

# Financial supplement

Global Atlantic Financial Limited

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

First Quarter 2021

*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 interim consolidated financial statements for the two-month period ended March 31, 2021 and one-month period ended January 31, 2021*

## Table of Contents

Notes to the financial supplement	Page
Important notice	<u>3</u>
Credit ratings	<u>4</u>
<b>Consolidated results</b>	
Financial highlights	<u>6</u>
Consolidated statements of income	<u>7</u>
Consolidated balance sheets	<u>9</u>
Capitalization	<u>11</u>
<b>Product and operational data</b>	
New business volume by product and origination channel	<u>13</u>
Reserves by product	<u>14</u>
General account reserve roll forward by origination channel	<u>15</u>
Surrender charge protection by product	<u>16</u>
Account values by guaranteed minimum interest rates	<u>17</u>
<b>Investment portfolio</b>	
Investments summary	<u>19</u>
Fixed maturity securities - unrealized gains and losses	<u>20</u>
Fixed maturity securities by ratings	<u>21</u>
Corporate fixed maturity securities by ratings	<u>22</u>
Residential mortgage-backed securities by ratings	<u>23</u>
Commercial mortgage-backed securities by ratings	<u>26</u>
Collateralized loan obligations & collateralized bond obligations by ratings	<u>25</u>
All other structured securities by ratings	<u>26</u>
<b>Additional information</b>	
Reconciliations of GAAP to non-GAAP measures	<u>27</u>

## 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 cumulative 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 two months ended March 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.

Global Atlantic makes no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained in this financial supplement. Global Atlantic does not accept any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this financial supplement or its contents or any reliance on the information contained herein.

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 May 13, 2021			
	A.M. Best	Fitch	Moody's	Standard & Poor's
<b>Credit ratings<sup>(1)</sup></b>				
<b>Global Atlantic Financial Limited</b>				
Issuer Credit Rating / Issuer Default Rating / Issuer Rating				
Rating	N/A	BBB+	N/A	BBB-
Outlook	N/A	Stable	N/A	Stable
<b>Global Atlantic (Fin) Company</b>				
Issuer Credit Rating / Issuer Default Rating / Issuer Rating				
Rating	bbb	BBB+	Baa3	BBB-
Outlook	Positive	Stable	Positive	Stable
<b>Financial strength ratings</b>				
Commonwealth Annuity & Life Insurance	A	A	A3	A-
Forethought Life Insurance Company	A	A	A3	A-
Accordia Life and Annuity Company	A	A	A3	A-
First Allmerica Financial Life Insurance Company	A	A	A3	A-
Global Atlantic Re Limited	A	A	N/A	A-
Global Atlantic Assurance Limited	A	A	N/A	A-

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

# Consolidated results

## Financial highlights<sup>(1)</sup>

Unaudited (\$ in millions, except percentages)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor				
<b>Consolidated results of operations</b>						
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (138)	\$ 57	\$ 124	\$ 131	\$ 2	\$ 253
Adjusted operating income, net of tax	107	56	185	147	129	170
ROE <sup>(2)</sup>	(21.0)%	8.7 %	6.6 %	7.7 %	0.2 %	20.1 %
Adjusted ROE <sup>(2)</sup>	(17.7)%	14.9 %	11.0 %	11.9 %	0.2 %	24.0 %
Adjusted Operating ROE <sup>(2)</sup>	13.7 %	14.6 %	16.4 %	13.3 %	11.9 %	16.1 %
ROA <sup>(2)</sup>	(0.84)%	0.70 %	0.55 %	0.66 %	0.01 %	1.40 %
Adjusted operating ROA, net of tax <sup>(2)</sup>	0.72 %	0.83 %	0.95 %	0.79 %	0.71 %	0.96 %
Effective income tax rate	17.1 %	22.7 %	(23.2)%	9.9 %	64.9 %	(0.5)%
Adjusted operating tax rate	12.9 %	15.2 %	(0.5)%	20.0 %	(19.6)%	(8.3)%
<b>Balance sheet items</b>						
Total assets	\$ 131,353	\$ 126,710	\$ 125,760	\$ 99,367	\$ 92,159	\$ 87,838
Adjusted invested assets	90,841	81,905	80,826	75,372	72,604	71,816
Total liabilities	127,881	118,652	117,590	91,984	85,489	83,541
Total shareholders' equity	3,249	7,775	7,946	7,131	6,393	4,039
Adjusted shareholders' equity	4,730	4,638	4,574	4,474	4,337	4,359

(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)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor				
<b>Revenues</b>						
Premiums	\$ 1,176	\$ 77	\$ 2,253	\$ 380	\$ 57	\$ 210
Policy fees	202	98	310	328	290	305
Net investment income	422	266	797	782	784	746
Net investment gains (losses) <sup>(1)</sup>	(456)	(56)	136	86	50	(101)
Other income	18	8	17	15	13	14
<b>Total revenues</b>	<b>\$ 1,362</b>	<b>\$ 393</b>	<b>\$ 3,513</b>	<b>\$ 1,591</b>	<b>\$ 1,194</b>	<b>\$ 1,174</b>
<b>Benefits and expenses</b>						
Policy benefits and claims <sup>(1)</sup>	\$ 1,485	\$ 226	\$ 3,115	\$ 1,191	\$ 1,062	\$ 707
Amortization of policy acquisition costs	(20)	44	83	84	15	86
Insurance expenses	52	24	62	54	43	41
<b>Total benefits and insurance expenses</b>	<b>1,517</b>	<b>294</b>	<b>3,260</b>	<b>1,329</b>	<b>1,120</b>	<b>834</b>
<b>Net underwriting income</b>	<b>(155)</b>	<b>99</b>	<b>253</b>	<b>262</b>	<b>74</b>	<b>340</b>
Interest expenses	11	4	16	17	14	21
General and administrative expenses	80	20	155	124	117	111
<b>Income (loss) before income taxes</b>	<b>(246)</b>	<b>75</b>	<b>82</b>	<b>121</b>	<b>(57)</b>	<b>208</b>
Income tax (benefit) expense	(42)	17	(19)	12	(37)	(1)
<b>Net income (loss)</b>	<b>(204)</b>	<b>58</b>	<b>101</b>	<b>109</b>	<b>(20)</b>	<b>209</b>
Net (loss) income attributable to non-controlling interests and redeemable non-controlling interests	(66)	1	(23)	(22)	(22)	(44)
<b>Net income (loss) attributable to Global Atlantic Financial Limited shareholders</b>	<b>\$ (138)</b>	<b>\$ 57</b>	<b>\$ 124</b>	<b>\$ 131</b>	<b>\$ 2</b>	<b>\$ 253</b>
<b>Components of return on assets<sup>(2)</sup></b>						
Net investment return ratio	2.56 %	3.26 %	3.55 %	3.92 %	4.21 %	4.12 %
Net cost of insurance ratio	(3.50)%	(2.04)%	(2.42)%	(2.61)%	(3.82)%	(2.24)%
<b>Net underwriting ratio</b>	<b>(0.94)%</b>	<b>1.22 %</b>	<b>1.13 %</b>	<b>1.31 %</b>	<b>0.39 %</b>	<b>1.88 %</b>
General and administrative expense ratio	(0.49)%	(0.24)%	(0.69)%	(0.62)%	(0.63)%	(0.61)%
Interest expense ratio	(0.07)%	(0.05)%	(0.07)%	(0.09)%	(0.08)%	(0.12)%
Income tax expense ratio	0.25 %	(0.21)%	0.08 %	(0.06)%	0.20 %	0.01 %
Non-controlling interest ratio	0.41 %	(0.02)%	0.10 %	0.12 %	0.13 %	0.24 %
<b>Return on assets</b>	<b>(0.84)%</b>	<b>0.70 %</b>	<b>0.55 %</b>	<b>0.66 %</b>	<b>0.01 %</b>	<b>1.40 %</b>

(1) 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.

