



**Global Atlantic Limited (Delaware)**

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

**Interim consolidated financial statements (unaudited)**

**As of June 30, 2024 and December 31, 2023**

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# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated balance sheets

|  | June 30,<br>2024  | December 31,<br>2023 |
|--|-------------------|----------------------|
| (\$ in millions, except share data)  | (unaudited)       |                      |
| <b>Assets</b>  |                   |                      |
| <b>Investments:</b>  |                   |                      |
| Fixed maturity securities, available-for-sale, at fair value (amortized cost: \$87,529 and \$81,748, respectively; variable interest entities: \$8,527 and \$8,817, respectively; net of allowances: \$215 and \$270, respectively; and related party: \$3,757 and \$2,702, respectively.) | \$ 77,285         | \$ 72,116            |
| Fixed maturity securities, trading, at fair value (amortized cost: \$27,839 and \$21,156, respectively; related party: \$709 and \$592, respectively.)   | 25,507            | 19,397               |
| Mortgage and other loan receivables (portion at fair value: \$603 and \$697, respectively; variable interest entities: \$4,700 and \$4,568, respectively; net of allowances: \$601 and \$602, respectively; and related party: \$- and \$-, respectively.)                                 | 46,820            | 39,178               |
| Funds withheld receivable at interest (portion at fair value: \$114 and \$89, respectively.)   | 2,622             | 2,714                |
| Other investments (portion at fair value: \$7,672 and \$5,065, respectively; variable interest entities: \$12,344 and \$9,171, respectively; and related party: \$939 and \$1, respectively.)  | 15,714            | 11,260               |
| <b>Total investments</b>   | <b>167,948</b>    | <b>144,665</b>       |
| Cash and cash equivalents (variable interest entities: \$985 and \$783, respectively.)   | 7,711             | 11,955               |
| Restricted cash and cash equivalents   | 361               | 343                  |
| Accrued investment income (variable interest entities: \$246 and \$238, respectively.)   | 1,527             | 1,275                |
| Reinsurance recoverable (portion at fair value: \$927 and \$926, respectively; net of allowances: \$19 and \$21, respectively.)  | 45,474            | 36,617               |
| Insurance intangibles  | 4,905             | 4,451                |
| Other assets (variable interest entities: \$239 and \$253, respectively; market risk benefit assets: \$- and \$-, respectively.)   | 4,291             | 3,747                |
| Separate account assets  | 4,123             | 4,107                |
| <b>Total assets</b>  | <b>\$ 236,340</b> | <b>\$ 207,160</b>    |
| <b>Liabilities</b>   |                   |                      |
| Policy liabilities (portion at fair value: \$1,320 and \$1,475, respectively; market risk benefit liabilities: \$1,020 and \$1,121, respectively.)   | \$ 177,833        | \$ 160,058           |
| Debt (variable interest entities: \$35 and \$-, respectively.)   | 3,698             | 2,588                |
| Funds withheld payable at interest (portion at fair value: \$(2,900) and \$(2,447), respectively.)   | 43,944            | 34,340               |
| Other liabilities (portion at fair value: \$304 and \$146, respectively; variable interest entities: \$381 and \$337, respectively; and related party: \$155 and \$121, respectively.)   | 2,972             | 3,374                |
| Reinsurance liabilities  | 1,831             | 1,423                |
| Separate account liabilities   | 4,123             | 4,107                |
| <b>Total liabilities</b>   | <b>\$ 234,401</b> | <b>\$ 205,890</b>    |

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated balance sheets

|  | June 30,<br>2024   | December 31,<br>2023 |
|--|--------------------|----------------------|
| <i>(\$ in millions, except share data)</i>   | <i>(unaudited)</i> |                      |
| <b>Commitments and contingencies (Note 14)</b>   |                    |                      |
| <b>Redeemable non-controlling interests (Note 11)</b>  | \$ 46              | \$ 48                |
| <b>Equity</b>  |                    |                      |
| Common stock, \$0 par value, 1,000 shares authorized, 304 shares issued and outstanding, respectively. | \$ —               | \$ —                 |
| Additional paid-in capital   | 7,016              | 5,922                |
| Retained earnings  | 1,881              | 2,085                |
| Accumulated other comprehensive loss   | (7,199)            | (6,875)              |
| <b>Total shareholder's equity</b>  | <b>1,698</b>       | <b>1,132</b>         |
| Non-controlling interests  | 195                | 90                   |
| <b>Total equity</b>  | <b>1,893</b>       | <b>1,222</b>         |
| <b>Total liabilities, redeemable non-controlling interests and equity</b>                              | <b>\$ 236,340</b>  | <b>\$ 207,160</b>    |

