$ 4,509	\$ 280	\$ 1,362	\$ 3,973	\$ 14,674	\$ 24,798
Institutional channel and strategic acquisitions	18,639	1,508	1,114	3,235	1,637	26,133
Total	\$ 23,148	\$ 1,788	\$ 2,476	\$ 7,208	\$ 16,311	\$ 50,931
Percentage of total	45.4 %	3.5 %	4.9 %	14.2 %	32.0 %	100.0 %
Percentage from institutional channel and strategic acquisitions	80.5 %	84.3 %	45.0 %	44.9 %	10.0 %	51.3 %

Note: Of the liabilities already at guaranteed minimums, the majority of the account values were assumed through either reinsurance transactions or acquisitions. As part of these reinsurance transactions and acquisitions, our view of the value of these liabilities was informed by the guaranteed minimum crediting rates on the policies and the then-current market conditions.

Investment portfolio

Investments summary

Unaudited (\$ in millions, except percentages)

	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
AFS fixed maturity securities	\$ 63,860	50.4 %	\$ 70,523	56.1 %
Trading fixed maturity securities ⁽¹⁾	12,553	9.9 %	14,049	11.2 %
Equity securities	18	— %	289	0.2 %
Mortgage and other loan receivables	35,091	27.7 %	28,877	23.0 %
Funds withheld receivable at interest	2,868	2.3 %	2,999	2.4 %
Other investments	12,245	9.7 %	8,975	7.1 %
Total investments	\$ 126,635	100.0 %	\$ 125,712	100.0 %

Other investments, as above, consists of the following:	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investments in real estate	\$ 4,641	37.9 %	\$ 1,565	17.4 %
Investments in renewable energy ⁽²⁾	3,427	28.0 %	3,574	39.8 %
Investments in transportation and other leased assets ⁽³⁾	2,822	23.1 %	2,664	29.8 %
Policy loans	869	7.1 %	765	8.5 %
Other investment partnerships	199	1.6 %	235	2.6 %
Federal Home Loan Bank, or "FHLB," common stock and other investments	287	2.3 %	172	1.9 %
Total other investments	\$ 12,245	100.0 %	\$ 8,975	100.0 %

(1) Trading assets back funds withheld payable at interest and investment performance is ceded to third party reinsurers.

(2) Net of accumulated depreciation attributed to consolidated renewable energy assets of \$230 million and \$157 million as of December 31, 2022 and December 31, 2021, respectively.

(3) Net of accumulated depreciation of \$230 million and \$105 million as of December 31, 2022 and December 31, 2021, respectively.

Fixed maturity securities – unrealized gains and losses

Unaudited (\$ in millions, except percentages)

	As of December 31, 2022 (Successor)					
	Cost or amortized cost	Allowance for credit losses ⁽¹⁾	Gross unrealized temporary		Fair value	Percent of total
			gain	loss		
AFS fixed maturity securities portfolio by type:						
U.S. government and agencies	\$ 439	\$ —	\$ —	\$ (72)	\$ 367	0.6 %
U.S. state, municipal and political subdivisions	5,638	—	7	(1,234)	4,411	6.9 %
Corporate	46,365	(1)	50	(8,264)	38,150	59.7 %
Residential mortgage-backed securities, or “RMBS”	7,308	(101)	12	(834)	6,385	10.0 %
Commercial mortgage-backed securities, or “CMBS”	7,270	(15)	—	(835)	6,420	10.1 %
Collateralized loan obligations, or “CLOs”	2,818	(6)	—	(205)	2,607	4.1 %
Collateralized bond obligations, or “CBOs”	3,052	—	—	(218)	2,834	4.4 %
Asset-backed securities, or “ABSs”	2,915	(5)	5	(229)	2,686	4.2 %
Total AFS fixed maturity securities	\$ 75,805	\$ (128)	\$ 74	\$ (11,891)	\$ 63,860	100.0 %

	As of December 31, 2021 (Successor)					
	Cost or amortized cost	Allowance for credit losses ⁽¹⁾	Gross unrealized temporary		Fair value	Percent of total
			gain	loss		
AFS fixed maturity securities portfolio by type:						
U.S. government and agencies	\$ 785	\$ —	\$ 4	\$ (5)	\$ 784	1.1 %
U.S. state, municipal and political subdivisions	5,123	—	42	(55)	5,110	7.2 %
Corporate	42,979	(3)	191	(689)	42,478	60.2 %
RMBS	7,703	(51)	126	(113)	7,665	10.9 %
CMBS	5,953	—	16	(57)	5,912	8.4 %
CLOs	3,091	(1)	7	(6)	3,091	4.4 %
CBOs	3,112	(22)	7	(27)	3,070	4.4 %
ABSs	2,426	(11)	20	(22)	2,413	3.4 %
Total AFS fixed maturity securities	\$ 71,172	\$ (88)	\$ 413	\$ (974)	\$ 70,523	100.0 %

(1) Represents the cumulative amount of credit impairments that have been recognized in the consolidated statements of income (as net investment (losses) gains) or that were recognized as a gross-up of the purchase price of PCD securities. Amount excludes unrealized losses related to non-credit impairment.

