

Financial supplement

Global Atlantic Limited (Delaware)

(f/k/a Global Atlantic Financial Limited, and an indirect wholly owned subsidiary of The Global Atlantic Financial Group LLC)

Fourth Quarter 2023

Information in this document is unaudited. This financial supplement is for informational purposes only and should be read in conjunction with Global Atlantic Limited (Delaware)'s consolidated financial statements for the year ended December 31, 2023. Where applicable, prior periods were recast to reflect the impact of the retrospective application of new accounting guidance for long-duration insurance contracts.

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Important notice

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On January 2, 2024, subsequent to the end of the reporting period, KKR acquired the remaining shares of The Global Atlantic Financial Group LLC that KKR did not already own. Following the acquisition, the Company was re-domesticated from Bermuda to Delaware, and changed its name to Global Atlantic Limited (Delaware).

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 4, 2024			
	A.M. Best	Fitch	Moody's	Standard & Poor's
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-
Outlook	Stable	Stable	Stable	Positive
Holding Company Issuer Credit Ratings (ICR)¹				
Outlook	bbb+	BBB+	Baa2	BBB-
Senior Debt Ratings²				
Subordinated Debt Ratings³				
	N/A	BBB	Baa2	BBB-
	N/A	BB+	Baa3	BB

(1) Applies to Issuer Credit Rating / Issuer Default Rating / Issuer Rating for Global Atlantic (Fin) Company or Global Atlantic Limited (Delaware)

(2) Applies to 2029, 2031 and 2033 senior notes issued by Global Atlantic (Fin) Company

(3) Applies to 2051 subordinated debt issued by Global Atlantic (Fin) Company

Consolidated results

Financial highlights

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Consolidated results of operations									
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ 9	\$ 409	\$ (56)	\$ (98)	\$ 36	(75)%	\$ 264	\$ 1,212	(78)%
Adjusted operating income, net of tax	339	301	236	279	328	3 %	1,155	1,024	13 %
ROE ⁽¹⁾	NM	NM	NM	NM	NM	— %	NM	106.7 %	— %
Adjusted ROE ⁽¹⁾	0.5 %	23.3 %	(3.3)%	(5.7)%	2.1 %	(1.6)%	3.7 %	19.5 %	(15.8)%
Adjusted Operating ROE ⁽¹⁾	18.4 %	17.2 %	13.7 %	16.1 %	19.5 %	(1.1)%	16.3 %	16.4 %	(0.1)%
ROA ⁽¹⁾	0.03 %	1.24 %	(0.17)%	(0.30)%	0.12 %	(0.09)%	0.20 %	0.98 %	(0.78)%
Adjusted operating ROA, net of tax ⁽¹⁾	1.06 %	0.97 %	0.77 %	0.92 %	1.11 %	(0.05)%	0.93 %	0.90 %	0.03 %
Effective income tax rate	56.8 %	5.6 %	2.0 %	16.5 %	128.6 %	(71.8)%	(8.2)%	19.7 %	(27.9)%
Adjusted operating tax rate	10.3 %	12.2 %	15.4 %	16.7 %	15.5 %	(5.2)%	13.5 %	16.1 %	(2.6)%
Balance sheet items									
Total assets	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	\$ 171,711	21 %	\$ 207,160	\$ 171,711	21 %
Adjusted invested assets	131,397	124,032	123,010	122,657	121,087	9 %	131,397	121,087	9 %
Total liabilities	205,890	175,349	176,349	174,856	172,538	19 %	205,890	172,538	19 %
Total shareholders' equity	1,132	(1,468)	(491)	(203)	(1,098)	203 %	1,132	(1,098)	203 %
Adjusted shareholders' equity	7,566	7,189	6,850	6,906	6,936	9 %	7,566	6,936	9 %

(1) Interim periods are annualized.

Consolidated statements of income

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Revenues									
Premiums	\$ 656	\$ 220	\$ 626	\$ 474	\$ 555	18 %	\$ 1,976	\$ 1,182	67 %
Policy fees	317	314	315	314	311	2 %	1,260	1,262	— %
Net investment income	1,424	1,350	1,244	1,237	1,230	16 %	5,255	3,958	33 %
Net investment gains (losses)	352	(347)	(122)	(114)	(421)	184 %	(231)	(1,390)	83 %
Other income	57	42	40	37	36	58 %	176	139	27 %
Total revenues	\$ 2,806	\$ 1,579	\$ 2,103	\$ 1,948	\$ 1,711	64 %	\$ 8,436	\$ 5,151	64 %
Benefits and expenses									
Policy benefits and claims	\$ 2,352	\$ 747	\$ 1,736	\$ 1,527	\$ 1,270	85 %	\$ 6,362	\$ 2,358	170 %
Amortization of policy acquisition costs	25	18	—	44	61	(59)%	87	55	58 %
Insurance expenses	275	153	172	226	161	71 %	826	564	46 %
Total benefits and insurance expenses	2,652	918	1,908	1,797	1,492	78 %	7,275	2,977	144 %
Net underwriting income	154	661	195	151	219	(30)%	1,161	2,174	(47)%
Interest expenses	49	45	40	40	29	69 %	174	87	100 %
General and administrative expenses	149	186	206	214	204	(27)%	755	728	4 %
Income (loss) before income taxes	(44)	430	(51)	(103)	(14)	(214)%	232	1,359	(83)%
Income tax expense (benefit)	(25)	24	(1)	(17)	(18)	(39)%	(19)	268	(107)%
Net income (loss)	(19)	406	(50)	(86)	4	NM	251	1,091	(77)%
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	(28)	(3)	6	12	(32)	13 %	(13)	(121)	89 %
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ 9	\$ 409	\$ (56)	\$ (98)	\$ 36	(75)%	\$ 264	\$ 1,212	(78)%

