

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)

First Quarter 2024

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 quarter ended March 31, 2024. 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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Certain totals may not sum to the corresponding components due to rounding.

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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 May 3, 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
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Consolidated results of operations						
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ (59)	\$ 9	\$ 409	\$ (56)	\$ (98)	40 %
Adjusted operating income, net of tax	240	339	301	236	279	(14)%
ROE ⁽¹⁾	NM	NM	NM	NM	NM	— %
Adjusted ROE ⁽¹⁾	(3.0)%	0.5 %	23.3 %	(3.3)%	(5.7)%	2.7 %
Adjusted Operating ROE ⁽¹⁾	12.3 %	18.4 %	17.2 %	13.7 %	16.1 %	(3.8)%
ROA ⁽¹⁾	(0.15)%	0.03 %	1.24 %	(0.17)%	(0.30)%	0.15 %
Adjusted operating ROA, net of tax ⁽¹⁾	0.72 %	1.06 %	0.97 %	0.77 %	0.92 %	(0.20)%
Effective income tax rate	17.6 %	56.8 %	5.6 %	2.0 %	16.5 %	1.1 %
Adjusted operating tax rate	17.0 %	10.3 %	12.2 %	15.4 %	16.7 %	0.3 %
Balance sheet items						
Total assets	\$230,643	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	32 %
Adjusted invested assets	136,058	131,397	124,032	123,010	122,657	11 %
Total liabilities	228,630	205,890	175,349	176,349	174,856	31 %
Total shareholders' equity	1,868	1,132	(1,468)	(491)	(203)	NM
Adjusted shareholders' equity	8,071	7,566	7,189	6,850	6,906	17 %

(1) Interim periods are annualized.

Consolidated statements of income

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Revenues						
Premiums	\$ 6,037	\$ 656	\$ 220	\$ 626	\$ 474	NM
Policy fees	329	317	314	315	314	5 %
Net investment income	1,439	1,424	1,350	1,244	1,237	16 %
Net investment gains (losses)	(231)	352	(347)	(122)	(114)	(103)%
Other income	56	57	42	40	37	51 %
Total revenues	\$ 7,630	\$ 2,806	\$ 1,579	\$ 2,103	\$ 1,948	292 %
Benefits and expenses						
Policy benefits and claims	\$ 7,261	\$ 2,352	\$ 747	\$ 1,736	\$ 1,527	376 %
Amortization of policy acquisition costs	(4)	25	18	—	44	(109)%
Insurance expenses	200	275	153	172	226	(12)%
Total benefits and insurance expenses	7,457	2,652	918	1,908	1,797	315 %
Net underwriting income	173	154	661	195	151	15 %
Interest expenses	55	49	45	40	40	38 %
General and administrative expenses	186	149	186	206	214	(13)%
Income (loss) before income taxes	(68)	(44)	430	(51)	(103)	34 %
Income tax expense (benefit)	(12)	(25)	24	(1)	(17)	29 %
Net income (loss)	(56)	(19)	406	(50)	(86)	35 %
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	3	(28)	(3)	6	12	(75)%
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ (59)	\$ 9	\$ 409	\$ (56)	\$ (98)	40 %

Components of return on assets

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Components of return on assets⁽¹⁾						
Net investment return ratio	3.74 %	4.14 %	4.11 %	3.76 %	3.82 %	(0.08)%
Net cost of insurance ratio	(3.29)%	(3.69)%	(2.10)%	(3.17)%	(3.36)%	0.07 %
Net underwriting ratio	0.45 %	0.45 %	2.01 %	0.59 %	0.46 %	(0.01)%
General and administrative expense ratio	(0.48)%	(0.43)%	(0.57)%	(0.62)%	(0.66)%	0.18 %
Interest expense ratio	(0.14)%	(0.14)%	(0.14)%	(0.12)%	(0.12)%	(0.02)%
Income tax expense ratio	0.03 %	0.07 %	(0.07)%	— %	0.05 %	(0.02)%
Non-controlling interest ratio	(0.01)%	0.08 %	0.01 %	(0.02)%	(0.03)%	0.02 %
Return on assets	(0.15)%	0.03 %	1.24 %	(0.17)%	(0.30)%	0.15 %