Fixed maturity securities by ratings

Unaudited (\$ in millions, except percentages)

	AFS Fixed Maturity Securities by NAIC Rating			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 40,682	63.7 %	\$ 44,866	63.6 %
2	19,917	31.2 %	23,312	33.1 %
Total investment grade	60,599	94.9 %	68,178	96.7 %
3	1,479	2.3 %	741	1.1 %
4	310	0.5 %	425	0.6 %
5	238	0.4 %	18	— %
6 ⁽¹⁾	1,234	1.9 %	1,161	1.6 %
Total below investment grade	3,261	5.1 %	2,345	3.3 %
Total AFS fixed maturity securities	\$ 63,860	100.0 %	\$ 70,523	100.0 %
	AFS Fixed Maturity Securities by NRSRO Rating			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 26,205	41.0 %	\$ 30,153	42.8 %
BBB	20,243	31.7 %	23,727	33.6 %
Non-rated ⁽²⁾	8,292	13.0 %	7,645	10.8 %
Total Investment Grade	54,740	85.7 %	61,525	87.2 %
BB	1,949	3.1 %	1,493	2.1 %
B	1,772	2.8 %	1,553	2.2 %
CCC	1,291	2.0 %	1,719	2.4 %
CC and lower	1,787	2.8 %	2,446	3.5 %
Non-rated ⁽³⁾	2,321	3.6 %	1,787	2.6 %
Total below investment grade	9,120	14.3 %	8,998	12.8 %
Total AFS fixed maturity securities	\$ 63,860	100.0 %	\$ 70,523	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

(1) Primarily includes securities previously rated 5* that have an NAIC designation of 6 following changes in statutory reporting guidance.

(2) Includes securities that were not rated by an NRSRO but have an NAIC designation of 1 or 2.

(3) Includes securities that were not rated by an NRSRO but have an NAIC designation of 3 or lower.

Corporate fixed maturity securities by ratings

Unaudited (\$ in millions, except percentages)

	Corporate Fixed Maturity Securities by NAIC Rating			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 17,442	45.7 %	\$ 18,708	44.0 %
2	18,443	48.3 %	21,805	51.3 %
Total investment grade	35,885	94.0 %	40,513	95.3 %
3	801	2.1 %	510	1.2 %
4	179	0.5 %	300	0.7 %
5	73	0.2 %	2	— %
6 ⁽¹⁾	6	— %	1,153	2.8 %
Total below investment grade	2,265	6.0 %	1,965	4.7 %
Total Corporate fixed maturity securities	\$ 38,150	100.0 %	\$ 42,478	100.0 %
	Corporate Fixed Maturity Securities by NRSRO Rating			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 17,763	46.6 %	\$ 18,550	43.7 %
BBB	18,024	47.2 %	21,028	49.5 %
Non-rated ⁽²⁾	100	0.3 %	934	2.2 %
Total Investment Grade	35,887	94.1 %	40,512	95.4 %
BB	778	2.0 %	510	1.2 %
B	124	0.3 %	166	0.4 %
Non-rated ⁽³⁾	1,361	3.6 %	1,290	3.0 %
Total below investment grade	2,263	5.9 %	1,966	4.6 %
Total Corporate fixed maturity securities	\$ 38,150	100.0 %	\$ 42,478	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

(1) Primarily includes securities previously rated 5* that have an NAIC designation of 6 following changes in statutory reporting guidance.

(2) Includes securities that were not rated by an NRSRO but have an NAIC designation of 1 or 2.

(3) Includes securities that were not rated by an NRSRO but have an NAIC designation of 3 or lower.

Residential mortgage-backed securities by ratings

Unaudited (\$ in millions, except percentages)

	RMBS by NAIC Ratings			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 5,838	91.5 %	\$ 7,125	93.0 %
2	225	3.5 %	256	3.3 %
Total investment grade	6,063	95.0 %	7,381	96.3 %
3 and below	322	5.0 %	284	3.7 %
Total below investment grade	322	5.0 %	284	3.7 %
Total RMBS	\$ 6,385	100.0 %	\$ 7,665	100.0 %

	RMBS by NRSRO Ratings			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 1,021	16.0 %	\$ 845	11.0 %
BBB	421	6.6 %	282	3.7 %
BIG	3,511	55.0 %	4,733	61.7 %
Non-rated investment grade	1,432	22.4 %	1,805	23.6 %
Total RMBS	\$ 6,385	100.0 %	\$ 7,665	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

Commercial mortgage-backed securities by ratings

Unaudited (\$ in millions, except percentages)

	CMBS by NAIC Ratings			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 5,738	89.4 %	\$ 5,677	96.0 %
2	328	5.1 %	196	3.3 %
Total investment grade	6,066	94.5 %	5,873	99.3 %
3	343	5.3 %	32	0.6 %
4	9	0.1 %	7	0.1 %
5	2	0.1 %	—	— %
Total below investment grade	354	5.5 %	39	0.7 %
Total CMBS	\$ 6,420	100.0 %	\$ 5,912	100.0 %
	CMBS by NRSRO Ratings			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 1,864	29.0 %	\$ 1,849	31.3 %
BBB	1,424	22.2 %	1,719	29.1 %
BIG	3,027	47.2 %	2,242	37.9 %
Non-rated investment grade	105	1.6 %	102	1.7 %
Total CMBS	\$ 6,420	100.0 %	\$ 5,912	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