Components of return on assets

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change	Twelve Months Ended		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Components of return on assets⁽¹⁾									
Net investment return ratio	4.14 %	4.11 %	3.76 %	3.82 %	3.97 %	0.17 %	3.94 %	3.19 %	0.75 %
Net cost of insurance ratio	(3.69)%	(2.10)%	(3.17)%	(3.36)%	(3.26)%	(0.43)%	(3.07)%	(1.44)%	(1.63)%
Net underwriting ratio	0.45 %	2.01 %	0.59 %	0.46 %	0.71 %	(0.26)%	0.87 %	1.75 %	(0.88)%
General and administrative expense ratio	(0.43)%	(0.57)%	(0.62)%	(0.66)%	(0.66)%	0.23 %	(0.57)%	(0.59)%	0.02 %
Interest expense ratio	(0.14)%	(0.14)%	(0.12)%	(0.12)%	(0.09)%	(0.05)%	(0.13)%	(0.07)%	(0.06)%
Income tax expense ratio	0.07 %	(0.07)%	— %	0.05 %	0.06 %	0.01 %	0.01 %	(0.22)%	0.23 %
Non-controlling interest ratio	0.08 %	0.01 %	(0.02)%	(0.03)%	0.11 %	(0.03)%	0.02 %	0.11 %	(0.09)%
Return on assets	0.03 %	1.24 %	(0.17)%	(0.30)%	0.12 %	(0.09)%	0.20 %	0.98 %	(0.78)%

(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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Adjusted operating return on assets, net of tax⁽¹⁾	1.06 %	0.97 %	0.77 %	0.92 %	1.11 %	(0.05)%	0.93 %	0.90 %	0.03 %
Components of adjusted operating return on assets, net of tax:⁽¹⁾									
Net investment earned rate⁽²⁾	4.59 %	4.39 %	4.18 %	4.17 %	4.16 %	0.43 %	4.32 %	3.62 %	0.70 %
Adjusted net cost of insurance ratio	(2.79)%	(2.61)%	(2.61)%	(2.42)%	(2.29)%	(0.50)%	(2.60)%	(1.98)%	(0.62)%
Adjusted net underwriting ratio	1.80 %	1.78 %	1.57 %	1.75 %	1.87 %	(0.07)%	1.72 %	1.64 %	0.08 %
Adjusted general and administrative expense ratio	(0.47)%	(0.52)%	(0.53)%	(0.52)%	(0.46)%	(0.01)%	(0.51)%	(0.49)%	(0.02)%
Adjusted interest expense ratio	(0.15)%	(0.15)%	(0.13)%	(0.13)%	(0.10)%	(0.05)%	(0.14)%	(0.08)%	(0.06)%
Adjusted operating return on assets, before taxes	1.18 %	1.11 %	0.91 %	1.10 %	1.31 %	(0.13)%	1.07 %	1.07 %	— %
Adjusted income tax expense ratio	(0.12)%	(0.14)%	(0.14)%	(0.18)%	(0.20)%	0.08 %	(0.14)%	(0.17)%	0.03 %
Adjusted operating return on assets, net of tax	1.06 %	0.97 %	0.77 %	0.92 %	1.11 %	(0.05)%	0.93 %	0.90 %	0.03 %
Components of adjusted operating earnings:									
Adjusted net investment income⁽²⁾	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	\$ 1,231	19 %	5,378	4,113	31 %
Adjusted net cost of insurance	889	808	802	739	678	31 %	3,238	2,254	44 %
Adjusted net underwriting income	578	548	482	532	553	5 %	2,140	1,859	15 %
Interest expenses	49	45	40	40	29	69 %	174	87	100 %
Adjusted general and administrative expenses	151	160	163	157	136	11 %	631	551	15 %
Adjusted operating earnings, before income taxes	378	343	279	335	388	(3)%	1,335	1,221	9 %
Adjusted operating income tax expense	(39)	(42)	(43)	(56)	(60)	35 %	(180)	(197)	9 %
Adjusted operating earnings, net of tax	\$ 339	\$ 301	\$ 236	\$ 279	\$ 328	3 %	\$ 1,155	\$ 1,024	13 %
Average total investments ⁽³⁾	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	\$ 124,018	11 %	\$ 133,274	\$ 124,149	7 %
Average adjusted invested assets ⁽³⁾	127,715	123,521	122,834	121,872	118,262	8 %	124,437	113,520	10 %

(1) Interim periods are annualized.

(2) Includes \$35 million, \$2 million, \$28 million, \$45 million, and \$15 million, of variable investment income (loss) for the quarters ended December 31, 2023, June 30, 2023, September 30, 2022, June 30, 2022, and March 31, 2022, 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.

Consolidated balance sheets

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	
Assets						
Fixed maturity securities, available-for-sale, at fair value	\$ 72,116	\$ 66,956	\$ 69,198	\$ 70,015	\$ 63,860	13 %
Fixed maturity securities, trading, at fair value	19,397	12,488	13,101	13,276	12,553	55 %
Mortgage and other loan receivables	39,178	37,000	35,908	34,699	35,091	12 %
Funds withheld receivable at interest	2,714	2,759	2,727	2,775	2,868	(5)%
Other invested assets	11,260	11,478	11,346	11,345	12,263	(8)%
Total investments	144,665	130,681	132,280	132,110	126,635	14 %
Cash and cash equivalents	11,955	4,317	4,421	3,712	6,117	95 %
Restricted cash and cash equivalent	343	342	340	277	308	11 %
Accrued investment income	1,275	1,164	1,197	1,069	1,174	9 %
Reinsurance recoverable	36,617	25,814	26,127	26,157	26,021	41 %
Insurance Intangibles	4,451	2,507	2,437	2,392	2,331	91 %
Other assets	3,747	5,329	5,057	4,949	4,994	(25)%
Separate account assets	4,107	3,900	4,182	4,165	4,131	(1)%
Total assets	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	\$ 171,711	21 %

Consolidated balance sheets (continued)