(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
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Adjusted operating return on assets, net of tax⁽¹⁾	0.72 %	1.06 %	0.97 %	0.77 %	0.92 %	(0.20)%
Components of adjusted operating return on assets, net of tax:⁽¹⁾						
Net investment earned rate⁽²⁾	4.44 %	4.59 %	4.39 %	4.18 %	4.17 %	0.27 %
Adjusted net cost of insurance ratio	(2.94)%	(2.79)%	(2.61)%	(2.61)%	(2.42)%	(0.52)%
Adjusted net underwriting ratio	1.50 %	1.80 %	1.78 %	1.57 %	1.75 %	(0.25)%
Adjusted general and administrative expense ratio	(0.47)%	(0.47)%	(0.52)%	(0.53)%	(0.52)%	0.05 %
Adjusted interest expense ratio	(0.16)%	(0.15)%	(0.15)%	(0.13)%	(0.13)%	(0.03)%
Adjusted operating return on assets, before taxes	0.87 %	1.18 %	1.11 %	0.91 %	1.10 %	(0.23)%
Adjusted income tax expense ratio	(0.15)%	(0.12)%	(0.14)%	(0.14)%	(0.18)%	0.03 %
Adjusted operating return on assets, net of tax	0.72 %	1.06 %	0.97 %	0.77 %	0.92 %	(0.20)%
Components of adjusted operating earnings:						
Adjusted net investment income⁽²⁾	\$ 1,486	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	17 %
Adjusted net cost of insurance	986	889	808	802	739	33 %
Adjusted net underwriting income	500	578	548	482	532	(6)%
Interest expenses	55	49	45	40	40	38 %
Adjusted general and administrative expenses	156	151	160	163	157	(1)%
Adjusted operating earnings, before income taxes	289	378	343	279	335	(14)%
Adjusted operating income tax expense	(49)	(39)	(42)	(43)	(56)	13 %
Adjusted operating earnings, net of tax	\$ 240	\$ 339	\$ 301	\$ 236	\$ 279	(14)%
Average total investments ⁽³⁾	\$ 153,751	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	19 %
Average adjusted invested assets ⁽³⁾	133,728	127,715	123,521	122,834	121,872	10 %

(1) Interim periods are annualized.

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

Consolidated balance sheets

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Assets						
Fixed maturity securities, available-for-sale, at fair value	\$ 78,182	\$ 72,116	\$ 66,956	\$ 69,198	\$ 70,015	12 %
Fixed maturity securities, trading, at fair value	28,608	19,397	12,488	13,101	13,276	115 %
Mortgage and other loan receivables	41,216	39,178	37,000	35,908	34,699	19 %
Funds withheld receivable at interest	2,674	2,714	2,759	2,727	2,775	(4)%
Other invested assets	12,157	11,260	11,478	11,346	11,345	7 %
Total investments	162,837	144,665	130,681	132,280	132,110	23 %
Cash and cash equivalents	8,525	11,955	4,317	4,421	3,712	130 %
Restricted cash and cash equivalent	329	343	342	340	277	19 %
Accrued investment income	1,395	1,275	1,164	1,197	1,069	30 %
Reinsurance recoverable	44,160	36,617	25,814	26,127	26,157	69 %
Insurance Intangibles	4,857	4,451	2,507	2,437	2,392	103 %
Other assets	4,317	3,747	5,329	5,057	4,949	(13)%
Separate account assets	4,223	4,107	3,900	4,182	4,165	1 %
Total assets	\$ 230,643	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	32 %

Consolidated balance sheets (continued)

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Liabilities						
Policy liabilities	173,599	160,058	140,983	141,429	141,130	23 %
Debt	3,086	2,588	2,315	2,356	2,157	43 %
Funds withheld payable at interest	42,640	34,340	22,737	23,252	22,996	85 %
Other liabilities	3,517	3,374	4,214	4,311	3,581	(2)%
Reinsurance liabilities	1,565	1,423	1,200	819	827	89 %
Separate account liabilities	4,223	4,107	3,900	4,182	4,165	1 %
Total liabilities	\$ 228,630	\$ 205,890	\$ 175,349	\$ 176,349	\$ 174,856	31 %
Redeemable non-controlling interests	\$ 47	\$ 48	\$ 50	\$ 50	\$ 79	(41)%
Equity						
Additional paid-in capital	6,747	5,922	5,517	5,513	5,519	22 %
Retained earnings	2,026	2,085	2,076	1,667	1,723	18 %
Accumulated other comprehensive loss	(6,905)	(6,875)	(9,061)	(7,671)	(7,445)	7 %
Total shareholders' equity	1,868	1,132	(1,468)	(491)	(203)	NM
Non-controlling interests	98	90	123	133	99	(1)%
Total equity	1,966	1,222	(1,345)	(358)	(104)	NM
Total liabilities, redeemable non-controlling interests and equity	\$ 230,643	\$ 207,160	\$ 174,054	\$ 176,041	\$ 174,831	32 %
Adjusted shareholders' equity	\$ 8,071	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	17 %
Average adjusted shareholders' equity ⁽¹⁾	7,818	7,377	7,019	6,878	6,920	13 %