Collateralized loan obligations & collateralized bond obligations by ratings

Unaudited (\$ in millions, except percentages)

	Collateralized Loan Obligations			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,486	95.4 %	\$ 2,983	96.5 %
2	104	4.0 %	88	2.9 %
Total investment grade	2,590	99.4 %	3,071	99.4 %
3	17	0.6 %	20	0.6 %
Total below investment grade	17	0.6 %	20	0.6 %
Total CLO	\$ 2,607	100.0 %	\$ 3,091	100.0 %

	Collateralized Bond Obligations			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,834	100.0 %	\$ 3,070	100.0 %
Total investment grade	2,834	100.0 %	3,070	100.0 %
Total CBO	\$ 2,834	100.0 %	\$ 3,070	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

Asset-backed securities by ratings

Unaudited (\$ in millions, except percentages)

	Asset-backed Securities			
	December 31, 2022		December 31, 2021	
	Successor		Successor	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,111	78.6 %	\$ 2,124	88.0 %
2	337	12.6 %	253	10.5 %
Total investment grade	2,448	91.2 %	2,377	98.5 %
3	60	2.2 %	4	0.2 %
4	9	0.3 %	31	1.3 %
5	149	5.6 %	—	— %
6 ⁽¹⁾	20	0.7 %	1	— %
Total below investment grade	238	8.8 %	36	1.5 %
Total asset-backed securities	\$ 2,686	100.0 %	\$ 2,413	100.0 %

Note: NRSRO and NAIC ratings have different methodologies. We believe the NAIC ratings methodology, which considers the likelihood of recovery of our amortized cost as opposed to the recovery of all contractual payments including the principal at par, is the more appropriate way to view the ratings quality of our AFS fixed maturity portfolio since a large portion of our holdings were purchased at a significant discount to par value.

(1) Primarily includes securities previously rated 5* that have an NAIC designation of 6 following changes in statutory reporting guidance.

Additional information

Non-GAAP financial measures

In addition to presenting our results in accordance with GAAP, we use certain non-GAAP measures commonly used in our industry in analyzing performance. We believe the use of these non-GAAP measures, together with the relevant GAAP measures, provides a better understanding of our results of operations, financial condition, and the underlying profitability drivers of our business. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures. Our definitions of the various non-GAAP measures and other metrics discussed in this information statement may differ from those used by other companies.

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

Key operating or non-GAAP measure	Comparable GAAP measure
Adjusted operating earnings, net of tax	Net income attributable to Global Atlantic Financial Limited shareholder
Adjusted income tax expense (benefit)	Income tax expense (benefit)
Adjusted operating tax rate	Effective tax rate
Adjusted ROE	ROE
Adjusted operating ROE	ROE
Adjusted invested assets	Total investments
Adjusted net investment income	Net investment income
Net investment earned rate	Investment yield
Adjusted operating return on assets, net of tax	Return on assets
Components of adjusted operating return on assets, net of tax	Components of return on assets
Adjusted net investment return ratio	Net investment return ratio
Adjusted net cost of insurance ratio	Net cost of insurance ratio
Adjusted general and administrative expense ratio	General and administrative expense ratio
Adjusted interest expense ratio	Interest expense ratio
Adjusted income tax expense ratio	Income tax expense ratio
Adjusted shareholders' equity	Total Global Atlantic Financial Limited shareholders' equity
Debt-to-adjusted capitalization	Debt-to-capitalization
Adjusted debt-to-adjusted capitalization	Debt-to-capitalization
New business volume	No comparable GAAP measure

Adjusted operating earnings, net of tax

Adjusted operating earnings, net of tax, a commonly used operating measure in the life and annuity insurance industry, is a non-GAAP measure used to evaluate our financial performance by excluding items that tend to be highly variable from period to period, primarily based on market volatility and non-core expenses. These adjustments are reported gross of income tax and, where applicable, net of offsets related to amortization of deferred policy acquisition costs, or “DAC,” unearned revenue reserves, or “URR,” and deferred sales inducements, or “DSI”.

Our adjusted operating earnings, net of tax, is equal to reported net income attributable to Global Atlantic Financial Limited shareholders adjusted to eliminate the impact of items in the categories as described below. Adjusted operating earnings, net of tax includes variable investment income (loss) derived from realized gains and losses from the sale of investments not related to asset/liability matching strategies. Adjusted operating earnings, net of tax should not be used as a substitute for net income attributable to Global Atlantic Financial Limited shareholders as calculated in accordance with GAAP. We adjust for these items as we believe that these items distort the ability to make a meaningful evaluation of our business:

- Investment (gains) losses, net of offsets — Investment (gains) losses adjustments consist primarily of the following:
 - Realized (gains) losses on the sale of AFS securities, net of offsets.
 - Unrealized (gains) losses on investments, impairments and allowance for loan losses, net of offsets — are comprised of (1) investment fair value measurement adjustments recognized in earnings, (2) allowance for loan losses, (3) other investment impairments and (4) unrealized (gains) losses attributable to equity-method investments.
 - The change in the fair value of embedded derivatives underlying reinsurance with assumed and ceded modified coinsurance and funds withheld at interest and related trading securities, net of offsets — the total change in the embedded derivatives and trading securities will net to zero over the life of the reinsurance contract.
 - An adjustment to reflect the reported net investment income and redeemable and non-redeemable non-controlling interest (in excess of), or less than, our long-term return expectations for renewable energy investments, net of offsets — we account for our investments in renewable energy using either the equity method of accounting or consolidating. Renewable energy income can fluctuate significantly from period to period primarily driven by the application of the hypothetical liquidation at book value method of allocating income. Such fluctuations are reported in net investment income and also within net income attributable to redeemable and non-redeemable non-controlling interests.
- Derivative (gains) losses, net of offsets — primarily consist of adjustments for (i) the period-to-period change in the fair value of derivatives hedging the market risk of fixed-indexed annuities, indexed universal life policies and variable annuities; (ii) the period-to-period change in the fair value of derivatives and embedded derivatives associated with changes in financial market conditions, such as the level of interest rates and equity markets; and (iii) fair value adjustments related to certain policy liabilities held under the fair value option, and hedging derivative gains and losses not related to fixed-indexed annuities, indexed universal life policies and variable annuities.
- Transaction, integration, equity-based compensation expenses and intangible amortization — primarily consist of equity-based compensation and expenses incurred in connection with strategic transactions, such as the acquisition of Global Atlantic by KKR, and implementation of new accounting standards.
- Income tax adjustments — calculated by applying the appropriate jurisdiction's tax rate (21% for U.S. operations and our Bermuda entity taxed as U.S. taxpayers and 0% for Bermuda entities not taxed as a U.S. taxpayer) to the adjustments that are subject to income tax. The income tax adjustment for interim periods is calculated using an estimate of the annual adjusted operating tax rate. The adjusted operating tax rate could differ from Global Atlantic's effective tax rate as determined under GAAP.

Adjusted income tax expense and adjusted operating tax rate

Adjusted income tax expense is equal to income tax expense adjusted for income tax adjustments as described above under “— Adjusted operating earnings, net of tax.” Adjusted income tax expense should not be used as a substitute for income tax expense as calculated in accordance with GAAP. However, we believe the adjustments to income tax expense are useful to gaining an understanding of our results of operations.

Adjusted operating tax rate is equal to adjusted income tax expense divided by adjusted operating earnings, before income taxes. Adjusted operating tax rate should not be used as a substitute for effective tax rate as calculated in accordance with GAAP. However, we believe the adjusted operating tax rate is useful to gaining an understanding of our results of operations.

Adjusted ROE and adjusted operating ROE

We use adjusted ROE and adjusted operating ROE to evaluate our financial performance by excluding items that tend to be highly variable from period to period based on market volatility and non-core expenses, such as AOCI and accumulated change in fair value of reinsurance balances and related assets. AOCI varies in a manner inconsistent with our underlying profitability drivers, as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Accordingly, we believe using measures which exclude the above mentioned items is more effective in analyzing the trends of our operations. Adjusted ROE and adjusted operating ROE should not be used as a substitute for ROE as calculated in accordance with GAAP. However, we believe the adjustments to equity and earnings are useful to gaining an understanding of our results of operations.

Adjusted invested assets

Adjusted invested assets represent the investments that back our policy liabilities as well as surplus assets. Adjusted invested assets is used in the computation of net investment earned rate, which allows us to analyze the performance of our investment portfolio. Adjusted invested assets includes (1) total investments on the consolidated balance sheets with available-for-sale securities at cost or amortized cost, (2) cash, cash equivalents and restricted cash, and (3) accrued investment income. Adjusted invested assets excludes the following items that are included in total investments but do not produce net investment income reflective of ongoing operations: (1) assets associated with funds withheld at interest liabilities related to business exited through reinsurance agreements, (2) embedded derivatives associated with funds withheld at interest receivables, (3) securities sold under repurchase agreements, (4) investment related receivables and payables, (5) redeemable and non-redeemable non-controlling interests in consolidated renewable energy partnerships, and (6) strategic equity investments, which currently consists of our investments in Origis. We include the underlying investments supporting our assumed funds withheld at interest and modified co-insurance agreements in our adjusted invested assets calculation in order to match the assets with the income received.

Adjusted invested assets should not be used as a substitute for total investments as calculated in accordance with GAAP. However, we believe the adjustments to total investments provide a view of the assets from which we earn investment income.

Adjusted net investment income and net investment earned rate

Adjusted net investment income is calculated as reported net investment income adjusted for renewable energy income (loss), unrealized (gains) losses attributable to equity-method investments, and variable investment income (loss) as described above under “— Adjusted operating earnings, net of tax,” excluding the impact of non-controlling interest. Adjusted net investment income should not be used as a substitute for net investment income. However, we believe adjusted net investment income is significant to gaining an understanding of the overall performance of our portfolio of adjusted invested assets.