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	
Liabilities						
Policy liabilities	160,058	140,983	141,429	141,130	137,780	16 %
Debt	2,588	2,315	2,356	2,157	2,128	22 %
Funds withheld payable at interest	34,340	22,737	23,252	22,996	22,739	51 %
Other liabilities	3,374	4,214	4,311	3,581	4,700	(28)%
Reinsurance liabilities	1,423	1,200	819	827	1,060	34 %
Separate account liabilities	4,107	3,900	4,182	4,165	4,131	(1)%
Total liabilities	\$ 205,890	\$ 175,349	\$ 176,349	\$ 174,856	\$ 172,538	19 %
Redeemable non-controlling interests	\$ 48	\$ 50	\$ 50	\$ 79	\$ 83	(42)%
Equity						
Additional paid-in capital	5,922	5,517	5,513	5,519	5,516	7 %
Retained earnings	2,085	2,076	1,667	1,723	1,821	14 %
Accumulated other comprehensive loss	(6,875)	(9,061)	(7,671)	(7,445)	(8,435)	18 %
Total shareholders' equity	1,132	(1,468)	(491)	(203)	(1,098)	203 %
Non-controlling interests	90	123	133	99	188	(52)%
Total equity	1,222	(1,345)	(358)	(104)	(910)	234 %
Total liabilities, redeemable non-controlling interests and equity	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	\$ 171,711	21 %
Adjusted shareholders' equity	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	\$ 6,936	9 %
Average adjusted shareholders' equity ⁽¹⁾	7,377	7,019	6,878	6,920	6,724	10 %

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

Capitalization

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	
Total debt	\$ 2,588	\$ 2,315	\$ 2,356	\$ 2,157	\$ 2,128	22 %
50% of subordinated debentures	(375)	(375)	(375)	(375)	(375)	— %
Fair value adjustment to senior notes hedged with interest rate swap ⁽¹⁾	166	239	198	169	197	(16) %
Adjusted debt	\$ 2,379	\$ 2,179	\$ 2,179	\$ 1,951	\$ 1,950	22 %
Total Global Atlantic Limited (Delaware) shareholders' equity⁽²⁾	1,132	(1,468)	(491)	(203)	(1,098)	203 %
Less: Accumulated other comprehensive income (AOCI) ⁽³⁾	(6,875)	(9,061)	(7,671)	(7,445)	(8,435)	18 %
Less: Accumulated change in fair value of reinsurance balances and related assets	441	404	330	336	401	10 %
Adjusted shareholders' equity	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	\$ 6,936	9 %
Capitalization ⁽²⁾	\$ 3,720	\$ 847	\$ 1,865	\$ 1,954	\$ 1,030	261 %
Adjusted capitalization	10,154	9,504	9,206	9,063	9,064	12 %
Adjusted capitalization, excluding debt fair value adjustments	10,320	9,743	9,404	9,232	9,261	11 %
Debt-to-capitalization⁽²⁾	69.6 %	273.3 %	126.3 %	110.4 %	206.6 %	(137.0)%
Debt-to-adjusted capitalization	25.5 %	24.4 %	25.6 %	23.8 %	23.5 %	2.0 %
Adjusted debt-to-adjusted capitalization, excluding debt fair value adjustments	23.1 %	22.4 %	23.2 %	21.1 %	21.1 %	2.0 %

	Capital ratios	
	December 31, 2023	December 31, 2022
U.S. insurance subsidiaries risk based capital (RBC) ratio ⁽⁴⁾	379%	380%
Bermuda insurance subsidiaries Bermuda Solvency Capital Requirement (BSCR) ratio ⁽⁵⁾	not yet available	273%

(1) The Company has designated interest rate swaps to hedge the interest rate risk associated with certain senior notes outstanding.

(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, 2023, the impact included \$9.4 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 and Life Insurance Company, which consolidates all U.S. insurance subsidiaries for RBC.

(5) BSCR ratios as of December 31, 2023, were not yet available as of the date of this report.

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

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	
Global Atlantic debt-to-total capitalization ratio						
Total debt – principal	\$ 2,750	\$ 2,550	\$ 2,550	\$ 2,300	\$ 2,300	20 %
Less: Subordinated debentures, due October 2051 ⁽¹⁾	750	750	750	750	750	— %
Plus: Accrued but unpaid interest ⁽¹⁾	8	31	8	16	6	33 %
Consolidated debt, as defined in the credit agreement	\$ 2,008	\$ 1,831	\$ 1,808	\$ 1,566	\$ 1,556	29 %
Adjusted shareholders' equity						
	7,566	7,189	6,850	6,906	6,936	9 %
Global Atlantic consolidated debt to total capitalization, as defined in the credit agreement	21.0 %	20.3 %	20.9 %	18.5 %	18.3 %	2.7 %
Maximum permitted ratio under the credit agreement	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	— %
Difference between maximum permitted ratio and Global Atlantic ratio	14.0 %	14.7 %	14.1 %	16.5 %	16.7 %	(2.7)%
Global Atlantic net worth						
Minimum required net worth under the credit agreement	4,598	4,593	4,389	4,417	4,466	3 %
Excess over minimum required net worth	2,968	2,596	2,461	2,489	2,470	20 %

See Note 10 in the audited financial statements for the year ended December 31, 2022 for a description of the material terms of the Revolving credit facility, including the Credit Agreement consolidated debt to total capitalization and consolidated net worth covenants.

(1) In accordance to the Credit Agreement for Global Atlantic's Revolving Credit Facility due 2026, 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)

The assumptions on which reserves, deferred revenue and expenses are based are intended to represent an estimation of the benefits that are expected to be payable to, and fees or premiums that are expected to be collectible from, policyholders in future periods. Global Atlantic reviews the adequacy of its reserves, deferred revenue and expenses and the assumptions underlying those items at least annually, usually in the third quarter. As Global Atlantic analyzes its assumptions, to the extent Global Atlantic chooses to update one or more of those assumptions, there may be an “unlocking” impact. Generally, favorable unlocking means the change in assumptions required a reduction in reserves, or in deferred revenue liabilities, and unfavorable unlocking means the change in assumptions required an increase in reserves or in deferred revenue liabilities, or a reduction in deferred expenses.

For the twelve months ended December 31, 2023, the net unfavorable impact on income before taxes was primarily due to (i) an increase in option cost assumptions for indexed products (net of the impact of reducing caps), (ii) an increase in mortality assumptions related to certain annuity products, and (iii) a decrease in expected surrenders on income annuities and life insurance products. These unfavorable impacts were partially offset by a favorable impact of lower expected surrenders on accumulation annuities. For the twelve months ended December 31, 2022, the net favorable impact to income before taxes was primarily due to lower utilization of fixed-indexed annuity income benefits and higher variable annuity fees, offset by lower life and annuity surrender rates. The assumption review impact on adjustments to derive adjusted operating earnings reflects the net impact of market risk benefits and other policy liabilities measured at fair value.