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

Capitalization

Unaudited (\$ in millions, except percentages)

	Balances as of					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Total debt	\$ 3,086	\$ 2,588	\$ 2,315	\$ 2,356	\$ 2,157	43 %
50% of subordinated debentures	(375)	(375)	(375)	(375)	(375)	— %
Fair value adjustment to senior notes hedged with interest rate swap ⁽¹⁾	203	166	239	198	169	20 %
Adjusted debt	\$ 2,914	\$ 2,379	\$ 2,179	\$ 2,179	\$ 1,951	49 %
Total Global Atlantic Limited (Delaware) shareholders' equity⁽²⁾	1,868	1,132	(1,468)	(491)	(203)	NM
Less: Accumulated other comprehensive income (AOCI) ⁽³⁾	(6,905)	(6,875)	(9,061)	(7,671)	(7,445)	7 %
Less: Accumulated change in fair value of reinsurance balances and related assets	702	441	404	330	336	109 %
Adjusted shareholders' equity	\$ 8,071	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	17 %
Capitalization ⁽²⁾	\$ 4,954	\$ 3,720	\$ 847	\$ 1,865	\$ 1,954	154 %
Adjusted capitalization	11,157	10,154	9,504	9,206	9,063	23 %
Adjusted capitalization, excluding debt fair value adjustments	11,360	10,320	9,743	9,404	9,232	23 %
Debt-to-capitalization⁽²⁾	62.3 %	69.6 %	273.3 %	126.3 %	110.4 %	(48.1)%
Debt-to-adjusted capitalization	27.7 %	25.5 %	24.4 %	25.6 %	23.8 %	3.9 %
Adjusted debt-to-adjusted capitalization, excluding debt fair value adjustments	25.7 %	23.1 %	22.4 %	23.2 %	21.1 %	4.6 %

	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⁾	235%	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 March 31, 2024, the impact included \$9.5 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) Combined BSCR of Global Atlantic Re Limited ("GA Re") and Global Atlantic Assurance Limited ("GAAL").

Product and operational data

New business volume by origination channel and product

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Individual channel⁽¹⁾						
Fixed-Rate Annuities	\$ 2,985	\$ 2,973	\$ 1,922	\$ 468	\$ 2,146	39 %
Fixed-Indexed Annuities	1,264	998	816	727	1,065	19 %
Variable Annuities	5	5	7	7	4	25 %
Total retirement products	\$ 4,254	\$ 3,976	\$ 2,745	\$ 1,202	\$ 3,215	32 %
Life insurance products	\$ —	\$ —	\$ 2	\$ 3	\$ 4	(100)%
Preneed Life	\$ 69	\$ 66	\$ 78	\$ 80	\$ 75	(8)%
Institutional channel⁽²⁾						
Block ⁽³⁾	\$ 10,162	\$ 10,775	\$ —	\$ —	\$ 79	NM
Flow & pension risk transfer	2,904	4,039	2,351	2,438	2,430	20 %
Funding agreement-backed notes ⁽⁴⁾	700	—	—	—	—	— %

(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	
	3/31/2024		12/31/2023		9/30/2023		6/30/2023		3/31/2023		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	\$ 26,821	\$ —	\$ 25,134	\$ —	\$ 23,299	\$ —	\$ 22,869	\$ —	\$ 23,679	\$ —	13 %	— %
Fixed-indexed annuities	25,293	—	24,689	—	23,843	—	23,955	—	23,530	—	7 %	— %
Payout annuities	507	—	484	—	474	—	477	—	456	—	11 %	— %
Variable annuities	274	2,224	349	2,198	269	2,109	248	2,270	281	2,282	(2)%	(3)%
Interest sensitive life	13,710	—	13,681	—	13,556	—	13,807	—	13,783	—	(1)%	— %
Funding agreements	2,050	—	2,056	—	2,149	—	2,146	—	1,951	—	5 %	— %
Other	3,528	—	3,518	—	3,495	—	3,486	—	3,489	—	1 %	— %
Total Individual	72,183	2,224	69,911	2,198	67,085	2,109	66,988	2,270	67,169	2,282	7 %	(3)%
Fixed-rate annuities	32,389	—	31,780	—	26,854	—	26,529	—	26,357	—	23 %	— %
Fixed-indexed annuities	10,307	—	10,041	—	9,769	—	9,745	—	9,525	—	8 %	— %
Payout annuities	20,705	3	19,640	3	16,395	3	17,105	3	16,746	3	24 %	— %
Variable annuities	4,369	1,422	4,555	1,364	4,710	1,283	4,834	1,373	4,997	1,357	(13)%	5 %
Interest sensitive life	17,854	574	17,883	542	9,402	505	9,435	536	9,483	523	88 %	10 %
Funding agreements	5,641	—	4,960	—	5,447	—	5,459	—	5,497	—	3 %	— %
Other life	4,326	—	272	—	273	—	262	—	264	—	1539 %	— %
Other ⁽¹⁾	4,771	—	—	—	—	—	—	—	—	—	— %	— %
Total Institutional⁽²⁾	100,362	1,999	89,131	1,909	72,850	1,791	73,369	1,912	72,869	1,883	38 %	6 %
Closed Block & Other	1,054	—	1,016	—	1,048	—	1,072	—	1,092	—	(3)%	— %
Total Reserves	\$ 173,599	\$ 4,223	\$ 160,058	\$ 4,107	\$ 140,983	\$ 3,900	\$ 141,429	\$ 4,182	\$ 141,130	\$ 4,165	23 %	1 %