(2) Interim periods are annualized.

## Components of adjusted operating return on assets, net of tax

Unaudited (\$ in millions, except percentages)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor				
<b>Adjusted operating return on assets, net of tax<sup>(1)</sup></b>	<b>0.72 %</b>	<b>0.83 %</b>	<b>0.95 %</b>	<b>0.79 %</b>	<b>0.71 %</b>	<b>0.96 %</b>
<b>Components of adjusted operating return on assets, net of tax:<sup>(1)</sup></b>						
<b>Net investment earned rate</b>	<b>3.00 %</b>	<b>4.37 %</b>	<b>4.24 %</b>	<b>4.29 %</b>	<b>3.99 %</b>	<b>4.27 %</b>
Adjusted net cost of insurance ratio	(1.66)%	(2.80)%	(2.68)%	(2.69)%	(2.87)%	(2.77)%
<b>Adjusted net underwriting ratio</b>	<b>1.34 %</b>	<b>1.57 %</b>	<b>1.56 %</b>	<b>1.60 %</b>	<b>1.12 %</b>	<b>1.50 %</b>
Adjusted general and administrative expense ratio	(0.44)%	(0.53)%	(0.54)%	(0.52)%	(0.45)%	(0.50)%
Adjusted interest expense ratio	(0.07)%	(0.06)%	(0.08)%	(0.09)%	(0.08)%	(0.11)%
<b>Adjusted operating return on assets, before taxes</b>	<b>0.83 %</b>	<b>0.98 %</b>	<b>0.94 %</b>	<b>0.99 %</b>	<b>0.59 %</b>	<b>0.89 %</b>
Adjusted income tax expense ratio	(0.11)%	(0.15)%	0.01 %	(0.20)%	0.12 %	0.07 %
<b>Adjusted operating return on assets, net of tax</b>	<b>0.72 %</b>	<b>0.83 %</b>	<b>0.95 %</b>	<b>0.79 %</b>	<b>0.71 %</b>	<b>0.96 %</b>
<b>Components of adjusted operating earnings:</b>						
<b>Adjusted net investment income</b>	<b>\$ 446</b>	<b>\$ 296</b>	<b>\$ 827</b>	<b>\$ 794</b>	<b>\$ 721</b>	<b>\$ 757</b>
Adjusted net cost of insurance	246	190	522	496	518	491
<b>Adjusted net underwriting income</b>	<b>200</b>	<b>106</b>	<b>305</b>	<b>298</b>	<b>203</b>	<b>266</b>
Interest expenses	11	4	16	17	14	21
Adjusted general and administrative expenses	65	36	105	96	82	88
<b>Adjusted operating earnings, before income taxes</b>	<b>124</b>	<b>66</b>	<b>184</b>	<b>185</b>	<b>107</b>	<b>157</b>
Adjusted operating income tax expense	(16)	(10)	1	(37)	21	13
<b>Adjusted operating earnings, net of tax</b>	<b>\$ 107</b>	<b>\$ 56</b>	<b>\$ 185</b>	<b>\$ 147</b>	<b>\$ 129</b>	<b>\$ 170</b>
Average total investments <sup>(2)</sup>	\$ 98,955	\$ 98,058	\$ 89,904	\$ 79,700	\$ 74,406	\$ 72,489
Average adjusted invested assets <sup>(2)</sup>	89,314	81,366	78,099	73,988	72,210	70,849

(1) Interim periods are annualized.

(2) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.



## Consolidated balance sheets<sup>(1)</sup>

Unaudited (\$ in millions, except percentages)

	Balances as of				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor			
<b>Assets</b>					
Fixed maturity securities, available-for-sale, at fair value	\$ 60,310	\$ 61,154	\$ 55,577	\$ 52,081	\$ 46,572
Fixed maturity securities, trading, at fair value	10,641	11,193	2,394	974	916
Equity securities at fair value	116	95	69	60	60
Mortgage and other loan receivables	16,808	15,479	15,057	14,995	15,364
Policy loans	831	696	700	707	710
Funds withheld receivable at interest	3,095	2,446	2,320	2,254	2,061
Other invested assets	6,530	6,478	6,149	6,063	5,995
<b>Total investments<sup>(2)</sup></b>	<b>98,331</b>	<b>97,541</b>	<b>82,266</b>	<b>77,134</b>	<b>71,678</b>
Cash and cash equivalents	5,409	3,177	2,124	1,614	2,187
Restricted cash and cash equivalent	400	240	107	177	154
Accrued investment income	770	709	620	561	545
Reinsurance recoverable	15,682	15,140	5,615	4,169	4,224
Insurance Intangibles	1,090	1,847	1,991	2,114	2,975
Other assets	4,201	1,647	1,508	1,375	1,463
Separate account assets	5,470	5,459	5,136	5,015	4,612
<b>Total assets</b>	<b>\$ 131,353</b>	<b>\$ 125,760</b>	<b>\$ 99,367</b>	<b>\$ 92,159</b>	<b>\$ 87,838</b>

## Consolidated balance sheets (continued)

Unaudited (\$ in millions, except percentages)