Net investment earned rate is computed as adjusted net investment income, as described above, divided by the average adjusted invested assets for the relevant period. Net investment earned rate should not be used as a substitute for investment yield as calculated in accordance with GAAP. However, we believe net investment earned rate is useful to gaining an understanding of the overall performance of our adjusted invested assets.

Adjusted operating return on assets, net of tax

Adjusted operating return on assets, net of tax is equal to adjusted operating earnings, net of tax divided by average adjusted invested assets. Adjusted operating return on assets, net of tax should not be used as a substitute for return on assets, as calculated in accordance with GAAP. However, we believe adjusted operating return on assets, net of tax is useful to gaining an understanding of our results of operations relative to the underlying investment base which generates earnings.

Components of adjusted operating return on assets, net of tax

When analyzing return on assets and adjusted operating return on assets, net of tax, we also consider certain ratios that aggregate to return on assets and adjusted operating return on assets, net of tax, namely: (1) net investment income as a percentage of average total investments and adjusted net investment income as a percentage of average adjusted invested assets, (2) net cost of insurance as a percentage of average total investments and adjusted net cost of insurance as a percentage of average adjusted invested assets (the combination of (1) and (2) is also referred to as the “net underwriting ratio”, or the “adjusted net underwriting ratio”), (3) general, administrative and other expenses as a percentage of average total investments and adjusted general, administrative and other expenses as a percentage of average adjusted invested assets (4) interest expense as a percentage of average total investments and average adjusted invested assets and (5) income-tax expense as a percentage of average total investments and adjusted tax expense as a percentage of adjusted invested assets. Altogether, we refer to the foregoing as the “components of return on assets,” or “the components of adjusted operating return on assets, net of tax.”

The components of adjusted operating return on assets, net of tax, individually or in the aggregate, should not be used as a substitute for the respective or aggregated components of return on assets, as calculated in accordance with GAAP. However, we believe adjustments to the respective or aggregated components of return on assets are useful to gaining an understanding of our results of operations relative to our underlying asset base generating earnings.

The components of adjusted operating return on assets, net of tax, are defined as follows:

Adjusted net investment return ratio

Adjusted net investment return ratio is calculated by dividing adjusted net investment income by average adjusted invested assets.

Adjusted net cost of insurance and adjusted net cost of insurance ratio

Adjusted net cost of insurance is equal to reported net underwriting income, excluding net investment income, and adjusted for (i) investment gains (losses) other than renewable energy income (loss), unrealized (gains) losses attributable to equity-method investments, and variable investment income (loss); and (ii) change in the fair value of derivatives, embedded derivatives, and fair value option reserves associated with fixed-indexed annuities, index universal life contracts and variable annuities; and (iii) transaction, integration and equity-based expenses. These adjustments are reported gross of income tax and, where applicable, net of offsets related to DAC, VOBA, URR and DSI amortization. Adjusted net cost of insurance ratio is calculated as adjusted net cost of insurance divided by average adjusted invested assets. Net cost of insurance ratio is calculated as net cost of insurance divided by average total investments. Refer to “—Adjusted operating earnings, net of tax” above for additional details regarding the foregoing adjustments.

Adjusted general, administrative and other expenses and adjusted general, administrative and other expense ratio

Adjusted general, administrative and other expense is equal to reported general, administrative and other expense adjusted for certain transaction, integration and equity-based compensation expense, as described above. Adjusted general, administrative and other expense ratio is adjusted general, administrative and other expense divided by average adjusted invested assets.

Adjusted interest expense ratio

Adjusted interest expense ratio is interest expense, as reported, divided by average adjusted invested assets.

Adjusted income tax expense ratio

Adjusted income tax expense ratio is adjusted income tax expense, as defined above under “—Adjusted income tax expense and adjusted operating tax rate,” divided by average adjusted invested assets.

Adjusted shareholders' equity

Adjusted shareholders' equity calculated as total Global Atlantic Financial Group Limited shareholders' equity, as reported, less (1) accumulated other comprehensive income, as reported, and (2) accumulated change in fair value of reinsurance balances and related assets, net of income tax offsets. The change in the fair value of reinsurance balances and related assets represents the change in value of embedded derivatives underlying reinsurance with assumed and ceded modified coinsurance and funds withheld at interest and related trading securities. Adjusted shareholders' equity should not be used as a substitute for total Global Atlantic Financial Group Limited shareholders' equity as calculated in accordance with GAAP. However, we believe the adjustments to shareholders' equity are useful to gaining an understanding of our overall results of operations and financial condition.

Debt-to-adjusted capitalization and adjusted debt-to-adjusted capitalization

Debt-to-adjusted capitalization is calculated as debt divided by the aggregate of total Global Atlantic Financial Limited shareholders' equity and debt, or "capitalization," adjusted to exclude AOCI. Adjusted debt-to-adjusted capitalization and debt fair value adjustments is calculated using debt adjusted to exclude 50% of the outstanding principal amount of the subordinated debentures as an equity credit, and an adjustment to both the debt and capitalization numerator and denominator for the cumulative changes in fair value recognized due to the application of hedge accounting. We exclude a portion of the outstanding principal amount of the subordinated debentures because their terms result in the subordinated debentures receiving equity credit under certain NRSRO methodologies. Adjusted debt-to-adjusted capitalization should not be used as a substitute for debt-to-capitalization as calculated in accordance with GAAP debt divided by capitalization. However, we believe the adjustments to our debt-to-capitalization are useful to gaining an understanding of our overall financial condition.