(1) "Other" includes long-term care insurance where we have ceded all mortality and morbidity risk to a third party reinsurance company.

(2) 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					
	3/31/2024			12/31/2023		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 19,782	21.3 %	— %	\$ 19,962	22.2 %	— %
Greater than 0 to less than 3	22,813	24.5 %	5.7 %	23,389	26.0 %	5.9 %
3 to less than 6	38,486	41.3 %	6.4 %	35,447	39.4 %	7.0 %
6 to less than 9	9,418	10.1 %	6.9 %	8,569	9.6 %	7.3 %
9 or greater	2,611	2.8 %	8.1 %	2,526	2.8 %	9.7 %
Total	\$ 93,110	100.0 %	5.0 %	\$ 89,893	100.0 %	5.0 %

Years of Surrender Charge Remaining	Indexed and Fixed Universal Life ⁽¹⁾					
	3/31/2024			12/31/2023		
	Account Values	Percent of total	Average Surrender Charge Percent	Account Values	Percent of total	Average Surrender Charge Percent
No surrender charge	\$ 8,155	60.8 %	— %	\$ 8,238	61.3 %	— %
Greater than 0 to less than 3	1,935	14.4 %	3.2 %	1,633	12.2 %	2.9 %
3 to less than 6	1,306	9.7 %	6.1 %	1,525	11.3 %	5.8 %
6 to less than 9	486	3.6 %	10.3 %	512	3.8 %	9.9 %
9 or greater	1,549	11.5 %	16.1 %	1,539	11.4 %	17.4 %
Total	\$ 13,431	100.0 %	3.3 %	\$ 13,447	100.0 %	3.4 %

(1) These products are primarily included in the individual market channel

Investment portfolio

Investments summary

Unaudited (\$ in millions, except percentages)

	March 31, 2024		December 31, 2023	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
AFS fixed maturity securities	\$ 78,182	48.0 %	\$ 72,116	49.9 %
Trading fixed maturity securities ⁽¹⁾	28,608	17.6 %	19,397	13.4 %
Mortgage and other loan receivables	41,216	25.3 %	39,178	27.1 %
Funds withheld receivable at interest	2,674	1.6 %	2,714	1.9 %
Other investments	12,157	7.5 %	11,260	7.7 %
Total investments	\$ 162,837	100.0 %	\$ 144,665	100.0 %

Other investments, as above, consists of the following:	March 31, 2024		December 31, 2023	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investments in real estate ⁽²⁾	\$ 4,737	39.0 %	\$ 4,778	42.4 %
Investments in renewable energy ⁽³⁾	1,327	10.9 %	1,348	12.0 %
Investments in transportation and other leased assets ⁽⁴⁾	3,014	24.8 %	2,972	26.4 %
Policy loans	1,562	12.8 %	1,556	13.8 %
Other investment funds and partnerships	1,086	8.9 %	181	1.6 %
Federal Home Loan Bank, or "FHLB," common stock and other investments	410	3.4 %	405	3.6 %
Equity securities	21	0.2 %	20	0.2 %
Total other investments	\$ 12,157	100.0 %	\$ 11,260	100.0 %

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

(2) Investments in real estate are held in consolidated investment companies that use fair value accounting.

(3) Net of accumulated depreciation attributed to consolidated renewable energy assets of \$163 million and \$154 million as of March 31, 2024 and December 31, 2023, respectively.

(4) Net of accumulated depreciation of \$343 million and \$314 million as of March 31, 2024 and December 31, 2023, respectively.