*See accompanying notes to unaudited consolidated financial statements.*

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated statements of income (unaudited)

| (\$ in millions)  | Three months ended |                | Six months ended |                 |
|---|--------------------|----------------|------------------|-----------------|
|   | June 30,           |                | June 30,         |                 |
|   | 2024               | 2023           | 2024             | 2023            |
|   | (unaudited)        | (unaudited)    | (unaudited)      | (unaudited)     |
| <b>Revenues</b>   |                    |                |                  |                 |
| Premiums  | \$ 935             | \$ 626         | \$ 6,972         | \$ 1,100        |
| Policy fees   | 334                | 315            | 663              | 629             |
| Net investment income (related party investment income: \$81 and \$45 for the three months, \$151 and \$90 for the six months, and related party investment expense: \$128 and \$112 for the three months, \$241 and \$220 for the six months, respectively.) | 1,499              | 1,244          | 2,938            | 2,481           |
| Net investment-related losses (related party: \$- and \$(8) for the three months, \$13 and \$(34) for the six months, respectively.)  | (303)              | (122)          | (534)            | (236)           |
| Other income  | 64                 | 40             | 120              | 77              |
| <b>Total revenues</b>   | <b>2,529</b>       | <b>2,103</b>   | <b>10,159</b>    | <b>4,051</b>    |
| <b>Benefits and expenses</b>  |                    |                |                  |                 |
| Policy benefits and claims (market risk benefit loss (gain)): \$12 and \$(75) for the three months, \$(90) and \$71 for the six months, respectively.)  | 2,199              | 1,736          | 9,460            | 3,263           |
| Amortization of policy acquisition costs  | 33                 | —              | 29               | 44              |
| Interest expense  | 65                 | 40             | 120              | 80              |
| Insurance expenses  | 244                | 172            | 444              | 398             |
| General, administrative and other expenses (related party: \$2 and \$2 for the three months, \$4 and \$4 for the six months, respectively.)   | 183                | 206            | 369              | 420             |
| <b>Total benefits and expenses</b>  | <b>2,724</b>       | <b>2,154</b>   | <b>10,422</b>    | <b>4,205</b>    |
| <b>Loss before income taxes</b>   | <b>(195)</b>       | <b>(51)</b>    | <b>(263)</b>     | <b>(154)</b>    |
| Income tax benefit  | (42)               | (1)            | (54)             | (18)            |
| <b>Net loss</b>   | <b>(153)</b>       | <b>(50)</b>    | <b>(209)</b>     | <b>(136)</b>    |
| Less: net (loss) income attributable to non-controlling interests and redeemable non-controlling interests  | (8)                | 6              | (5)              | 18              |
| <b>Net loss attributable to Global Atlantic Limited (Delaware) shareholder</b>  | <b>\$ (145)</b>    | <b>\$ (56)</b> | <b>\$ (204)</b>  | <b>\$ (154)</b> |

See accompanying notes to unaudited consolidated financial statements.

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated statements of comprehensive (loss) income (unaudited)