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

	Twelve Months Ended	
	2023	2022
(\$ in millions)		
Total assumption review impact on income before taxes	\$ (16)	\$ 57
Assumption review impact on adjustments to derive adjusted operating earnings, before income taxes	16	(90)
Total assumption review impact on adjusted operating earnings, before income taxes	\$ —	\$ (33)

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		YoY Change	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022		
Individual channel⁽¹⁾										
Fixed-Rate Annuities	\$ 2,973	\$ 1,922	\$ 468	\$ 2,146	\$ 1,517	96 %	\$ 7,509	\$ 5,243	43 %	
Fixed-Indexed Annuities	998	816	727	1,065	897	11 %	3,606	4,179	(14)%	
Variable Annuities	5	7	7	4	8	(38)%	23	42	(45)%	
Total retirement products	\$ 3,976	\$ 2,745	\$ 1,202	\$ 3,215	\$ 2,422	64 %	\$ 11,138	\$ 9,464	18 %	
Life insurance products	\$ —	\$ 2	\$ 3	\$ 4	\$ 9	(100)%	\$ 9	\$ 35	(74)%	
Preneed Life	\$ 66	\$ 78	\$ 80	\$ 75	\$ 67	(1)%	\$ 299	\$ 277	8 %	
Institutional channel⁽²⁾										
Block ⁽³⁾	\$ 10,775	\$ —	\$ —	\$ 79	\$ 2,955	265 %	\$ 10,854	\$ 5,737	89 %	
Flow & pension risk transfer	4,039	2,351	2,438	2,430	3,107	30 %	11,258	9,520	18 %	
Funding agreement-backed notes ⁽⁴⁾	—	—	—	—	—	— %	—	2,000	(100)%	

(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.

Reserves by product

Unaudited (\$ in millions, except percentages)

	Balances as of										YoY Change	
	12/31/2023		9/30/2023		6/30/2023		3/31/2023		12/31/2022		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 annuities	\$ 25,134	\$ —	\$ 23,299	\$ —	\$ 22,869	\$ —	\$ 23,679	\$ —	\$ 22,740	\$ —	11 %	— %
Fixed-indexed annuities	24,689	—	23,843	—	23,955	—	23,530	—	22,760	—	8 %	— %
Payout annuities	484	—	474	—	477	—	456	—	450	—	8 %	— %
Variable annuities	349	2,198	269	2,109	248	2,270	281	2,282	258	2,308	35 %	(5)%
Interest sensitive life	13,681	—	13,556	—	13,807	—	13,783	—	13,622	—	— %	— %
Funding agreements	2,056	—	2,149	—	2,146	—	1,951	—	2,104	—	(2)%	— %
Other	3,518	—	3,495	—	3,486	—	3,489	—	3,479	—	1 %	— %
Total Individual	69,911	2,198	67,085	2,109	66,988	2,270	67,169	2,282	65,413	2,308	7 %	(5)%
Fixed-rate annuities	31,780	—	26,854	—	26,529	—	26,357	—	25,926	—	23 %	— %
Fixed-indexed annuities	10,041	—	9,769	—	9,745	—	9,525	—	8,909	—	13 %	— %
Payout annuities	19,640	3	16,395	3	17,105	3	16,746	3	16,096	3	22 %	— %
Variable annuities	4,555	1,364	4,710	1,283	4,834	1,373	4,997	1,357	5,136	1,317	(11)%	4 %
Interest sensitive life	17,883	542	9,402	505	9,435	536	9,483	523	9,526	503	88 %	8 %
Funding agreements	4,960	—	5,447	—	5,459	—	5,497	—	5,431	—	(9)%	— %
Other	272	—	273	—	262	—	264	—	267	—	2 %	— %
Total Institutional⁽¹⁾	89,131	1,909	72,850	1,791	73,369	1,912	72,869	1,883	71,291	1,823	25 %	5 %
Closed Block & Other	1,016	—	1,048	—	1,072	—	1,092	—	1,063	—	(4)%	— %
Total Reserves	\$160,058	\$ 4,107	\$140,983	\$ 3,900	\$ 141,429	\$ 4,182	\$ 141,130	\$ 4,165	\$ 137,767	\$ 4,131	16 %	(1)%

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

Surrender charge protection by product

Unaudited (\$ in millions, except percentages)

Years of Surrender Charge Remaining	Fixed-rate and Fixed-indexed Annuities					
	12/31/2023			12/31/2022		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 19,962	22.2 %	— %	\$ 21,087	27.0 %	— %
Greater than 0 to less than 3	23,389	26.0 %	5.9 %	18,026	23.1 %	5.4 %
3 to less than 6	35,447	39.4 %	7.0 %	29,665	38.0 %	7.0 %
6 to less than 9	8,569	9.6 %	7.3 %	6,451	8.3 %	7.1 %
9 or greater	2,526	2.8 %	9.7 %	2,852	3.6 %	8.8 %
Total	\$ 89,893	100.0 %	5.0 %	\$ 78,081	100.0 %	5.0 %

Years of Surrender Charge Remaining	Indexed and Fixed Universal Life					
	12/31/2023			12/31/2022		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 8,238	61.3 %	— %	\$ 6,965	56.4 %	0.4 %
Greater than 0 to less than 3	1,633	12.2 %	2.9 %	1,460	11.8 %	3.0 %
3 to less than 6	1,525	11.3 %	5.8 %	2,075	16.8 %	6.3 %
6 to less than 9	512	3.8 %	9.9 %	450	3.7 %	11.2 %
9 or greater	1,539	11.4 %	17.4 %	1,391	11.3 %	22.2 %
Total	\$ 13,447	100.0 %	3.4 %	\$ 12,341	100.0 %	4.5 %

Investment portfolio

Investments summary

Unaudited (\$ in millions, except percentages)