Adjusted invested assets (a non-GAAP measure)

Unaudited (\$ in millions, except percentages)

	March 31, 2024		December 31, 2023	
	Amount	Percent of Total	Amount	Percent of Total
U.S. and foreign governments	\$ 3,621	2.7 %	\$ 1,210	0.9 %
U.S. corporate debt	49,239	36.2 %	47,177	35.9 %
U.S. municipalities	5,512	4.1 %	5,544	4.2 %
Credit	\$ 54,751	40.3 %	\$ 52,721	40.1 %
Residential mortgage-backed securities, or "RMBS"	10,457	7.7 %	8,665	6.6 %
Commercial mortgage-backed securities, or "CMBS"	7,929	5.8 %	7,576	5.8 %
Collateralized loan obligations, or "CLOs"	3,447	2.5 %	3,629	2.8 %
Collateralized bond obligations, or "CBOs"	2,873	2.1 %	2,985	2.3 %
Asset-backed securities, or "ABS"	2,925	2.2 %	2,953	2.1 %
Structured products	\$ 27,631	20.3 %	\$ 25,808	19.6 %
Residential mortgage loans	11,559	8.5 %	10,210	7.8 %
Commercial mortgage loans	18,263	13.4 %	18,141	13.8 %
Consumer loans and other lending facilities	3,830	2.8 %	4,044	3.1 %
Investments in renewable energy	1,229	0.9 %	1,258	1.0 %
Investments in transportation and other leased assets	2,413	1.8 %	2,396	1.8 %
Investments in real estate	3,845	2.8 %	3,883	2.9 %
Loans and income-generating assets	\$ 41,139	30.2 %	\$ 39,932	30.4 %
Alternative Assets	1,094	0.8 %	187	0.1 %
Policy Loans	1,562	1.1 %	1,556	1.2 %
Other Invested Assets	408	0.3 %	405	0.3 %
Funds withheld receivable at interest	2,674	2.0 %	2,714	2.1 %
Cash, cash equivalents and other ¹	3,178	2.3 %	6,864	5.2 %
Total adjusted invested assets	\$ 136,058	100.0 %	\$ 131,397	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 March 31, 2024						
	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	\$ 3,621	\$ —	\$ 43	\$ (82)	\$ 3,582	4.6 %	
U.S. state, municipal and political subdivisions	5,530	—	23	(1,011)	4,542	5.8 %	
Corporate	51,269	(29)	164	(7,115)	44,289	56.6 %	
Residential mortgage-backed securities, or “RMBS”	10,498	(123)	31	(716)	9,690	12.4 %	
Commercial mortgage-backed securities, or “CMBS”	7,846	(36)	9	(581)	7,238	9.3 %	
Collateralized loan obligations, or “CLOs”	3,441	(10)	11	(43)	3,399	4.3 %	
Collateralized bond obligations, or “CBOs”	2,839	(1)	—	(142)	2,696	3.4 %	
Asset-backed securities, or “ABSs”	2,875	(11)	18	(136)	2,746	3.6 %	
Total AFS fixed maturity securities	\$ 87,919	\$ (210)	\$ 299	\$ (9,826)	\$ 78,182	100.0 %	

	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 %	
RMBS	8,735	(152)	38	(675)	7,946	11.0 %	
CMBS	7,492	(36)	4	(731)	6,729	9.3 %	
CLOs	3,636	(21)	7	(53)	3,569	4.9 %	
CBOs	2,952	(2)	—	(144)	2,806	3.9 %	
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 %	

(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			
	March 31, 2024		December 31, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 53,935	69.0 %	\$ 47,796	66.3 %
2	21,483	27.5 %	21,362	29.6 %
Total investment grade	75,418	96.5 %	69,158	95.9 %
3	1,061	1.4 %	1,236	1.7 %
4	430	0.5 %	487	0.7 %
5	148	0.2 %	126	0.2 %
6 ⁽¹⁾	1,125	1.4 %	1,109	1.5 %
Total below investment grade	2,764	3.5 %	2,958	4.1 %
Total AFS fixed maturity securities	\$ 78,182	100.0 %	\$ 72,116	100.0 %