| (\$ in millions)  | Three months ended |                 | Six months ended |               |
|---|--------------------|-----------------|------------------|---------------|
|   | June 30,           | June 30,        | June 30,         | June 30,      |
|   | 2024               | 2023            | 2024             | 2023          |
|   | (unaudited)        | (unaudited)     | (unaudited)      | (unaudited)   |
| <b>Net (loss) income</b>  | \$ (153)           | \$ (50)         | \$ (209)         | \$ (136)      |
| <b>Other comprehensive (loss) income, before taxes:</b>   |                    |                 |                  |               |
| Unrealized losses on securities and other investments for the period  | (598)              | (364)           | (762)            | 869           |
| Reclassification adjustment for gains on hedging instruments reclassified to available-for-sale securities and other instruments        | —                  | 4               | —                | 10            |
| Less: reclassification adjustment for losses included in net income   | (95)               | (86)            | (94)             | (159)         |
| <b>Unrealized losses on available-for-sale securities and other investments</b>   | <b>(503)</b>       | <b>(274)</b>    | <b>(668)</b>     | <b>1,038</b>  |
| Unrealized (losses) gains on hedging instruments  | (20)               | (31)            | (56)             | 30            |
| Less: reclassification adjustment for losses on hedging instruments reclassified to available-for-sale securities and other instruments | —                  | (4)             | —                | (10)          |
| <b>Unrealized losses on hedging instruments</b>   | <b>(20)</b>        | <b>(27)</b>     | <b>(56)</b>      | <b>40</b>     |
| Foreign currency translation adjustment   | (9)                | —               | (9)              | —             |
| Net effect of unrealized gains (losses) on policy liabilities   | 29                 | (13)            | 22               | (26)          |
| Effect of changes in the fair value of a market risk benefit attributable to a change in the instrument-specific credit risk            | 14                 | (146)           | 9                | (94)          |
| Effect of changes in the discount rates used to measure traditional and limited-payment long duration insurance contracts               | 144                | 176             | 314              | (30)          |
| <b>Net effect on policy liabilities</b>   | <b>178</b>         | <b>17</b>       | <b>336</b>       | <b>(150)</b>  |
| <b>Other comprehensive (loss) income, before taxes</b>  | <b>(345)</b>       | <b>(284)</b>    | <b>(388)</b>     | <b>928</b>    |
| <b>Income tax benefit related to:</b>   |                    |                 |                  |               |
| Net unrealized gains (losses) on available-for-sale securities and other investments  | 84                 | 57              | 122              | (183)         |
| Net unrealized gains (losses) on hedging instruments  | 4                  | 5               | 12               | (7)           |
| Net effect of unrealized (losses) gains on policy balances  | (39)               | (4)             | (72)             | 26            |
| Net unrealized losses on foreign currency translation adjustment  | 2                  | —               | 2                | —             |
| <b>Income tax benefit related to other comprehensive (loss) income</b>  | <b>51</b>          | <b>58</b>       | <b>64</b>        | <b>(164)</b>  |
| <b>Other comprehensive (loss) income before non-controlling interests and redeemable non-controlling interests, net of tax</b>          | <b>(294)</b>       | <b>(226)</b>    | <b>(324)</b>     | <b>764</b>    |
| <b>Comprehensive (loss) income</b>  | <b>(447)</b>       | <b>(276)</b>    | <b>(533)</b>     | <b>628</b>    |
| <b>Less: total comprehensive income attributable to non-controlling interests and redeemable non-controlling interests:</b>             |                    |                 |                  |               |
| Net (loss) income   | (8)                | 6               | (5)              | 18            |
| <b>Total comprehensive income attributable to non-controlling interests and redeemable non-controlling interests</b>                    | <b>(8)</b>         | <b>6</b>        | <b>(5)</b>       | <b>18</b>     |
| <b>Comprehensive (loss) income attributable to Global Atlantic Limited (Delaware) shareholder</b>                                       | <b>\$ (439)</b>    | <b>\$ (282)</b> | <b>\$ (528)</b>  | <b>\$ 610</b> |

See accompanying notes to unaudited consolidated financial statements.

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated statements of redeemable non-controlling interest and equity (unaudited)