	Balances as of				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor			
<b>Liabilities</b>					
Future policyholder benefits	\$ 15,802	\$ 13,858	\$ 6,584	\$ 5,863	\$ 5,901
Outstanding claims	304	266	184	225	168
Contractholder deposit funds and other policyholder liabilities	86,502	79,817	72,280	68,437	67,268
<b>Total policyholder liabilities</b>	<b>102,608</b>	<b>93,941</b>	<b>79,048</b>	<b>74,525</b>	<b>73,337</b>
Debt	1,400	1,421	1,161	1,163	1,162
Funds withheld payable at interest	13,446	13,636	3,646	1,980	1,817
Other liabilities	4,535	2,873	2,734	2,551	2,351
Reinsurance liabilities	422	260	259	255	262
Separate account liabilities	5,470	5,459	5,136	5,015	4,612
<b>Total liabilities</b>	<b>\$ 127,881</b>	<b>\$ 117,590</b>	<b>\$ 91,984</b>	<b>\$ 85,489</b>	<b>\$ 83,541</b>
<b>Redeemable non-controlling interests</b>	<b>\$ 92</b>	<b>\$ 91</b>	<b>\$ 88</b>	<b>\$ 89</b>	<b>\$ 90</b>
<b>Shareholders' Equity</b>					
Common stock	\$ —	\$ —	\$ —	\$ —	\$ —
Additional paid-in capital	4,877	1,668	1,665	1,657	1,650
Retained earnings	(138)	2,961	2,837	2,706	2,704
Accumulated other comprehensive income (loss)	(1,490)	3,317	2,629	2,030	(315)
<b>Total shareholders' equity</b>	<b>3,249</b>	<b>7,946</b>	<b>7,131</b>	<b>6,393</b>	<b>4,039</b>
Non-controlling interests	131	133	164	188	168
<b>Total equity</b>	<b>3,380</b>	<b>8,079</b>	<b>7,295</b>	<b>6,581</b>	<b>4,207</b>
<b>Total liabilities, redeemable non-controlling interests and equity</b>	<b>\$ 131,353</b>	<b>\$ 125,760</b>	<b>\$ 99,367</b>	<b>\$ 92,159</b>	<b>\$ 87,838</b>
Adjusted shareholders' equity	\$ 4,730	\$ 4,574	\$ 4,474	\$ 4,337	\$ 4,359
Average adjusted shareholders' equity <sup>(3)</sup>	4,691	4,524	4,405	4,347	4,212

(1) On February 1, 2021, KKR completed the acquisition of GAFG by TGAFG (a KKR subsidiary.) The balance sheet as of March 31, 2021, reflects the impact of pushing down purchase accounting entries remeasuring the acquired assets and liabilities at fair value and recognizing goodwill and other intangibles of \$451 million and \$260 million, respectively. In addition, TGAFG raised \$250 million of primary capital, of which \$215 million was contributed into Global Atlantic Financial Limited.

(2) Net of allowance for credit losses on AFS fixed-maturity securities and mortgage and other loan receivables of \$140 million and \$304 million, respectively, recognized upon implementation of the CECL accounting standard.

(3) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.

## Capitalization

Unaudited (\$ in millions, except percentages)

	Balances as of				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor			
Debt	\$ 1,400	\$ 1,421	\$ 1,161	\$ 1,163	\$ 1,162
50% of subordinated debentures	(125)	(125)	(125)	(125)	(125)
Fair value adjustment to senior notes hedged with interest rate swap <sup>(1)</sup>	26	(32)	(42)	(43)	(42)
<b>Adjusted debt</b>	<b>\$ 1,301</b>	<b>\$ 1,264</b>	<b>\$ 994</b>	<b>\$ 995</b>	<b>\$ 995</b>
Total Global Atlantic Financial Limited shareholders' equity	3,249	7,946	7,131	6,393	4,039
Less: Accumulated other comprehensive income (AOCI)	(1,490)	3,317	2,629	2,030	(315)
Less: Accumulated change in fair value of reinsurance balances and related assets	9	55	28	26	(5)
<b>Adjusted shareholders' equity</b>	<b>\$ 4,730</b>	<b>\$ 4,574</b>	<b>\$ 4,474</b>	<b>\$ 4,337</b>	<b>\$ 4,359</b>
Capitalization	\$ 4,649	\$ 9,367	\$ 8,292	\$ 7,556	\$ 5,201
Adjusted capitalization	6,130	5,995	5,635	5,500	5,521
Adjusted capitalization, excluding debt fair value adjustments	6,156	5,963	5,593	5,457	5,479
<b>Debt-to-capitalization</b>	<b>30.1 %</b>	<b>15.2 %</b>	<b>14.0 %</b>	<b>15.4 %</b>	<b>22.3 %</b>
Debt-to-adjusted capitalization	22.8 %	23.7 %	20.6 %	21.1 %	21.0 %
<b>Adjusted debt-to-adjusted capitalization, excluding debt fair value adjustments</b>	<b>21.1 %</b>	<b>21.2 %</b>	<b>17.8 %</b>	<b>18.2 %</b>	<b>18.2 %</b>

	Risk-based capital as of December 31, 2020
U.S. insurance subsidiaries <sup>(2)</sup>	398 %
Estimated consolidated RBC, including Bermuda subsidiaries <sup>(3)</sup>	441 %

(1) The Company has designated an interest rate swap to hedge the interest rate risk associated with the Senior Notes issued in October 2019 and due in 2029 in a fair value hedge. The 2029 Senior Notes are reported in debt in the consolidated balance sheets and are hedged through their maturity in October 2029. For the quarter ended March 31, 2021, the carrying amount of the hedged 2029 Senior Notes was \$500 million, which is decreased by a fair value hedge adjustment of \$26 million.

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

(3) 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.

**Product and operational data**

## New business volume by origination channel and product

*Unaudited (\$ in millions, except percentages)*

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	<i>Successor</i>	<i>Predecessor</i>				
<b>Individual channel:</b>						
Fixed-Rate Annuities	\$ 1,038	\$ 339	\$ 610	\$ 1,047	\$ 1,047	\$ 853
Fixed-Indexed Annuities	595	227	869	783	614	822
Variable Annuities	8	7	19	15	22	16
Total retirement products	\$ 1,641	\$ 573	\$ 1,498	\$ 1,845	\$ 1,683	\$ 1,691
Life insurance products	\$ 6	\$ 2	\$ 15	\$ 7	\$ 16	\$ 24
Preneed Life	\$ 38	\$ 15	\$ 48	\$ 53	\$ 37	\$ 50
<b>Institutional channel:</b>						
Retirement	\$ 1,843	\$ 412	\$ 14,054	\$ 1,338	\$ 251	\$ 355
Life	\$ —	\$ —	\$ 1	\$ 2,268	\$ 10	\$ —
Funding agreements - FABN	\$ —	\$ 650	\$ —	\$ —	\$ —	\$ —

Note: 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, and is before any retro cession to Ivy Re, a reinsurance entity sponsored by the Company.

## Reserves by product

Unaudited (\$ in millions, except percentages)