	AFS Fixed Maturity Securities by NRSRO Rating			
	March 31, 2024		December 31, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 40,847	52.2 %	\$ 33,461	46.4 %
BBB	22,344	28.6 %	21,866	30.3 %
Non-rated ⁽²⁾	6,790	8.7 %	8,516	11.8 %
Total Investment Grade	69,981	89.5 %	63,843	88.5 %
BB	1,810	2.3 %	1,742	2.4 %
B	1,939	2.5 %	1,832	2.5 %
CCC	1,223	1.6 %	1,206	1.7 %
CC and lower	1,489	1.9 %	1,527	2.1 %
Non-rated ⁽³⁾	1,740	2.2 %	1,966	2.8 %
Total below investment grade	8,201	10.5 %	8,273	11.5 %
Total AFS fixed maturity securities	\$ 78,182	100.0 %	\$ 72,116	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			
	March 31, 2024		December 31, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation:				
1	\$ 22,713	51.3 %	\$ 20,756	48.8 %
2	19,806	44.7 %	19,767	46.5 %
Total investment grade	42,519	96.0 %	40,523	95.3 %
3	542	1.2 %	704	1.7 %
4	167	0.4 %	205	0.5 %
5	41	0.1 %	20	— %
6/NR ⁽¹⁾	1,020	2.3 %	1,059	2.5 %
Total below investment grade	1,770	4.0 %	1,988	4.7 %
Total Corporate fixed maturity securities	\$ 44,289	100.0 %	\$ 42,511	100.0 %
	Corporate Fixed Maturity Securities by NRSRO Rating			
	March 31, 2024		December 31, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating designation:				
AAA/AA/A	\$ 22,858	51.6 %	\$ 20,753	48.8 %
BBB	19,662	44.4 %	19,767	46.5 %
Non-rated ⁽²⁾	—	— %	3	— %
Total Investment Grade	42,520	96.0 %	40,523	95.3 %
BB	543	1.2 %	704	1.7 %
B	178	0.4 %	205	0.5 %
CCC	28	0.1 %	17	— %
Non-rated ⁽³⁾	1,020	2.3 %	1,062	2.5 %
Total below investment grade	1,769	4.0 %	1,988	4.7 %
Total Corporate fixed maturity securities	\$ 44,289	100.0 %	\$ 42,511	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			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 8,819	91.0 %	\$ 7,184	90.4 %
2	565	5.8 %	430	5.4 %
Total investment grade	9,384	96.8 %	7,614	95.8 %
3 and below	306	3.2 %	332	4.2 %
Total below investment grade	306	3.2 %	332	4.2 %
Total RMBS	\$ 9,690	100.0 %	\$ 7,946	100.0 %

	RMBS by NRSRO Ratings			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 5,774	59.6 %	\$ 2,833	35.7 %
BBB	879	9.1 %	661	8.3 %
BIG	3,037	31.3 %	3,127	39.4 %
Non-rated investment grade	—	— %	1,325	16.6 %
Total RMBS	\$ 9,690	100.0 %	\$ 7,946	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			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 6,405	88.5 %	\$ 5,873	87.3 %
2	387	5.3 %	408	6.1 %
Total investment grade	6,792	93.8 %	6,281	93.4 %
3	265	3.7 %	265	3.9 %
4	132	1.8 %	136	2.0 %
5/6	49	0.7 %	47	0.7 %
Total below investment grade	446	6.2 %	448	6.6 %
Total CMBS	\$ 7,238	100.0 %	\$ 6,729	100.0 %
	CMBS by NRSRO Ratings			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NRSRO rating designation:				
AAA/AA/A	\$ 2,468	34.1 %	\$ 2,421	36.0 %
BBB	1,619	22.4 %	1,237	18.4 %
BIG	3,151	43.5 %	2,973	44.2 %
Non-rated investment grade	—	— %	98	1.4 %
Total CMBS	\$ 7,238	100.0 %	\$ 6,729	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			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 3,264	96.0 %	\$ 3,435	96.2 %
2	116	3.4 %	115	3.2 %
Total investment grade	3,380	99.4 %	3,550	99.4 %
3	19	0.6 %	19	0.6 %
Total below investment grade	19	0.6 %	19	0.6 %
Total CLO	\$ 3,399	100.0 %	\$ 3,569	100.0 %

	Collateralized Bond Obligations			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,696	100.0 %	\$ 2,806	100.0 %
Total investment grade	2,696	100.0 %	2,806	100.0 %
Total CBO	\$ 2,696	100.0 %	\$ 2,806	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			
	March 31, 2024		December 31, 2023	
	Fair value	Percent of total	Fair Value	Percent of total
NAIC designation:				
1	\$ 2,218	80.8 %	\$ 2,270	82.8 %
2	413	15.0 %	420	15.3 %
Total investment grade	2,631	95.8 %	2,690	98.1 %
3	—	— %	—	— %
4	2	0.1 %	3	0.1 %
5	11	0.4 %	11	0.4 %
6 ⁽¹⁾	102	3.7 %	39	1.4 %
Total below investment grade	115	4.2 %	53	1.9 %
Total asset-backed securities	\$ 2,746	100.0 %	\$ 2,743	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
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ (59)	\$ 9	\$ 409	\$ (56)	\$ (98)	40 %
Adjustments:						
Investment (gains) losses ¹	251	223	(53)	198	220	14 %
Non-operating changes in policy liabilities and derivatives	74	169	(67)	91	168	(56)%
Transaction, integration and equity-based compensation expenses	35	2	30	47	62	(44)%
Income tax adjustments	(61)	(64)	(18)	(44)	(73)	16 %
Total adjustments	299	330	(108)	292	377	(21)%
Adjusted operating earnings, net of tax	\$ 240	\$ 339	\$ 301	\$ 236	\$ 279	(14)%