	December 31, 2023		December 31, 2022	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
AFS fixed maturity securities	\$ 72,116	49.9 %	\$ 63,860	50.4 %
Trading fixed maturity securities ⁽¹⁾	19,397	13.4 %	12,553	9.9 %
Mortgage and other loan receivables	39,178	27.1 %	35,091	27.7 %
Funds withheld receivable at interest	2,714	1.9 %	2,868	2.3 %
Other investments	11,260	7.7 %	12,263	9.7 %
Total investments	\$ 144,665	100.0 %	\$ 126,635	100.0 %

Other investments, as above, consists of the following:	December 31, 2023		December 31, 2022	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investments in real estate	\$ 4,778	42.4 %	\$ 4,641	37.8 %
Investments in renewable energy ⁽²⁾	1,348	12.0 %	3,427	27.9 %
Investments in transportation and other leased assets ⁽³⁾	2,972	26.4 %	2,822	23.0 %
Policy loans	1,556	13.8 %	869	7.3 %
Other investment partnerships	181	1.6 %	199	1.6 %
Federal Home Loan Bank, or “FHLB,” common stock and other investments	405	3.6 %	287	2.3 %
Equity securities	20	0.2 %	18	0.1 %
Total other investments	\$ 11,260	100.0 %	\$ 12,263	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 \$154 million and \$230 million as of December 31, 2023 and December 31, 2022, respectively.

(3) Net of accumulated depreciation of \$314 million and \$230 million as of December 31, 2023 and December 31, 2022, respectively.

Adjusted invested assets (a non-GAAP measure)

Unaudited (\$ in millions, except percentages)

	December 31, 2023		December 31, 2022	
	Amount	Percent of Total	Amount	Percent of Total
U.S. and foreign governments	\$ 1,210	0.9 %	\$ 443	0.4 %
U.S. corporate debt	\$ 47,177	35.9 %	\$ 44,086	36.4 %
U.S. municipalities	5,544	4.2 %	5,598	4.6 %
Credit	\$ 52,721	40.1 %	\$ 49,684	41.0 %
Residential mortgage-backed securities, or "RMBS"	8,665	6.6 %	7,255	6.0 %
Commercial mortgage-backed securities, or "CMBS"	7,576	5.8 %	7,348	6.1 %
Collateralized loan obligations, or "CLOs"	3,629	2.8 %	2,816	2.3 %
Collateralized bond obligations, or "CBOs"	2,985	2.3 %	3,085	2.5 %
Asset-backed securities, or "ABS"	2,953	2.1 %	2,963	2.4 %
Structured products	\$ 25,808	19.6 %	\$ 23,467	19.4 %
Residential mortgage loans	10,210	7.8 %	8,965	7.4 %
Commercial mortgage loans	18,141	13.8 %	15,893	13.1 %
Consumer loans and other lending facilities	4,044	3.1 %	5,143	4.2 %
Investments in renewable energy	1,258	1.0 %	3,238	2.7 %
Investments in transportation and other leased assets	2,396	1.8 %	2,487	2.1 %
Investments in real estate	3,883	2.9 %	3,762	3.1 %
Loans and income-generating assets	\$ 39,932	30.4 %	\$ 39,488	32.6 %
Alternative Assets	187	0.1 %	198	0.2 %
Policy Loans	1,556	1.2 %	869	0.7 %
Other Invested Assets	405	0.3 %	287	0.2 %
Funds withheld receivable at interest	2,714	2.1 %	2,881	2.4 %
Cash, cash equivalents and other ¹	6,864	5.2 %	3,770	3.1 %
Total adjusted invested assets	\$ 131,397	100.0 %	\$ 121,087	100.0 %

(1) Cash, cash equivalents and other: Includes cash, cash equivalents and accrued investment income, offset primarily by funds withheld embedded derivative, collateral on derivative instruments, securities sold under agreements to repurchase, loan allowances and investment payables.

Fixed maturity securities – unrealized gains and losses

Unaudited (\$ in millions, except percentages)

	As of December 31, 2023						
	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	\$ 1,210	\$ —	\$ 63	\$ (69)	\$ 1,204	1.7 %	
U.S. state, municipal and political subdivisions	5,563	—	30	(985)	4,608	6.4 %	
Corporate	49,261	(49)	212	(6,913)	42,511	58.9 %	
Residential mortgage-backed securities, or “RMBS”	8,735	(152)	38	(675)	7,946	11.0 %	
Commercial mortgage-backed securities, or “CMBS”	7,492	(36)	4	(731)	6,729	9.3 %	
Collateralized loan obligations, or “CLOs”	3,636	(21)	7	(53)	3,569	4.9 %	
Collateralized bond obligations, or “CBOs”	2,952	(2)	—	(144)	2,806	3.9 %	
Asset-backed securities, or “ABSs”	2,899	(10)	14	(160)	2,743	3.9 %	
Total AFS fixed maturity securities	\$ 81,748	\$ (270)	\$ 368	\$ (9,730)	\$ 72,116	100.0 %	

	As of December 31, 2022						
	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 %	
RMBS	7,308	(101)	12	(834)	6,385	10.0 %	
CMBS	7,270	(15)	—	(835)	6,420	10.1 %	
CLOs	2,818	(6)	—	(205)	2,607	4.1 %	
CBOs	3,052	—	—	(218)	2,834	4.4 %	
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 %	

(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, 2023		December 31, 2022	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 47,796	66.3 %	\$ 40,682	63.7 %
2	21,362	29.6 %	19,917	31.2 %
Total investment grade	69,158	95.9 %	60,599	94.9 %
3	1,236	1.7 %	1,479	2.3 %
4	487	0.7 %	310	0.5 %
5	126	0.2 %	238	0.4 %
6 ⁽¹⁾	1,109	1.5 %	1,234	1.9 %
Total below investment grade	2,958	4.1 %	3,261	5.1 %
Total AFS fixed maturity securities	\$ 72,116	100.0 %	\$ 63,860	100.0 %