	Balances as of									
	3/31/2021		12/31/2020		9/30/2020		6/30/2020		3/31/2020	
	<i>Successor</i>		<i>Predecessor</i>							
	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account	General Account	Separate Account
Fixed-Rate Annuity	\$ 21,672	\$ —	\$ 20,695	\$ —	\$ 20,767	\$ —	\$ 20,511	\$ —	\$ 20,263	\$ —
Fixed-Indexed Annuity	18,414	—	17,085	—	16,119	—	15,233	—	14,355	—
Variable Annuity	308	3,083	410	3,098	489	2,962	516	2,922	539	2,785
Indexed Universal Life	11,767	—	9,588	—	9,187	—	8,974	—	8,597	—
Fixed Universal Life	1,529	—	1,554	—	1,559	—	1,610	—	1,597	—
Term & Whole Life	635	—	570	—	548	—	568	—	571	—
Preneed	2,885	—	2,832	—	2,885	—	2,990	—	3,150	—
Funding agreements - FHLB	2,205	—	2,207	—	2,208	—	2,207	—	2,279	—
<b>Total Individual</b>	<b>59,415</b>	<b>3,083</b>	<b>54,941</b>	<b>3,098</b>	<b>53,762</b>	<b>2,962</b>	<b>52,609</b>	<b>2,922</b>	<b>51,351</b>	<b>2,785</b>
Retirement	35,745	1,778	32,247	1,771	18,541	1,637	17,443	1,583	17,477	1,388
Life	5,041	609	4,975	590	4,973	537	2,731	510	2,743	439
Funding agreements - FHLB	311	—	313	—	313	—	314	—	313	—
Funding agreements - FABN	659	—	—	—	—	—	—	—	—	—
<b>Total Institutional</b>	<b>41,756</b>	<b>2,387</b>	<b>37,535</b>	<b>2,361</b>	<b>23,827</b>	<b>2,174</b>	<b>20,488</b>	<b>2,093</b>	<b>20,533</b>	<b>1,827</b>
Closed Block	1,367	—	1,410	—	1,404	—	1,372	—	1,395	—
Other Corporate <sup>(1)</sup>	70	—	55	—	55	—	56	—	58	—
<b>Total Corporate &amp; Other</b>	<b>1,437</b>	<b>—</b>	<b>1,465</b>	<b>—</b>	<b>1,459</b>	<b>—</b>	<b>1,428</b>	<b>—</b>	<b>1,453</b>	<b>—</b>
<b>Total Reserves</b>	<b>\$ 102,608</b>	<b>\$ 5,470</b>	<b>\$ 93,941</b>	<b>\$ 5,459</b>	<b>\$ 79,048</b>	<b>\$ 5,136</b>	<b>\$ 74,525</b>	<b>\$ 5,015</b>	<b>\$ 73,337</b>	<b>\$ 4,612</b>

(1) 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					
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor				
<b>Individual</b>						
Reserve liability, gross, opening balance <sup>(1)</sup>	\$ 58,372	\$ 54,941	\$ 53,762	\$ 52,609	\$ 51,351	\$ 50,459
Deposits	1,811	642	1,780	2,045	1,896	2,178
Surrenders, benefits and fees	(935)	(357)	(1,192)	(1,244)	(1,348)	(1,228)
Other reserve changes	167	(73)	591	352	710	(58)
<b>Reserve liability, gross, ending</b>	<b>59,415</b>	<b>55,153</b>	<b>54,941</b>	<b>53,762</b>	<b>52,609</b>	<b>51,351</b>
Reinsurance recoverable	(487)	(477)	(492)	(406)	(414)	(412)
<b>Net individual reserve liability</b>	<b>\$ 58,928</b>	<b>\$ 54,676</b>	<b>\$ 54,449</b>	<b>\$ 53,356</b>	<b>\$ 52,195</b>	<b>\$ 50,939</b>
<b>Institutional</b>						
Reserve liability, gross, opening balance <sup>(1)</sup>	\$ 40,531	\$ 37,535	\$ 23,827	\$ 20,488	\$ 20,533	\$ 20,356
Deposits <sup>(2)</sup>	1,612	951	14,089	3,547	288	460
Surrenders, benefits and fees	(203)	(161)	(379)	(219)	(228)	(288)
Other reserve changes	(184)	125	(2)	11	(105)	5
<b>Reserve liability, gross, ending</b>	<b>41,756</b>	<b>38,450</b>	<b>37,535</b>	<b>23,827</b>	<b>20,488</b>	<b>20,533</b>
Reinsurance recoverable	(13,851)	(13,368)	(13,256)	(3,821)	(2,399)	(2,410)
<b>Net institutional reserve liability</b>	<b>\$ 27,905</b>	<b>\$ 25,082</b>	<b>\$ 24,279</b>	<b>\$ 20,006</b>	<b>\$ 18,089</b>	<b>\$ 18,123</b>
<b>Consolidated</b>						
Reserve liability, gross, opening balance <sup>(1)</sup>	\$ 100,339	\$ 93,941	\$ 79,048	\$ 74,525	\$ 73,337	\$ 72,244
Deposits <sup>(2)</sup>	3,423	1,593	15,869	5,592	2,184	2,638
Surrenders, benefits and fees	(1,138)	(518)	(1,571)	(1,463)	(1,576)	(1,516)
Other reserve changes	(16)	38	595	394	580	(29)
<b>Reserve liability, gross, ending</b>	<b>102,608</b>	<b>95,054</b>	<b>93,941</b>	<b>79,048</b>	<b>74,525</b>	<b>73,337</b>
Reinsurance recoverable	(15,682)	(15,223)	(15,140)	(5,615)	(4,169)	(4,224)
<b>Net reserve liability</b>	<b>\$ 86,926</b>	<b>\$ 79,831</b>	<b>\$ 78,801</b>	<b>\$ 73,433</b>	<b>\$ 70,356</b>	<b>\$ 69,113</b>

(1) Beginning balance for March 31, 2021 represents the gross reserve liability at February 1, 2021 and reflects certain post-closing purchase price adjustments as compared to the January 31, 2021 ending balance.

(2) Deposits also include total reserves at inception of block reinsurance transactions before any retro cession to Ivy Re, a reinsurance entity 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					
	March 31, 2021			December 31, 2020		
	Successor			Predecessor		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 9,966	18.6 %	— %	\$ 9,518	18.3 %	— %
Greater than 0 to less than 3	11,584	21.5 %	5.1 %	11,430	22.0 %	5.1 %
3 to less than 6	23,932	44.5 %	6.3 %	22,641	43.5 %	6.3 %
6 to less than 9	5,843	10.9 %	7.0 %	6,037	11.6 %	7.0 %
9 or greater	2,430	4.5 %	8.1 %	2,367	4.6 %	8.0 %
<b>Total</b>	<b>\$ 53,755</b>	<b>100.0 %</b>	<b>5.3 %</b>	<b>\$ 51,993</b>	<b>100.0 %</b>	<b>5.3 %</b>

Years of Surrender Charge Remaining	Indexed and Fixed Universal Life					
	March 31, 2021			December 31, 2020		
	Successor			Predecessor		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 6,348	53.0 %	0.3 %	\$ 6,271	52.8 %	0.3 %
Greater than 0 to less than 3	1,338	11.2 %	3.3 %	1,326	11.2 %	2.8 %
3 to less than 6	1,911	16.0 %	8.3 %	1,744	14.7 %	7.7 %
6 to less than 9	1,203	10.0 %	11.9 %	1,377	11.6 %	11.2 %
9 or greater	1,171	9.8 %	25.7 %	1,156	9.7 %	27.7 %
<b>Total</b>	<b>\$ 11,971</b>	<b>100.0 %</b>	<b>5.6 %</b>	<b>\$ 11,874</b>	<b>100.0 %</b>	<b>5.6 %</b>