|   | Redeemable non-controlling interests | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income (loss) | Total shareholder's equity | Non-controlling interest | Total equity    |
|---|--------------------------------------|--------------|----------------------------|-------------------|---|----------------------------|--------------------------|-----------------|
| <i>(\$ in millions)</i>   |                                      |              |                            |                   |   |                            |                          |                 |
| <b>Balance as of March 31, 2023</b>   | <b>79</b>                            | <b>—</b>     | <b>5,519</b>               | <b>1,723</b>      | <b>(7,445)</b>                                | <b>(203)</b>               | <b>99</b>                | <b>(104)</b>    |
| Net loss  | —                                    | —            | —                          | (56)              | —   | (56)                       | 6                        | (50)            |
| Other comprehensive (loss) income   | —                                    | —            | —                          | —                 | (226)   | (226)                      | —                        | (226)           |
| Equity-based compensation   | —                                    | —            | (6)                        | —                 | —   | (6)                        | —                        | (6)             |
| Capital contributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | 2                        | 2               |
| Distributions to non-controlling interests and redeemable non-controlling interests           | (29)                                 | —            | —                          | —                 | —   | —                          | 27                       | 27              |
| Non-cash distributions to non-controlling interests and redeemable non-controlling interests  | —                                    | —            | —                          | —                 | —   | —                          | (1)                      | (1)             |
| <b>Balance as of June 30, 2023</b>  | <b>\$ 50</b>                         | <b>\$ —</b>  | <b>\$ 5,513</b>            | <b>\$ 1,667</b>   | <b>\$ (7,671)</b>                             | <b>\$ (491)</b>            | <b>\$ 133</b>            | <b>\$ (358)</b> |
| <b>Balance as of March 31, 2024</b>   | <b>47</b>                            | <b>—</b>     | <b>6,747</b>               | <b>2,026</b>      | <b>(6,905)</b>                                | <b>1,868</b>               | <b>98</b>                | <b>1,966</b>    |
| Net loss  | —                                    | —            | —                          | (145)             | —   | (145)                      | (8)                      | (153)           |
| Other comprehensive loss  | —                                    | —            | —                          | —                 | (294)   | (294)                      | —                        | (294)           |
| Equity-based compensation   | —                                    | —            | (31)                       | —                 | —   | (31)                       | —                        | (31)            |
| Capital contributions   | —                                    | —            | 300                        | —                 | —   | 300                        | —                        | 300             |
| Capital contributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | 34                       | 34              |
| Distributions to non-controlling interests and redeemable non-controlling interests           | (1)                                  | —            | —                          | —                 | —   | —                          | 63                       | 63              |
| Non-cash distributions to non-controlling interests and redeemable non-controlling interests  | —                                    | —            | —                          | —                 | —   | —                          | 8                        | 8               |
| <b>Balance as of June 30, 2024</b>  | <b>\$ 46</b>                         | <b>\$ —</b>  | <b>\$ 7,016</b>            | <b>\$ 1,881</b>   | <b>\$ (7,199)</b>                             | <b>\$ 1,698</b>            | <b>\$ 195</b>            | <b>\$ 1,893</b> |

## Global Atlantic Limited (Delaware) and subsidiaries

### Consolidated statements of redeemable non-controlling interest and equity (unaudited)

|  | Redeemable non-controlling interests | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income (loss) | Total shareholder's equity | Non-controlling interest | Total equity    |
|--|--------------------------------------|--------------|----------------------------|-------------------|---|----------------------------|--------------------------|-----------------|
| <i>(\$ in millions)</i>  |                                      |              |                            |                   |   |                            |                          |                 |
| <b>Balance as of December 31, 2022 (as revised)</b>  | <b>83</b>                            | <b>—</b>     | <b>5,516</b>               | <b>1,821</b>      | <b>(8,435)</b>                                | <b>(1,098)</b>             | <b>188</b>               | <b>(910)</b>    |
| Net (loss) income  | (3)                                  | —            | —                          | (154)             | —   | (154)                      | 21                       | (133)           |
| Other comprehensive (loss) income  | —                                    | —            | —                          | —                 | 764   | 764                        | —                        | 764             |
| Equity-based compensation  | —                                    | —            | (3)                        | —                 | —   | (3)                        | —                        | (3)             |
| Non-cash contributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | 5                        | 5               |
| Distributions to non-controlling interests and redeemable non-controlling interests            | (30)                                 | —            | —                          | —                 | —   | —                          | (78)                     | (78)            |
| Non-cash distributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | (3)                      | (3)             |
| <b>Balance as of June 30, 2023</b>   | <b>\$ 50</b>                         | <b>\$ —</b>  | <b>\$ 5,513</b>            | <b>\$ 1,667</b>   | <b>\$ (7,671)</b>                             | <b>\$ (491)</b>            | <b>\$ 133</b>            | <b>\$ (358)</b> |