	AFS Fixed Maturity Securities by NRSRO Rating			
	December 31, 2023		December 31, 2022	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 33,461	46.4 %	\$ 26,205	41.0 %
BBB	21,866	30.3 %	20,243	31.7 %
Non-rated ⁽²⁾	8,516	11.8 %	8,292	13.0 %
Total Investment Grade	63,843	88.5 %	54,740	85.7 %
BB	1,742	2.4 %	1,949	3.1 %
B	1,832	2.5 %	1,772	2.8 %
CCC	1,206	1.7 %	1,291	2.0 %
CC and lower	1,527	2.1 %	1,787	2.8 %
Non-rated ⁽³⁾	1,966	2.8 %	2,321	3.6 %
Total below investment grade	8,273	11.5 %	9,120	14.3 %
Total AFS fixed maturity securities	\$ 72,116	100.0 %	\$ 63,860	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, 2023		December 31, 2022	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 20,756	48.8 %	\$ 17,442	45.7 %
2	19,767	46.5 %	18,443	48.3 %
Total investment grade	40,523	95.3 %	35,885	94.0 %
3	704	1.7 %	801	2.1 %
4	205	0.5 %	179	0.5 %
5	20	— %	73	0.2 %
6 ⁽¹⁾	1,059	2.5 %	1,212	3.2 %
Total below investment grade	1,988	4.7 %	2,265	6.0 %
Total Corporate fixed maturity securities	\$ 42,511	100.0 %	\$ 38,150	100.0 %
	Corporate Fixed Maturity Securities by NRSRO Rating			
	December 31, 2023		December 31, 2022	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 20,753	48.8 %	\$ 17,763	46.6 %
BBB	19,767	46.5 %	18,024	47.2 %
Non-rated ⁽²⁾	3	— %	100	0.3 %
Total Investment Grade	40,523	95.3 %	35,887	94.1 %
BB	704	1.7 %	778	2.0 %
B	205	0.5 %	124	0.3 %
CCC	17	— %	—	— %
Non-rated ⁽³⁾	1,062	2.5 %	1,361	3.6 %
Total below investment grade	1,988	4.7 %	2,263	5.9 %
Total Corporate fixed maturity securities	\$ 42,511	100.0 %	\$ 38,150	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, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 7,184	90.4 %	\$ 5,838	91.5 %
2	430	5.4 %	225	3.5 %
Total investment grade	7,614	95.8 %	6,063	95.0 %
3 and below	332	4.2 %	322	5.0 %
Total below investment grade	332	4.2 %	322	5.0 %
Total RMBS	\$ 7,946	100.0 %	\$ 6,385	100.0 %

	RMBS by NRSRO Ratings			
	December 31, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 2,833	35.7 %	\$ 1,021	16.0 %
BBB	661	8.3 %	421	6.6 %
BIG	3,127	39.4 %	3,511	55.0 %
Non-rated investment grade	1,325	16.6 %	1,432	22.4 %
Total RMBS	\$ 7,946	100.0 %	\$ 6,385	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, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 5,873	87.3 %	\$ 5,738	89.4 %
2	408	6.1 %	328	5.1 %
Total investment grade	6,281	93.4 %	6,066	94.5 %
3	265	3.9 %	343	5.3 %
4	136	2.0 %	9	0.1 %
5	47	0.7 %	2	0.1 %
Total below investment grade	448	6.6 %	354	5.5 %
Total CMBS	\$ 6,729	100.0 %	\$ 6,420	100.0 %

	CMBS by NRSRO Ratings			
	December 31, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 2,421	36.0 %	\$ 1,864	29.0 %
BBB	1,237	18.4 %	1,424	22.2 %
BIG	2,973	44.2 %	3,027	47.2 %
Non-rated investment grade	98	1.4 %	105	1.6 %
Total CMBS	\$ 6,729	100.0 %	\$ 6,420	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, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 3,435	96.2 %	\$ 2,486	95.4 %
2	115	3.2 %	104	4.0 %
Total investment grade	3,550	99.4 %	2,590	99.4 %
3	19	0.6 %	17	0.6 %
Total below investment grade	19	0.6 %	17	0.6 %
Total CLO	\$ 3,569	100.0 %	\$ 2,607	100.0 %

	Collateralized Bond Obligations			
	December 31, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,806	100.0 %	\$ 2,834	100.0 %
Total investment grade	2,806	100.0 %	2,834	100.0 %
Total CBO	\$ 2,806	100.0 %	\$ 2,834	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, 2023		December 31, 2022	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,270	82.8 %	\$ 2,111	78.6 %
2	420	15.3 %	337	12.6 %
Total investment grade	2,690	98.1 %	2,448	91.2 %
3	—	— %	60	2.2 %
4	3	0.1 %	9	0.3 %
5	11	0.4 %	149	5.6 %
6 ⁽¹⁾	39	1.4 %	20	0.7 %
Total below investment grade	53	1.9 %	238	8.8 %
Total asset-backed securities	\$ 2,743	100.0 %	\$ 2,686	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 Limited (Delaware) 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 Limited (Delaware) 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.

Our adjusted operating earnings, net of tax, is equal to reported net income attributable to Global Atlantic Limited (Delaware) 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 Limited (Delaware) 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) which includes realized gains (losses) related to asset/liability matching investment strategies and unrealized investment gains (losses).
- Non-operating changes in policy liabilities and derivatives – primarily consists of adjustments for (1) changes in the fair value of market risk benefits and other policy liabilities measured at fair value and related benefit payments, (2) fees attributable to guaranteed benefits, (3) derivatives used to manage the risks associated with policy liabilities, and (4) losses at contract issuance on payout annuities.
- Transaction, integration, equity-based compensation expenses and acquired 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. 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 total investments.