(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					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Total investments	\$ 162,837	\$ 144,665	\$ 130,681	\$ 132,280	\$ 132,110	23 %
Adjustments to reconcile total investments and adjusted invested assets:						
Cash, cash equivalents, and restricted cash	8,854	12,298	4,659	4,761	3,989	122 %
Accrued investment income	1,395	1,275	1,164	1,197	1,069	30 %
Exclude:						
Unrealized losses (gains) on fixed maturity and equity securities	11,380	11,128	15,700	13,265	12,922	(12)%
Funds withheld payable at interest	(42,640)	(34,340)	(22,737)	(23,252)	(22,996)	(85)%
Derivative collateral	(1,474)	(45)	(716)	(921)	(645)	(129)%
Funds withheld on embedded derivatives	(2,657)	(2,536)	(3,829)	(3,087)	(3,040)	13 %
Securities sold under repurchase agreements	(855)	(1,358)	(320)	(820)	(314)	(172)%
Non-controlling interests in consolidated investment entities	(98)	(90)	(123)	(133)	(99)	1 %
Redeemable non-controlling interests in consolidated investment entities	(47)	(48)	(50)	(50)	(79)	41 %
Net investment receivable (payable)	(637)	448	(397)	(230)	(260)	(145)%
Adjusted invested assets	\$ 136,058	\$ 131,397	\$ 124,032	\$ 123,010	\$ 122,657	11 %

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

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Net investment income	\$ 1,439	\$ 1,424	\$ 1,350	\$ 1,244	\$ 1,237	16 %
Average total investments ⁽¹⁾	\$ 153,751	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	19 %
Investment yield⁽²⁾	3.74 %	4.14 %	4.11 %	3.76 %	3.82 %	(0.08)%
Net investment income	\$ 1,439	\$ 1,424	\$ 1,350	\$ 1,244	\$ 1,237	16 %
Unrealized gains (losses)	47	8	6	38	34	38 %
Variable investment income (loss) ⁽³⁾	—	35	—	2	—	— %
Total adjustments	\$ 47	\$ 43	\$ 6	\$ 40	\$ 34	38 %
Adjusted net investment income⁽³⁾	\$ 1,486	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	17 %
Average adjusted invested assets ⁽¹⁾	\$ 133,728	\$ 127,715	\$ 123,521	\$ 122,834	\$ 121,872	10 %
Net investment earned rate^{(2) (3)}	4.44 %	4.59 %	4.39 %	4.18 %	4.17 %	0.27 %

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

(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
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ (59)	\$ 9	\$ 409	\$ (56)	\$ (98)	40 %
Average total investments ⁽¹⁾	153,751	137,673	131,481	132,195	129,373	19 %
ROA⁽²⁾	(0.15)%	0.03 %	1.24 %	(0.17)%	(0.30)%	0.15 %
Adjusted operating earnings, net of tax	\$ 240	\$ 339	\$ 301	\$ 236	\$ 279	(14)%
Average adjusted invested assets ⁽¹⁾	133,728	127,715	123,521	122,834	121,872	10 %
Adjusted operating ROA, net of tax⁽²⁾	0.72 %	1.06 %	0.97 %	0.77 %	0.92 %	(0.20)%

(1) 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)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Reconciliation of adjusted net cost of insurance						
Net underwriting margin, as reported	\$ 173	\$ 154	\$ 661	\$ 195	\$ 151	15 %
Less: Net investment income, as reported	1,439	1,424	1,350	1,244	1,237	16 %
Net cost of insurance	1,266	1,270	689	1,049	1,086	17 %
Adjustments:						
Investment gains (losses), included in net cost of insurance	201	208	(57)	152	175	15 %
Non-operating changes in policy liabilities and derivatives	74	169	(67)	91	168	(56)%
Transaction, integration and equity-based compensation expense included in net cost of insurance	5	4	5	4	4	25 %
Total adjustments	280	381	(119)	247	347	(19)%
Adjusted net cost of insurance	\$ 986	\$ 889	\$ 808	\$ 802	\$ 739	33 %
Reconciliation of adjusted net underwriting margin						
Net underwriting margin, as reported	\$ 173	\$ 154	\$ 661	\$ 195	\$ 151	15 %
Total adjustments, as above	280	381	(119)	247	347	(19)%
Adjustment to derive adjusted net investment income	47	43	6	40	34	38 %
Adjusted net underwriting margin	\$ 500	\$ 578	\$ 548	\$ 482	\$ 532	(6)%
Reconciliation of adjusted G&A expense						
General and administrative expenses, as reported	\$ 186	\$ 149	\$ 186	\$ 206	\$ 214	(13)%
Adjustments:						
Transaction, conversion and integration expense	30	(2)	26	43	57	(47)%
Adjusted general and administrative expenses	\$ 156	\$ 151	\$ 160	\$ 163	\$ 157	(1)%