## 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 March 31, 2021)</i>						
<i>Successor</i>						
Individual channel	\$ 3,520	\$ 669	\$ 1,629	\$ 3,095	\$ 15,436	\$ 24,349
Institutional channel and strategic acquisitions	12,682	942	559	1,613	890	16,686
<b>Total</b>	<b>\$ 16,202</b>	<b>\$ 1,611</b>	<b>\$ 2,188</b>	<b>\$ 4,708</b>	<b>\$ 16,326</b>	<b>\$ 41,035</b>
<b>Percentage of total</b>	<b>39.5 %</b>	<b>3.9 %</b>	<b>5.3 %</b>	<b>11.5 %</b>	<b>39.8 %</b>	<b>100.0 %</b>
Percentage from institutional channel and strategic acquisitions	78.3 %	58.5 %	25.5 %	34.3 %	5.5 %	40.7 %

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, 2020)</i>						
<i>Predecessor</i>						
Individual channel	\$ 2,876	\$ 816	\$ 1,659	\$ 2,592	\$ 15,912	\$ 23,855
Institutional channel and strategic acquisitions	12,761	941	503	1,229	813	16,247
<b>Total</b>	<b>\$ 15,637</b>	<b>\$ 1,757</b>	<b>\$ 2,162</b>	<b>\$ 3,821</b>	<b>\$ 16,725</b>	<b>\$ 40,102</b>
<b>Percentage of total</b>	<b>39.0 %</b>	<b>4.4 %</b>	<b>5.4 %</b>	<b>9.5 %</b>	<b>41.7 %</b>	<b>100.0 %</b>
Percentage from institutional channel and strategic acquisitions	81.6 %	53.6 %	23.3 %	32.2 %	4.9 %	40.5 %

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)

	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
AFS fixed maturity securities	\$ 60,310	61.3 %	\$ 61,154	62.7 %
Trading fixed maturity securities <sup>(1)</sup>	10,641	10.8 %	11,193	11.5 %
Equity securities	116	0.1 %	95	0.1 %
Mortgage and other loan receivables	16,808	17.1 %	15,479	15.9 %
Policy loans	831	0.9 %	696	0.7 %
Funds withheld receivable at interest	3,095	3.2 %	2,446	2.5 %
Other investments	6,530	6.6 %	6,478	6.6 %
<b>Total investments</b>	<b>\$ 98,331</b>	<b>100.0 %</b>	<b>\$ 97,541</b>	<b>100.0 %</b>

Other investments, as above, consists of the following:	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investments in renewable energy <sup>(2)</sup>	\$ 3,419	52.4 %	\$ 3,443	53.1 %
Investments in transportation and other leased assets <sup>(3)</sup>	2,184	33.4 %	1,978	30.6 %
Other investment partnerships	365	5.6 %	487	7.5 %
Investments in real estate	424	6.5 %	395	6.1 %
Federal Home Loan Bank, or "FHLB," common stock and other investments	138	2.1 %	175	2.7 %
<b>Total other investments</b>	<b>\$ 6,530</b>	<b>100.0 %</b>	<b>\$ 6,478</b>	<b>100.0 %</b>

(1) Trading assets back funds withheld payable at interest and investment performance is ceded to reinsurance

(2) Net of accumulated depreciation attributed to consolidated renewable energy assets of \$100 million and \$83 million as of March 31, 2021 and December 31, 2020, respectively.

(3) Net of accumulated depreciation of \$17 million and \$232 million as of March 31, 2021 and December 31, 2020, respectively.

## Fixed maturity securities – unrealized gains and losses

*Unaudited (\$ in millions, except percentages)*

	As of March 31, 2021 (Successor)					
	<i>Successor</i>					
	Cost or amortized cost	Allowance for credit losses <sup>(2)</sup>	Gross unrealized temporary		Fair value	Percent of total
gain			loss			
<b>AFS fixed maturity securities portfolio by type:</b>						
U.S. government and agencies	\$ 1,348	\$ —	\$ —	\$ (20)	\$ 1,328	2.2 %
U.S. state, municipal and political subdivisions	4,818	—	4	(234)	4,588	7.6 %
Corporate	35,554	—	40	(1,620)	33,974	56.3 %
RMBS	8,607	(118)	73	(54)	8,508	14.1 %
CMBS	3,373	(1)	6	(51)	3,327	5.5 %
CLOs	2,556	(2)	6	(4)	2,556	4.3 %
CBOs	3,351	(13)	3	(10)	3,331	5.5 %
All other structured securities <sup>(1)</sup>	2,681	(6)	38	(15)	2,698	4.5 %
<b>Total AFS fixed maturity securities</b>	<b>\$ 62,288</b>	<b>\$ (140)</b>	<b>\$ 170</b>	<b>\$ (2,008)</b>	<b>\$ 60,310</b>	<b>100.0 %</b>

	As of December 31, 2020 (Predecessor)					
	<i>Predecessor</i>					
	Cost or amortized cost		Gross unrealized temporary		Fair value	Percent of total
gain			loss			
<b>AFS fixed maturity securities portfolio by type:</b>						
U.S. government and agencies	\$ 654	\$ 33	\$ (8)	\$ 679	1.1 %	
U.S. state, municipal and political subdivisions	4,303	700	(2)	5,001	8.2 %	
Corporate	28,847	3,796	(38)	32,605	53.3 %	
RMBS	7,989	705	(55)	8,639	14.1 %	
CMBS	3,449	234	(33)	3,650	6.0 %	
CLOs	3,026	22	(46)	3,002	4.9 %	
CBOs	3,482	111	—	3,593	5.9 %	
All other structured securities <sup>(1)</sup>	3,826	179	(20)	3,985	6.5 %	
<b>Total AFS fixed maturity securities</b>	<b>\$ 55,576</b>	<b>\$ 5,780</b>	<b>\$ (202)</b>	<b>\$ 61,154</b>	<b>100.0 %</b>	

(1) "All other structured securities" primarily consists of asset-backed securities.

(2) 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			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NAIC designation:</b>				
1	\$ 36,881	61.2 %	\$ 37,647	61.6 %
2	22,172	36.8 %	22,083	36.1 %
<b>Total investment grade</b>	<b>59,053</b>	<b>98.0 %</b>	<b>59,730</b>	<b>97.7 %</b>
3	568	0.9 %	817	1.3 %
4	174	0.3 %	182	0.3 %
5	51	0.1 %	15	— %
6	13	— %	—	— %
5 <sup>(1)</sup>	451	0.7 %	410	0.7 %
<b>Total below investment grade</b>	<b>1,257</b>	<b>2.0 %</b>	<b>1,424</b>	<b>2.3 %</b>
<b>Total AFS fixed maturity securities</b>	<b>\$ 60,310</b>	<b>100.0 %</b>	<b>\$ 61,154</b>	<b>100.0 %</b>
	AFS Fixed Maturity Securities by NRSRO Rating			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NRSRO rating designation:</b>				
AAA/AA/A	\$ 27,514	45.6 %	\$ 29,353	48.0 %
BBB	22,300	37.0 %	21,589	35.3 %
Non-rated <sup>(2)</sup>	2,384	3.9 %	2,227	3.6 %
<b>Total Investment Grade</b>	<b>52,198</b>	<b>86.5 %</b>	<b>53,169</b>	<b>86.9 %</b>
BB	568	0.9 %	585	1.0 %
B	583	1.0 %	491	0.8 %
CCC	2,007	3.3 %	1,971	3.2 %
CC and lower	2,808	4.7 %	2,870	4.7 %
Non-rated <sup>(3)</sup>	2,146	3.6 %	2,068	3.4 %
<b>Total below investment grade</b>	<b>8,112</b>	<b>13.5 %</b>	<b>7,985</b>	<b>13.1 %</b>
<b>Total AFS fixed maturity securities</b>	<b>\$ 60,310</b>	<b>100.0 %</b>	<b>\$ 61,154</b>	<b>100.0 %</b>

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) Securities rated using an internally developed methodology are designated 5\* by the NAIC.