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 (1) investment gains (losses) other than renewable energy income (loss), unrealized (gains) losses attributable to equity-method investments, and variable investment income (loss), (2) non-operating changes in policy liabilities and derivatives which includes (i) changes in the fair value of market risk benefits and other policy liabilities measured at fair value and related benefit payments, (ii) fees attributable to guaranteed benefits, (iii) derivatives used to manage the risks associated with policy liabilities, and (iv) losses at contract issuance on payout annuities, and (3) transaction, integration and equity-based expenses. These adjustments are reported gross of income tax. 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 Limited (Delaware) 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 Limited (Delaware) 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 Limited (Delaware) 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. We also refer to new business volume originated through the individual channel as “sales.” New business volume from our institutional channel 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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ 9	\$ 409	\$ (56)	\$ (98)	\$ 36	(75)%	\$ 264	\$ 1,212	(78)%
Adjustments:									
Investment (gains) losses ¹	223	(53)	198	220	203	10 %	588	498	18 %
Non-operating changes in policy liabilities and derivatives	169	(67)	91	168	95	78 %	361	(951)	138 %
Transaction, integration and equity-based compensation expenses	2	30	47	62	72	(97)%	141	194	(27)%
Income tax adjustments	(64)	(18)	(44)	(73)	(78)	18 %	(199)	71	(380)%
Total adjustments	330	(108)	292	377	292	13 %	891	(188)	NM
Adjusted operating earnings, net of tax	\$ 339	\$ 301	\$ 236	\$ 279	\$ 328	3 %	\$ 1,155	\$ 1,024	13 %

(1) Includes gains/losses on funds withheld receivables and payables embedded derivatives

Non-GAAP reconciliation: Adjusted invested assets

Unaudited (\$ in millions, except percentages)

	Balances as of					
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	YoY Change
Total investments	\$ 144,665	\$ 130,681	\$ 132,280	\$ 132,110	\$ 126,635	14 %
Adjustments to reconcile total investments and adjusted invested assets:						
Cash, cash equivalents, and restricted cash	12,298	4,659	4,761	3,989	6,425	91 %
Accrued investment income	1,275	1,164	1,197	1,069	1,174	9 %
Exclude:						
Unrealized losses (gains) on fixed maturity and equity securities	11,128	15,700	13,265	12,922	14,619	(24)%
Funds withheld payable at interest	(34,340)	(22,737)	(23,252)	(22,996)	(22,739)	(51)%
Derivative collateral	(45)	(716)	(921)	(645)	(466)	90 %
Funds withheld on embedded derivatives	(2,536)	(3,829)	(3,087)	(3,040)	(3,501)	28 %
Securities sold under repurchase agreements	(1,358)	(320)	(820)	(314)	(805)	(69)%
Non-controlling interests in consolidated investment entities	(90)	(123)	(133)	(99)	(189)	52 %
Redeemable non-controlling interests in consolidated investment entities	(48)	(50)	(50)	(79)	(83)	42 %
Net investment receivable (payable)	448	(397)	(230)	(260)	17	NM
Adjusted invested assets	\$ 131,397	\$ 124,032	\$ 123,010	\$ 122,657	\$ 121,087	9 %

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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Net investment income	\$ 1,424	\$ 1,350	\$ 1,244	\$ 1,237	\$ 1,230	16 %	\$ 5,255	\$ 3,958	33 %
Average total investments ⁽¹⁾	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	\$ 124,018	11 %	\$ 133,274	\$ 124,149	7 %
Investment yield⁽²⁾	4.14 %	4.11 %	3.76 %	3.82 %	3.97 %	0.17 %	3.94 %	3.19 %	0.75 %
Net investment income	\$ 1,424	\$ 1,350	\$ 1,244	\$ 1,237	\$ 1,230	16 %	\$ 5,255	\$ 3,958	33 %
Unrealized gains (losses)	8	6	38	34	1	NM	86	67	28 %
Variable investment income (loss) ⁽³⁾	35	—	2	—	—	— %	37	88	(58)%
Total adjustments	\$ 43	\$ 6	\$ 40	\$ 34	\$ 1	NM	\$ 123	\$ 155	(21)%
Adjusted net investment income⁽³⁾	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	\$ 1,231	19 %	\$ 5,378	\$ 4,113	31 %
Average adjusted invested assets ⁽¹⁾	\$ 127,715	\$ 123,521	\$ 122,834	\$ 121,872	\$ 118,262	8 %	\$ 124,437	\$ 113,520	10 %
Net investment earned rate^{(2) (3)}	4.59 %	4.39 %	4.18 %	4.17 %	4.16 %	0.43 %	4.32 %	3.62 %	0.70 %

(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.

(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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ 9	\$ 409	\$ (56)	\$ (98)	\$ 36	(75)%	\$ 264	\$ 1,212	(78)%
Average total investments ⁽¹⁾	137,673	131,481	132,195	129,373	124,018	11 %	133,274	124,149	7 %
ROA⁽²⁾	0.03 %	1.24 %	(0.17)%	(0.30)%	0.12 %	(0.09)%	0.20 %	0.98 %	(0.78)%
Adjusted operating earnings, net of tax	\$ 339	\$ 301	\$ 236	\$ 279	\$ 328	3 %	\$ 1,155	\$ 1,024	13 %
Average adjusted invested assets ⁽¹⁾	127,715	123,521	122,834	121,872	118,262	8 %	124,437	113,520	10 %
Adjusted operating ROA, net of tax⁽²⁾	1.06 %	0.97 %	0.77 %	0.92 %	1.11 %	(0.05)%	0.93 %	0.90 %	0.03 %

(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.