New business volume

In our Individual channel, retirement sales of annuities include all money paid into new and existing contracts. Individual channel sales of traditional life products are based on commissionable premium, a commonly used industry sales metric, and individual channel sales for preneed life are based on the face amount of insurance. Traditional life sales do not include the recurring premiums that policyholders may pay over time. New business volume from our institutional channel is based on the assets assumed, net of any ceding commission. We also refer to new business volume originated through the individual channel as "sales." Institutional channel new business volume is based on the assets assumed, net of any ceding commission. New business volume should not be used as a substitute for revenue as calculated in accordance with GAAP. However, we believe new business volume statistics are useful to gaining an understanding of our overall results of operations.

Non-GAAP reconciliation: Adjusted operating earnings, net of tax

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (25)	\$ 208	\$ 302	\$ 122	\$ 162	(115)%	\$ 607	\$ 452	\$ 57	34 %
Adjustments:										
Investment (gains) losses, net of offsets	186	32	61	165	453	(59)%	444	531	9	(16)%
Derivative (gains) losses, net of offsets	127	(87)	(176)	(115)	24	429 %	(251)	129	1	(295)%
Transaction, integration and equity-based compensation expenses	72	50	31	41	45	60 %	194	137	(18)	42 %
Income tax adjustments	(80)	14	15	(14)	(108)	26 %	(65)	(155)	7	58 %
Total adjustments	305	9	(69)	77	414	(26)%	322	642	(1)	(50)%
Adjusted operating earnings, net of tax	\$ 280	\$ 217	\$ 233	\$ 199	\$ 576	(51)%	\$ 929	\$ 1,094	\$ 56	(15)%

Non-GAAP reconciliation: Adjusted invested assets

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	
	<i>Successor</i>					
Total investments	\$ 126,635	\$ 121,401	\$ 122,130	\$ 124,865	\$ 125,712	1 %
Adjustments to reconcile total investments and adjusted invested assets:						
Cash, cash equivalents, and restricted cash	6,425	4,517	5,481	5,114	3,692	74 %
Accrued investment income	1,174	1,094	949	905	839	40 %
Exclude:						
Unrealized losses (gains) on fixed maturity and equity securities	14,619	14,773	11,224	5,952	667	NM
Funds withheld payable at interest	(22,739)	(21,064)	(22,090)	(21,782)	(23,460)	3 %
Derivative collateral	(466)	(430)	(336)	(895)	(1,086)	57 %
Funds withheld on embedded derivatives	(3,501)	(3,398)	(2,558)	(1,228)	(81)	NM
Securities sold under repurchase agreements	(805)	(779)	(805)	(811)	(300)	(168)%
Non-controlling interests in consolidated investment entities	(188)	(216)	(236)	(296)	(215)	13 %
Redeemable non-controlling interests in consolidated investment entities	(83)	(82)	(81)	(82)	(82)	(1)%
Net investment receivable (payable)	17	(380)	(125)	126	(28)	161 %
Adjusted invested assets	\$ 121,088	\$ 115,436	\$ 113,553	\$ 111,868	\$ 105,658	15 %

Non-GAAP reconciliation: Adjusted net investment income and Net investment earned rate

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Net investment income	\$ 1,230	\$ 1,056	\$ 895	\$ 777	\$ 909	35 %	\$ 3,958	\$ 2,723	\$ 266	45 %
Average total investments ⁽¹⁾	\$ 124,018	\$ 121,766	\$ 123,498	\$ 125,289	\$ 124,147	— %	\$ 124,149	\$ 109,465	\$ 98,058	13 %
Investment yield⁽²⁾	3.97 %	3.47 %	2.90 %	2.48 %	2.93 %	1.04 %	3.19 %	2.71 %	3.26 %	0.48 %
Net investment income	\$ 1,230	\$ 1,056	\$ 895	\$ 777	\$ 909	35 %	\$ 3,958	\$ 2,723	\$ 266	45 %
Renewable energy income	(9)	(8)	26	50	17	(153)%	59	82	27	(28)%
Unrealized gains (losses)	10	(21)	(1)	20	(3)	433 %	8	(2)	3	NM
Variable investment income (loss) ⁽³⁾	—	28	45	15	429	(100)%	88	527	—	(83)%
Total adjustments	\$ 1	\$ (1)	\$ 70	\$ 85	\$ 443	(100)%	\$ 155	\$ 607	\$ 30	(74)%
Adjusted net investment income⁽³⁾	\$ 1,231	\$ 1,055	\$ 965	\$ 862	\$ 1,352	(9)%	\$ 4,113	\$ 3,330	\$ 296	24 %
Average adjusted invested assets ⁽¹⁾	\$ 118,281	\$ 114,495	\$ 112,711	\$ 108,763	\$ 104,386	13 %	\$ 113,528	\$ 96,122	\$ 81,366	18 %
Net investment earned rate^{(2) (3)}	4.16 %	3.69 %	3.42 %	3.17 %	5.18 %	(1.02)%	3.62 %	3.78 %	4.37 %	(0.16)%

(1) Quarterly averages are calculated by averaging the current and immediately preceding quarter; For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period; For the one-month period, calculated by averaging the beginning and ending periods.