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

Unaudited (\$ in millions, except percentages)

	Three Months Ended					YoY Change
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Average total investments ⁽¹⁾	\$ 153,751	\$ 137,673	\$ 131,481	\$ 132,195	\$ 129,373	19 %
Average adjusted invested assets ⁽¹⁾	133,728	127,715	123,521	122,834	121,872	10 %
Ratios derived from average total investments and average total adjusted invested assets⁽²⁾:						
Adjusted net investment income ⁽³⁾	\$ 1,486	\$ 1,467	\$ 1,356	\$ 1,284	\$ 1,271	17 %
Adjusted net investment return ratio	3.87 %	4.26 %	4.13 %	3.89 %	3.93 %	(0.06)%
Net investment earned rate ⁽³⁾	4.44 %	4.59 %	4.39 %	4.18 %	4.17 %	0.27 %
Net cost of insurance ratio	(3.29)%	(3.69)%	(2.10)%	(3.17)%	(3.36)%	0.07 %
Adjusted net cost of insurance ratio	(2.94)%	(2.79)%	(2.61)%	(2.61)%	(2.42)%	(0.52)%
Net underwriting return	0.45 %	0.45 %	2.01 %	0.59 %	0.47 %	(0.02)%
Adjusted net underwriting return ratio	1.50 %	1.80 %	1.78 %	1.57 %	1.75 %	(0.25)%
General and administrative expenses ratio	(0.48)%	(0.43)%	(0.57)%	(0.62)%	(0.66)%	0.18 %
Adjusted general and administrative expenses ratio	(0.47)%	(0.47)%	(0.52)%	(0.53)%	(0.52)%	0.05 %
Interest expense	\$ 55	\$ 49	\$ 45	\$ 40	\$ 40	38 %
Interest expense ratio	(0.14)%	(0.14)%	(0.14)%	(0.12)%	(0.12)%	(0.02)%
Adjusted Interest expense ratio	(0.16)%	(0.15)%	(0.15)%	(0.13)%	(0.13)%	(0.03)%
Adjusted operating income tax expense	\$ 49	\$ 39	\$ 42	\$ 43	\$ 56	(13)%
Adjusted operating income tax expense ratio	(0.15)%	(0.12)%	(0.14)%	(0.14)%	(0.18)%	0.03 %

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

(2) Interim periods are annualized.

(3) Includes \$35 million and \$2 million of variable investment income (loss) for the quarters ended December 31, 2023 and June 30, 2023, 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
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Net income (loss) attributable to Global Atlantic Limited (Delaware) shareholders	\$ (59)	\$ 9	\$ 409	\$ (56)	\$ (98)	40 %
Adjusted operating earnings, net of tax	\$ 240	\$ 339	\$ 301	\$ 236	279	(14)%
Total Global Atlantic Limited (Delaware) shareholders' equity	\$ 1,868	\$ 1,132	\$ (1,468)	\$ (491)	\$ (203)	NM
Less: Accumulated other comprehensive income (AOCI)	(6,905)	(6,875)	(9,061)	(7,671)	(7,445)	7 %
Less: Accumulated change in fair value of reinsurance balances and related assets	702	441	404	330	336	109 %
Adjusted shareholders' equity	\$ 8,071	\$ 7,566	\$ 7,189	\$ 6,850	\$ 6,906	17 %
Average total Global Atlantic Limited (Delaware) shareholders' equity ⁽¹⁾	\$ 1,500	\$ (168)	\$ (980)	\$ (347)	\$ (651)	330 %
Average adjusted shareholders' equity ⁽¹⁾	7,818	7,377	7,019	6,878	6,920	13 %
ROE⁽²⁾	NM	NM	NM	NM	NM	— %
Adjusted ROE⁽²⁾	(3.0)%	0.5 %	23.3 %	(3.3)%	(5.7)%	2.7 %
Adjusted Operating ROE⁽²⁾	12.3 %	18.4 %	17.2 %	13.7 %	16.1 %	(3.8)%

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

(2) Interim periods are annualized.