(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		YoY Change	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022		
Reconciliation of adjusted net cost of insurance										
Net underwriting margin, as reported	\$ 154	\$ 661	\$ 195	\$ 151	\$ 219	(30)%	\$ 1,161	\$ 2,174	(47)%	
Less: Net investment income, as reported	1,424	1,350	1,244	1,237	1,230	16 %	5,255	3,958	33 %	
Net cost of insurance	1,270	689	1,049	1,086	1,011	26 %	4,094	1,784	129 %	
Adjustments:										
Investment gains (losses), included in net cost of insurance	208	(57)	152	175	233	(11)%	478	463	3 %	
Non-operating changes in policy liabilities and derivatives	169	(67)	91	168	95	78 %	361	(951)	138 %	
Transaction, integration and equity-based compensation expense included in net cost of insurance	4	5	4	4	4	— %	17	17	— %	
Total adjustments	381	(119)	247	347	332	15 %	856	(471)	282 %	
Adjusted net cost of insurance	\$ 889	\$ 808	\$ 802	\$ 739	\$ 678	31 %	\$ 3,238	\$ 2,254	44 %	
Reconciliation of adjusted net underwriting margin										
Net underwriting margin, as reported	\$ 154	\$ 661	\$ 195	\$ 151	\$ 219	(30)%	\$ 1,161	\$ 2,174	(47)%	
Total adjustments, as above	381	(119)	247	347	332	15 %	856	(471)	282 %	
Adjustment to derive adjusted net investment income	43	6	40	34	1	NM	123	155	(21)%	
Adjusted net underwriting margin	\$ 578	\$ 548	\$ 482	\$ 532	\$ 553	5 %	\$ 2,140	\$ 1,859	15 %	
Reconciliation of adjusted G&A expense										
General and administrative expenses, as reported	\$ 149	\$ 186	\$ 206	\$ 214	\$ 204	(27)%	\$ 755	\$ 728	4 %	
Adjustments:										
Transaction, conversion and integration expense	(2)	26	43	57	68	(103)%	124	177	(30)%	
Adjusted general and administrative expenses	\$ 151	\$ 160	\$ 163	\$ 157	\$ 136	11 %	\$ 631	\$ 551	15 %	

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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Average total investments ⁽¹⁾	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	\$ 124,018	11 %	\$ 133,274	\$ 124,149	7 %
Average adjusted invested assets ⁽¹⁾	127,715	123,521	122,834	121,872	118,262	8 %	\$ 124,437	\$ 113,520	10 %
Ratios derived from average total investments and average total adjusted invested assets⁽²⁾:									
Adjusted net investment income ⁽³⁾	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	\$ 1,231	19 %	\$ 5,378	\$ 4,113	31 %
Adjusted net investment return ratio	4.26 %	4.13 %	3.89 %	3.93 %	3.97 %	0.29 %	4.04 %	3.31 %	0.73 %
Net investment earned rate ⁽³⁾	4.59 %	4.39 %	4.18 %	4.17 %	4.16 %	0.43 %	4.32 %	3.62 %	0.70 %
Net cost of insurance ratio	(3.69)%	(2.10)%	(3.17)%	(3.36)%	(3.26)%	(0.43)%	(3.07)%	(1.44)%	(1.63)%
Adjusted net cost of insurance ratio	(2.79)%	(2.61)%	(2.61)%	(2.42)%	(2.29)%	(0.50)%	(2.60)%	(1.98)%	(0.62)%
Net underwriting return	0.45 %	2.01 %	0.59 %	0.47 %	0.71 %	(0.26)%	0.87 %	1.75 %	(0.88)%
Adjusted net underwriting return ratio	1.80 %	1.78 %	1.57 %	1.75 %	1.87 %	(0.07)%	1.72 %	1.64 %	0.08 %
General and administrative expenses ratio	(0.43)%	(0.57)%	(0.62)%	(0.66)%	(0.66)%	0.23 %	(0.57)%	(0.59)%	0.02 %
Adjusted general and administrative expenses ratio	(0.47)%	(0.52)%	(0.53)%	(0.52)%	(0.46)%	(0.01)%	(0.51)%	(0.49)%	(0.02)%
Interest expense	\$ 49	\$ 45	\$ 40	\$ 40	\$ 29	69 %	\$ 174	\$ 87	100 %
Interest expense ratio	(0.14)%	(0.14)%	(0.12)%	(0.12)%	(0.09)%	(0.05)%	(0.13)%	(0.07)%	(0.06)%
Adjusted Interest expense ratio	(0.15)%	(0.15)%	(0.13)%	(0.13)%	(0.10)%	(0.05)%	(0.14)%	(0.08)%	(0.06)%
Adjusted operating income tax expense	\$ 39	\$ 42	\$ 43	\$ 56	\$ 60	(35)%	\$ 180	\$ 197	(9)%
Adjusted operating income tax expense ratio	(0.12)%	(0.14)%	(0.14)%	(0.18)%	(0.20)%	0.08 %	(0.14)%	(0.17)%	0.03 %

(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.

(2) Interim periods are annualized.

(3) Includes \$35 million, \$2 million, \$28 million, \$45 million, and \$15 million of variable investment income (loss) for the quarters ended December 31, 2023, June 30, 2023, September 30, 2022, June 30, 2022, and March 31, 2022, 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		YoY Change
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022		12/31/2023	12/31/2022	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ 9	\$ 409	\$ (56)	\$ (98)	\$ 36	(75)%	\$ 264	\$ 1,212	(78)%
Adjusted operating earnings, net of tax	\$ 339	\$ 301	\$ 236	\$ 279	328	3 %	\$ 1,155	\$ 1,024	13 %
Total Global Atlantic Limited (Delaware) shareholders' equity	\$ 1,132	\$ (1,468)	\$ (491)	\$ (203)	\$ (1,098)	203 %	\$ 1,132	\$ (1,098)	203 %
Less: AOCI	(6,875)	(9,061)	(7,671)	(7,445)	(8,435)	18 %	(6,875)	(8,435)	18 %
Less: Accumulated change in fair value of reinsurance balances and related assets	441	404	330	336	401	10 %	441	401	10 %
Adjusted shareholders' equity	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	\$ 6,936	9 %	\$ 7,566	\$ 6,936	9 %
Average total Global Atlantic Limited (Delaware) shareholders' equity ⁽¹⁾	\$ (168)	\$ (980)	\$ (347)	\$ (651)	\$ (1,253)	87 %	\$ (426)	\$ 1,136	(138)%
Average adjusted shareholders' equity ⁽¹⁾	7,377	7,019	6,878	6,920	6,724	10 %	7,089	6,229	14 %
ROE⁽²⁾	NM	NM	NM	NM	NM	— %	NM	106.7 %	— %
Adjusted ROE⁽²⁾	0.5 %	23.3 %	(3.3)%	(5.7)%	2.1 %	(1.6)%	3.7 %	19.5 %	(15.8)%
Adjusted Operating ROE⁽²⁾	18.4 %	17.2 %	13.7 %	16.1 %	19.5 %	(1.1)%	16.3 %	16.4 %	(0.1)%

(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.

(2) Interim periods are annualized.