(2) Interim periods are annualized.

(3) Includes variable investment income (loss) derived from realized gains and losses from the sale of investments not related to asset/liability matching strategies.

Non-GAAP reconciliation: Adjusted operating ROA

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (25)	\$ 208	\$ 302	\$ 122	\$ 162	(115)%	\$ 607	\$ 452	\$ 57	34 %
Average total investments ⁽¹⁾	124,018	121,766	123,498	125,289	124,147	— %	124,149	109,465	98,058	13 %
ROA⁽²⁾	(0.08)%	0.68 %	0.98 %	0.39 %	0.52 %	(0.60)%	0.49 %	0.45 %	0.70 %	0.04 %
Adjusted operating earnings, net of tax	\$ 280	\$ 217	\$ 233	\$ 199	\$ 576	(51)%	\$ 929	\$ 1,094	\$ 56	(15)%
Average adjusted invested assets ⁽¹⁾	118,281	114,495	112,711	108,763	104,386	13 %	113,528	96,122	81,366	18 %
Adjusted operating ROA, net of tax⁽²⁾	0.95 %	0.76 %	0.83 %	0.73 %	2.21 %	(1.26)%	0.82 %	1.24 %	0.83 %	(0.42)%

(1) Quarterly averages are calculated by averaging the current and immediately preceding quarter; For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period; For the one-month period, calculated by averaging the beginning and ending periods.

(2) Interim periods are annualized.

Non-GAAP reconciliation: Components of adjusted operating ROA and related derived ratios

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Reconciliation of adjusted net cost of insurance										
Net underwriting margin, as reported	\$ 142	\$ 464	\$ 503	\$ 298	\$ 398	(64)%	\$ 1,407	\$ 1,072	\$ 99	31 %
Less: Net investment income, as reported	1,230	1,056	895	777	909	35 %	3,958	2,723	266	45 %
Net cost of insurance	1,088	592	392	479	511	113 %	2,551	1,651	167	55 %
Adjustments:										
Investment gains (losses), net of offsets included in net cost of insurance	217	41	45	107	6	NM	410	(30)	(22)	NM
Derivative gains (losses), net of offsets	127	(87)	(176)	(115)	24	429 %	(251)	129	1	(295)%
Transaction, integration and equity-based compensation expense included in net cost of insurance	4	5	5	4	4	— %	18	16	(2)	13 %
Total adjustments	348	(41)	(126)	(4)	34	NM	177	115	(23)	54 %
Adjusted net cost of insurance	\$ 740	\$ 633	\$ 518	\$ 483	\$ 477	55 %	\$ 2,374	\$ 1,536	\$ 190	55 %
Reconciliation of adjusted net underwriting margin										
Net underwriting margin, as reported	\$ 142	\$ 464	\$ 503	\$ 298	\$ 398	(64)%	\$ 1,407	\$ 1,072	\$ 99	31 %
Total adjustments, as above	348	(41)	(126)	(4)	34	NM	177	115	(23)	54 %
Adjustment to derive adjusted net investment income	1	(1)	70	85	443	(100)%	155	607	30	(74)%
Adjusted net underwriting margin	\$ 491	\$ 422	\$ 447	\$ 379	\$ 875	(44)%	\$ 1,739	\$ 1,794	\$ 106	(3)%
Reconciliation of adjusted G&A expense										
General and administrative expenses, as reported	\$ 204	\$ 180	\$ 173	\$ 170	\$ 186	10 %	\$ 727	\$ 560	\$ 20	30 %
Adjustments:										
Transaction, conversion and integration expense	68	45	26	37	41	66 %	176	121	(16)	45 %
Adjusted general and administrative expenses	\$ 136	\$ 135	\$ 147	\$ 133	\$ 145	(6)%	\$ 551	\$ 439	\$ 36	26 %

Non-GAAP reconciliation: Components of adjusted operating ROA and related derived ratios (continued)