(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			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NAIC designation:</b>				
1	\$ 12,738	37.5 %	\$ 12,638	38.8 %
2	20,432	60.2 %	19,123	58.6 %
<b>Total investment grade</b>	<b>33,170</b>	<b>97.7 %</b>	<b>31,761</b>	<b>97.4 %</b>
3	281	0.8 %	370	1.1 %
4	70	0.2 %	1	— %
5	2	— %	61	0.2 %
5* <sup>(1)</sup>	451	1.3 %	412	1.3 %
<b>Total below investment grade</b>	<b>804</b>	<b>2.3 %</b>	<b>844</b>	<b>2.6 %</b>
<b>Total Corporate fixed maturity securities</b>	<b>\$ 33,974</b>	<b>100.0 %</b>	<b>\$ 32,605</b>	<b>100.0 %</b>
	Corporate Fixed Maturity Securities by NRSRO Rating			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NRSRO rating designation:</b>				
AAA/AA/A	\$ 13,179	38.8 %	\$ 13,625	41.8 %
BBB	19,831	58.4 %	17,984	55.1 %
Non-rated <sup>(2)</sup>	215	0.6 %	207	0.6 %
<b>Total Investment Grade</b>	<b>33,225</b>	<b>97.8 %</b>	<b>31,816</b>	<b>97.5 %</b>
BB	281	0.8 %	317	1.0 %
B	17	0.1 %	60	0.2 %
Non-rated <sup>(3)</sup>	451	1.3 %	412	1.3 %
<b>Total below investment grade</b>	<b>749</b>	<b>2.2 %</b>	<b>789</b>	<b>2.5 %</b>
<b>Total Corporate fixed maturity securities</b>	<b>\$ 33,974</b>	<b>100.0 %</b>	<b>\$ 32,605</b>	<b>100.0 %</b>

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) Securities rated using an internally developed methodology are designated 5\* by the NAIC.

(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			
	March 31, 2021		December 31, 2020	
	<i>Successor</i>		<i>Predecessor</i>	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NAIC designation:</b>				
1	\$ 7,774	91.4 %	\$ 7,631	88.3 %
2	472	5.5 %	602	7.0 %
<b>Total investment grade</b>	<b>8,246</b>	<b>96.9 %</b>	<b>8,233</b>	<b>95.3 %</b>
3 and below	262	3.1 %	406	4.7 %
<b>Total below investment grade</b>	<b>262</b>	<b>3.1 %</b>	<b>406</b>	<b>4.7 %</b>
<b>Total RMBS</b>	<b>\$ 8,508</b>	<b>100.0 %</b>	<b>\$ 8,639</b>	<b>100.0 %</b>

  

	RMBS by NRSRO Ratings			
	March 31, 2021		December 31, 2020	
	<i>Successor</i>		<i>Predecessor</i>	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NRSRO rating designation:</b>				
AAA/AA/A	\$ 715	8.4 %	\$ 741	8.6 %
BBB	446	5.2 %	525	6.1 %
BIG	5,220	61.4 %	5,396	62.4 %
Non-rated investment grade	2,127	25.0 %	1,977	22.9 %
<b>Total RMBS</b>	<b>\$ 8,508</b>	<b>100.0 %</b>	<b>\$ 8,639</b>	<b>100.0 %</b>

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			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NAIC designation:</b>				
1	\$ 2,978	89.5 %	\$ 3,121	85.5 %
2	234	7.0 %	435	11.9 %
<b>Total investment grade</b>	<b>3,212</b>	<b>96.5 %</b>	<b>3,556</b>	<b>97.4 %</b>
3	92	2.8 %	94	2.6 %
4	23	0.7 %	—	— %
Non-rated	—	— %	—	— %
<b>Total below investment grade</b>	<b>115</b>	<b>3.5 %</b>	<b>94</b>	<b>2.6 %</b>
<b>Total CMBS</b>	<b>\$ 3,327</b>	<b>100.0 %</b>	<b>\$ 3,650</b>	<b>100.0 %</b>
	CMBS by NRSRO Ratings			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NRSRO rating designation:</b>				
AAA/AA/A	\$ 1,965	59.1 %	\$ 2,284	62.6 %
BBB	1,180	35.5 %	1,226	33.6 %
<b>Non-rated investment grade</b>	<b>—</b>	<b>— %</b>	<b>23</b>	<b>0.6 %</b>
BIG	182	5.4 %	117	3.2 %
<b>Total CMBS</b>	<b>\$ 3,327</b>	<b>100.0 %</b>	<b>\$ 3,650</b>	<b>100.0 %</b>

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 &amp; collateralized bond obligations by ratings

Unaudited (\$ in millions, except percentages)

	Collateralized Loan Obligations			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NAIC designation:</b>				
1	\$ 2,479	97.0 %	\$ 2,797	93.2 %
2	58	2.3 %	173	5.8 %
<b>Total investment grade</b>	<b>2,537</b>	<b>99.3 %</b>	<b>2,970</b>	<b>99.0 %</b>
3	19	0.7 %	19	0.6 %
5	—	— %	13	0.4 %
<b>Total below investment grade</b>	<b>19</b>	<b>0.7 %</b>	<b>32</b>	<b>1.0 %</b>
<b>Total CLO</b>	<b>\$ 2,556</b>	<b>100.0 %</b>	<b>\$ 3,002</b>	<b>100.0 %</b>

	Collateralized Bond Obligations			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NAIC designation:</b>				
1	\$ 3,331	100.0 %	\$ 3,593	100.0 %
<b>Total investment grade</b>	<b>3,331</b>	<b>100.0 %</b>	<b>3,593</b>	<b>100.0 %</b>
<b>Total CBO</b>	<b>\$ 3,331</b>	<b>100.0 %</b>	<b>\$ 3,593</b>	<b>100.0 %</b>

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.

## All other structured securities by ratings

Unaudited (\$ in millions, except percentages)

	All Other Structured Securities			
	March 31, 2021		December 31, 2020	
	Successor		Predecessor	
	Fair value	Percent of total	Fair Value	Percent of total
<b>NAIC designation:</b>				
1	\$ 2,343	86.8 %	\$ 2,917	73.2 %
2	297	11.0 %	1,019	25.6 %
<b>Total investment grade</b>	<b>2,640</b>	<b>97.8 %</b>	<b>3,936</b>	<b>98.8 %</b>
3	7	0.3 %	13	0.3 %
4	37	1.4 %	36	0.9 %
5	14	0.5 %	—	— %
<b>Total below investment grade</b>	<b>58</b>	<b>2.2 %</b>	<b>49</b>	<b>1.2 %</b>
<b>Total all other structured securities</b>	<b>\$ 2,698</b>	<b>100.0 %</b>	<b>\$ 3,985</b>	<b>100.0 %</b>

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.

**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 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) income (loss) on 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 and 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 the rider fees attributable to the guaranteed minimum withdrawal benefit offered under certain variable annuities. 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 and equity-based compensation expenses** — 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 is calculated using an estimate of the annual adjusted operating tax rate. The adjusted operating tax rate could differ from the insurance segment'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) and equity-method (income) loss attributable to strategic equity investments 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 total investments. 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) and equity-method 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 DAC and 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)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor		Predecessor			
<b>Net income (loss) attributable to Global Atlantic Financial Limited shareholders</b>	\$ (138)	\$ 57	\$ 124	\$ 131	\$ 2	\$ 253
<b>Adjustments:</b>						
Investment gains (losses) net of offsets	242	9	(78)	(41)	(7)	77
Derivative gains (losses)	46	1	117	66	122	(188)
Transaction, integration and equity-based compensation expense	15	(18)	40	16	28	16
Income tax adjustment	(58)	7	(18)	(25)	(16)	12
<b>Total adjustments</b>	<b>245</b>	<b>(1)</b>	<b>61</b>	<b>16</b>	<b>127</b>	<b>(83)</b>
<b>Adjusted operating earnings, net of tax</b>	<b>\$ 107</b>	<b>\$ 56</b>	<b>\$ 185</b>	<b>\$ 147</b>	<b>\$ 129</b>	<b>\$ 170</b>

## Non-GAAP reconciliation: Adjusted invested assets

Unaudited (\$ in millions, except percentages)

	Balances as of				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor			
<b>Total investments</b>	\$ 98,331	\$ 97,541	\$ 82,266	\$ 77,134	\$ 71,678
Adjustments to reconcile total investments and adjusted invested assets:					
Cash, cash equivalents, and restricted cash	5,809	3,417	2,231	1,791	2,341
Accrued investment income	770	709	620	561	545
Exclude:					
Unrealized losses (gains) on fixed maturity and equity securities	2,173	(5,791)	(4,520)	(3,566)	428
Funds withheld payable at interest	(13,446)	(13,636)	(3,646)	(1,980)	(1,817)
Derivative collateral	(804)	(758)	(577)	(485)	(238)
Funds withheld on embedded derivatives	(369)	84	24	15	12
Securities sold under repurchase agreements	(301)	(301)	(301)	(402)	(704)
Non-controlling interests in consolidated renewable energy partnerships	(131)	(133)	(164)	(188)	(168)
Redeemable non-controlling interests in consolidated renewable energy partnerships	(92)	(91)	(88)	(89)	(90)
Net investment receivable (payable)	(779)	104	(166)	91	87
Strategic equity investments	(320)	(319)	(307)	(278)	(258)
<b>Adjusted invested assets</b>	\$ 90,841	\$ 80,826	\$ 75,372	\$ 72,604	\$ 71,816

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

*Unaudited (\$ in millions, except percentages)*

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	<i>Successor</i>	<i>Predecessor</i>				
Net investment income	\$ 422	\$ 266	\$ 797	\$ 782	\$ 784	\$ 746
Average total investments <sup>(1)</sup>	\$ 98,955	\$ 98,058	\$ 89,904	\$ 79,700	\$ 74,406	\$ 72,489
<b>Investment yield<sup>(2)</sup></b>	<b>2.56 %</b>	<b>3.26 %</b>	<b>3.55 %</b>	<b>3.92 %</b>	<b>4.21 %</b>	<b>4.12 %</b>
Net investment income	\$ 422	\$ 266	\$ 797	\$ 782	\$ 784	\$ 746
Renewable energy income	25	27	33	9	26	33
Equity-method (income) loss attributable to strategic equity investments	(1)	3	(3)	3	(89)	(22)
<b>Total adjustments</b>	<b>\$ 24</b>	<b>\$ 30</b>	<b>\$ 30</b>	<b>\$ 12</b>	<b>\$ (63)</b>	<b>\$ 11</b>
<b>Adjusted net investment income</b>	<b>\$ 446</b>	<b>\$ 296</b>	<b>\$ 827</b>	<b>\$ 794</b>	<b>\$ 721</b>	<b>\$ 757</b>
Average adjusted invested assets <sup>(1)</sup>	\$ 89,314	\$ 81,366	\$ 78,099	\$ 73,988	\$ 72,210	\$ 70,849
<b>Net investment earned rate<sup>(2)</sup></b>	<b>3.00 %</b>	<b>4.37 %</b>	<b>4.24 %</b>	<b>4.29 %</b>	<b>3.99 %</b>	<b>4.27 %</b>

(1) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.

(2) Interim periods are annualized.

## Non-GAAP reconciliation: Adjusted operating ROA

Unaudited (\$ in millions, except percentages)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor		Predecessor			
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (138)	\$ 57	\$ 124	\$ 131	\$ 2	\$ 253
Average total investments <sup>(1)</sup>	98,955	98,058	89,904	79,700	74,406	72,489
<b>ROA<sup>(2)</sup></b>	<b>(0.84)%</b>	<b>0.70 %</b>	<b>0.55 %</b>	<b>0.66 %</b>	<b>0.01 %</b>	<b>1.40 %</b>
Adjusted operating earnings, net of tax	\$ 107	\$ 56	\$ 185	\$ 147	\$ 129	\$ 170
Average adjusted invested assets <sup>(1)</sup>	89,314	81,366	78,099	73,988	72,210	70,849
<b>Adjusted operating ROA, net of tax<sup>(2)</sup></b>	<b>0.72 %</b>	<b>0.83 %</b>	<b>0.95 %</b>	<b>0.79 %</b>	<b>0.71 %</b>	<b>0.96 %</b>

(1) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.

(2) Interim periods are annualized.