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor		Predecessor	
Average total investments ⁽¹⁾	\$ 124,018	\$ 121,766	\$ 123,498	\$ 125,289	\$ 124,147	— %	\$ 124,149	\$ 109,465	\$ 98,058	13 %
Average adjusted invested assets ⁽¹⁾	118,281	114,495	112,711	108,763	104,386	13 %	\$ 113,528	\$ 96,122	81,366	18 %
Ratios derived from average total investments and average total adjusted invested assets⁽²⁾:										
Adjusted net investment income ⁽³⁾	\$ 1,231	\$ 1,055	\$ 965	\$ 862	\$ 1,352	(9)%	\$ 4,113	\$ 3,330	\$ 296	24 %
Adjusted net investment return ratio	3.97 %	3.47 %	3.13 %	2.75 %	4.36 %	(0.39)%	3.31 %	3.32 %	3.62 %	(0.01)%
Net investment earned rate ⁽³⁾	4.16 %	3.69 %	3.42 %	3.17 %	5.18 %	(1.02)%	3.62 %	3.78 %	4.37 %	(0.16)%
Net cost of insurance ratio	(3.51)%	(1.94)%	(1.27)%	(1.53)%	(1.65)%	(1.86)%	(2.05)%	(1.65)%	(2.04)%	(0.40)%
Adjusted net cost of insurance ratio	(2.49)%	(2.22)%	(1.83)%	(1.77)%	(1.82)%	(0.67)%	(2.08)%	(1.74)%	(2.80)%	(0.34)%
Net underwriting return	0.46 %	1.52 %	1.63 %	0.95 %	1.28 %	(0.82)%	1.13 %	1.07 %	1.22 %	0.06 %
Adjusted net underwriting return ratio	1.67 %	1.47 %	1.59 %	1.40 %	3.36 %	(1.69)%	1.54 %	2.04 %	1.57 %	(0.50)%
General and administrative expenses ratio	(0.66)%	(0.59)%	(0.56)%	(0.54)%	(0.60)%	(0.06)%	(0.59)%	(0.56)%	(0.24)%	(0.03)%
Adjusted general and administrative expenses ratio	(0.46)%	(0.47)%	(0.52)%	(0.49)%	(0.56)%	0.10 %	(0.49)%	(0.50)%	(0.53)%	0.01 %
Interest expense	\$ 29	\$ 26	\$ 19	\$ 13	\$ 18	61 %	\$ 87	\$ 62	\$ 4	40 %
Interest expense ratio	(0.09)%	(0.09)%	(0.06)%	(0.04)%	(0.06)%	(0.03)%	(0.07)%	(0.06)%	(0.05)%	(0.01)%
Adjusted Interest expense ratio	(0.10)%	(0.09)%	(0.07)%	(0.05)%	(0.07)%	(0.03)%	(0.08)%	(0.07)%	(0.06)%	(0.01)%
Adjusted operating income tax expense	\$ 46	\$ 44	\$ 48	\$ 34	\$ 136	(66)%	\$ 172	\$ 199	\$ 10	(14)%
Adjusted operating income tax expense ratio	(0.16)%	(0.15)%	(0.17)%	(0.13)%	(0.52)%	0.36 %	(0.15)%	(0.23)%	(0.15)%	0.08 %

(1) Quarterly averages are calculated by averaging the current and immediately preceding quarter; For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period; For the one-month period, calculated by averaging the beginning and ending periods.

(2) Interim periods are annualized.

(3) Includes \$28 million, \$45 million, \$15 million, \$429 million, \$51 million, and \$47 million of variable investment income (loss) for the quarters ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, respectively, derived from realized gains and losses from the sale of investments not related to asset/liability matching strategies.

Non-GAAP reconciliation: ROE excluding AOCI and Adjusted operating ROE excluding AOCI

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended	Eleven Months Ended	One Month Ended	YoY Change
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021		12/31/2022	12/31/2021	1/31/2021	
	Successor						Successor			
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (25)	\$ 208	\$ 302	\$ 122	\$ 162	(115)%	\$ 607	\$ 452	\$ 57	34 %
Adjusted operating earnings, net of tax	\$ 280	\$ 217	\$ 233	\$ 199	576	(51)%	\$ 929	\$ 1,094	\$ 56	(15)%
Total Global Atlantic Financial Limited shareholders' equity	\$ (2,810)	\$ (3,300)	\$ (1,261)	\$ 1,855	\$ 5,070	(155)%	\$ (2,810)	\$ 5,070	\$ 7,775	(155)%
Less: AOCI	(9,385)	(9,398)	(7,148)	(3,726)	(387)	NM	(9,385)	(387)	3,085	NM
Less: Accumulated change in fair value of reinsurance balances and related assets	401	286	204	10	(29)	NM	401	(29)	52	NM
Adjusted shareholders' equity	\$ 6,174	\$ 5,812	\$ 5,683	\$ 5,571	\$ 5,486	13 %	\$ 6,174	\$ 5,486	\$ 4,638	13 %
Average total Global Atlantic Financial Limited shareholders' equity ⁽¹⁾	\$ (3,055)	\$ (2,281)	\$ 297	\$ 3,463	\$ 5,013	(161)%	\$ (89)	\$ 4,568	\$ 7,861	(102)%
Average adjusted shareholders' equity ⁽¹⁾	5,993	5,747	5,627	5,529	5,396	11 %	5,745	5,053	4,606	14 %
ROE⁽²⁾	NM	NM	406.7 %	14.1 %	12.9 %	NM	NM	10.8 %	8.7 %	NM
Adjusted ROE⁽²⁾	(1.7)%	14.5 %	21.5 %	8.8 %	12.0 %	(13.7)%	10.6 %	9.8 %	14.9 %	0.8 %
Adjusted Operating ROE⁽²⁾	18.7 %	15.1 %	16.6 %	14.4 %	42.7 %	(24.0)%	16.2 %	23.6 %	14.6 %	(7.4)%

(1) Quarterly averages are calculated by averaging the current and immediately preceding quarter; For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period; For the one-month period, calculated by averaging the beginning and ending periods.

(2) Interim periods are annualized.