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

Unaudited (\$ in millions, except percentages)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor	Predecessor				
<b>Reconciliation of adjusted net cost of insurance</b>						
Net underwriting margin, as reported	\$ (155)	\$ 99	\$ 253	\$ 262	\$ 74	\$ 340
Less: Net investment income, as reported	422	266	797	782	784	746
<b>Net cost of insurance</b>	<b>577</b>	<b>167</b>	<b>544</b>	<b>520</b>	<b>710</b>	<b>406</b>
<b>Adjustments:</b>						
Investment gains (losses), net of offsets included in net cost of insurance	285	(22)	(85)	(30)	77	110
Derivative gains (losses), net of offsets	46	1	117	66	122	(188)
Transaction, integration and equity-based compensation expense included in net cost of insurance	—	(2)	(10)	(12)	(7)	(7)
<b>Total adjustments</b>	<b>331</b>	<b>(23)</b>	<b>22</b>	<b>24</b>	<b>192</b>	<b>(85)</b>
<b>Adjusted net cost of insurance</b>	<b>\$ 246</b>	<b>\$ 190</b>	<b>\$ 522</b>	<b>\$ 496</b>	<b>\$ 518</b>	<b>\$ 491</b>
<b>Reconciliation of adjusted net underwriting margin</b>						
<b>Net underwriting margin, as reported</b>	<b>(155)</b>	<b>99</b>	<b>253</b>	<b>262</b>	<b>74</b>	<b>340</b>
Total adjustments, as above	331	(23)	22	24	192	(85)
Adjustment to derive adjusted net investment income	24	30	30	12	(63)	11
<b>Adjusted net underwriting margin</b>	<b>\$ 200</b>	<b>\$ 106</b>	<b>\$ 305</b>	<b>\$ 298</b>	<b>\$ 203</b>	<b>\$ 266</b>
<b>Reconciliation of adjusted G&amp;A expense</b>						
<b>General and administrative expenses, as reported</b>	<b>\$ 80</b>	<b>\$ 20</b>	<b>\$ 155</b>	<b>\$ 124</b>	<b>\$ 117</b>	<b>\$ 111</b>
<b>Adjustments:</b>						
Transaction, conversion and integration expense	15	(16)	50	28	35	23
<b>Adjusted general and administrative expenses</b>	<b>\$ 65</b>	<b>\$ 36</b>	<b>\$ 105</b>	<b>\$ 96</b>	<b>\$ 82</b>	<b>\$ 88</b>

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

Unaudited (\$ in millions, except percentages)

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	Successor			Predecessor		
Average total investments <sup>(1)</sup>	\$ 98,955	\$ 98,058	\$ 89,904	\$ 79,700	\$ 74,406	\$ 72,489
Average adjusted invested assets <sup>(1)</sup>	\$ 89,314	\$ 81,366	\$ 78,099	\$ 73,988	\$ 72,210	\$ 70,849
<b>Ratios derived from average total investments and average total adjusted invested assets<sup>(2)</sup>:</b>						
Adjusted net investment income	\$ 446	\$ 298	\$ 827	\$ 794	\$ 721	\$ 757
Adjusted net investment return ratio	2.70 %	3.62 %	3.68 %	3.98 %	3.88 %	4.18 %
Net investment earned rate	3.00 %	4.37 %	4.24 %	4.29 %	3.99 %	4.27 %
<b>Net cost of insurance ratio</b>	<b>(3.50)%</b>	<b>(2.04)%</b>	<b>(2.42)%</b>	<b>(2.61)%</b>	<b>(3.82)%</b>	<b>(2.24)%</b>
<b>Adjusted net cost of insurance ratio</b>	<b>(1.66)%</b>	<b>(2.80)%</b>	<b>(2.68)%</b>	<b>(2.69)%</b>	<b>(2.87)%</b>	<b>(2.77)%</b>
Net underwriting return	(0.94)%	1.22 %	1.13 %	1.31 %	0.39 %	1.88 %
Adjusted net underwriting return ratio	1.34 %	1.57 %	1.56 %	1.60 %	1.12 %	1.50 %
<b>General and administrative expenses ratio</b>	<b>(0.49)%</b>	<b>(0.24)%</b>	<b>(0.69)%</b>	<b>(0.62)%</b>	<b>(0.63)%</b>	<b>(0.61)%</b>
<b>Adjusted general and administrative expenses ratio</b>	<b>(0.44)%</b>	<b>(0.53)%</b>	<b>(0.54)%</b>	<b>(0.52)%</b>	<b>(0.45)%</b>	<b>(0.50)%</b>
Interest expense	\$ 11	\$ 4	\$ 16	\$ 17	\$ 14	\$ 21
<b>Interest expense ratio</b>	<b>(0.07)%</b>	<b>(0.05)%</b>	<b>(0.07)%</b>	<b>(0.09)%</b>	<b>(0.08)%</b>	<b>(0.12)%</b>
<b>Adjusted Interest expense ratio</b>	<b>(0.07)%</b>	<b>(0.06)%</b>	<b>(0.08)%</b>	<b>(0.09)%</b>	<b>(0.08)%</b>	<b>(0.11)%</b>
Adjusted operating income tax expense	\$ 16	\$ 10	\$ (1)	\$ 37	\$ (21)	\$ (13)
<b>Adjusted operating income tax expense ratio</b>	<b>(0.11)%</b>	<b>(0.15)%</b>	<b>0.01 %</b>	<b>(0.20)%</b>	<b>0.12 %</b>	<b>0.07 %</b>

(1) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.

(2) Interim periods are annualized

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

*Unaudited (\$ in millions, except percentages)*

	Two Months Ended	One Month Ended	Three Months Ended			
	3/31/2021	1/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	<i>Successor</i>	<i>Predecessor</i>				
Net income (loss) attributable to Global Atlantic Financial Limited shareholders	\$ (138)	\$ 57	\$ 124	\$ 131	\$ 2	\$ 253
Adjusted operating earnings, net of tax	\$ 107	\$ 56	\$ 185	\$ 147	\$ 129	170
Total Global Atlantic Financial Limited shareholders' equity	\$ 3,249	\$ 7,775	\$ 7,946	\$ 7,131	\$ 6,393	\$ 4,039
Less: AOCI	(1,490)	3,085	3,317	2,629	2,030	(315)
Less: Accumulated change in fair value of reinsurance balances and related assets	9	52	55	28	26	(5)
<b>Adjusted shareholders' equity</b>	<b>\$ 4,730</b>	<b>\$ 4,638</b>	<b>\$ 4,574</b>	<b>\$ 4,474</b>	<b>\$ 4,337</b>	<b>\$ 4,359</b>
Average total Global Atlantic Financial Limited shareholders' equity <sup>(1)</sup>	\$ 3,951	\$ 7,861	\$ 7,539	\$ 6,762	\$ 5,216	\$ 5,032
Average adjusted shareholders' equity <sup>(1)</sup>	4,691	4,606	4,524	4,405	4,347	4,212
<b>ROE<sup>(2)</sup></b>	<b>(21.0)%</b>	<b>8.7 %</b>	<b>6.6 %</b>	<b>7.7 %</b>	<b>0.2 %</b>	<b>20.1 %</b>
<b>Adjusted ROE<sup>(2)</sup></b>	<b>(17.7)%</b>	<b>14.9 %</b>	<b>11.0 %</b>	<b>11.9 %</b>	<b>0.2 %</b>	<b>24.0 %</b>
<b>Adjusted Operating ROE<sup>(2)</sup></b>	<b>13.7 %</b>	<b>14.6 %</b>	<b>16.4 %</b>	<b>13.3 %</b>	<b>11.9 %</b>	<b>16.1 %</b>

(1) For the two-month and one-month periods, calculated by averaging the beginning and ending periods. Quarterly averages are calculated by averaging the current and immediately preceding quarter.

(2) Interim periods are annualized.