## Global Atlantic Limited (Delaware) and subsidiaries

### Consolidated statements of redeemable non-controlling interest and equity (unaudited)

|  | Redeemable non-controlling interests | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income (loss) | Total shareholder's equity | Non-controlling interest | Total equity    |
|--|--------------------------------------|--------------|----------------------------|-------------------|---|----------------------------|--------------------------|-----------------|
| <i>(\$ in millions)</i>  |                                      |              |                            |                   |   |                            |                          |                 |
| <b>Balance as of December 31, 2023</b>   | <b>\$ 48</b>                         | <b>\$ —</b>  | <b>\$ 5,922</b>            | <b>\$ 2,085</b>   | <b>\$ (6,875)</b>                             | <b>\$ 1,132</b>            | <b>\$ 90</b>             | <b>\$ 1,222</b> |
| Net loss   | 6                                    | —            | —                          | (204)             | —   | (204)                      | (11)                     | (215)           |
| Other comprehensive loss   | —                                    | —            | —                          | —                 | (324)   | (324)                      | —                        | (324)           |
| Equity-based compensation  | —                                    | —            | 246                        | —                 | —   | 246                        | —                        | 246             |
| Capital contributions  | —                                    | —            | 848                        | —                 | —   | 848                        | —                        | 848             |
| Capital contributions from non-controlling interests and redeemable non-controlling interests  | —                                    | —            | —                          | —                 | —   | —                          | 109                      | 109             |
| Non-cash contributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | 17                       | 17              |
| Distributions to non-controlling interests and redeemable non-controlling interests            | (8)                                  | —            | —                          | —                 | —   | —                          | (5)                      | (5)             |
| Non-cash distributions from non-controlling interests and redeemable non-controlling interests | —                                    | —            | —                          | —                 | —   | —                          | (5)                      | (5)             |
| <b>Balance as of June 30, 2024</b>   | <b>\$ 46</b>                         | <b>\$ —</b>  | <b>\$ 7,016</b>            | <b>\$ 1,881</b>   | <b>\$ (7,199)</b>                             | <b>\$ 1,698</b>            | <b>\$ 195</b>            | <b>\$ 1,893</b> |

See accompanying notes to unaudited consolidated financial statements.

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated statements of cash flows (unaudited)

|   | Six months ended |                  |
|---|------------------|------------------|
|   | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>   |                  |                  |
| <b>Cash flows from operating activities</b>   |                  |                  |
| <b>Net (loss) income</b>  | <b>\$ (209)</b>  | <b>\$ (136)</b>  |
| <b>Adjustments to reconcile net income to net cash provided by operating activities:</b>                                  |                  |                  |
| Net investment and policy liability related gains (losses)  | 1,388            | 1,460            |
| Net accretion and amortization (related party: \$3 and \$3, respectively.)  | 102              | 239              |
| Interest credited to policy account balances less policy fees   | 1,930            | 1,333            |
| Deferred income tax (benefit) expense   | (164)            | (19)             |
| <b>Changes in operating assets and liabilities:</b>   |                  |                  |
| Reinsurance transactions and acquisitions, net of cash provided   | 652              | 263              |
| Change in premiums, notes receivable and reinsurance recoverable, net of reinsurance premiums payable                     | 1,057            | (17)             |
| Change in deferred policy acquisition costs   | (352)            | (245)            |
| Change in policy liabilities and accruals, net  | (260)            | (114)            |
| Other operating activities, net (related party: \$(6) and \$-, respectively)  | (399)            | (312)            |
| <b>Net cash provided by operating activities</b>  | <b>3,745</b>     | <b>2,452</b>     |
| <b>Cash flows from investing activities</b>   |                  |                  |
| Proceeds from disposals of available-for-sale fixed maturity securities (related party: \$238 and \$-, respectively.)     | 9,213            | 3,309            |
| Proceeds from maturities of available-for-sale fixed maturity securities (related party: \$1,291 and \$15, respectively.) | 5,252            | 1,621            |
| Proceeds from disposals and maturities of trading fixed maturity securities (related party: \$28 and \$4, respectively.)  | 11,657           | 1,521            |
| Proceeds from mortgage and other loan receivables sold, matured or collected (related party: \$10 and \$-, respectively.) | 1,867            | 2,177            |
| Proceeds from disposals of other investments  | 1,443            | 1,695            |
| Purchase of available-for-sale fixed maturity securities (related party: \$(2,382) and \$(285), respectively.)            | (16,790)         | (8,749)          |
| Purchase of trading fixed maturity securities (related party: \$(104) and \$-, respectively.)                             | (9,899)          | (1,374)          |
| Purchase of mortgage and other loan receivables   | (9,993)          | (3,098)          |
| Purchase of other investments (related party: \$(952) and \$-, respectively)  | (6,059)          | (926)            |
| Other investing activities, net   | —                | (25)             |
| <b>Net cash used in investing activities</b>  | <b>(13,309)</b>  | <b>(3,849)</b>   |

# Global Atlantic Limited (Delaware) and subsidiaries

## Consolidated statements of cash flows (unaudited)

|   | Six months ended |                  |
|---|------------------|------------------|
|   | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>   |                  |                  |
| <b>Cash flows from financing activities</b>   |                  |                  |
| Settlement of repurchase agreements   | \$ (2,352)       | \$ (2,426)       |
| Proceeds from issuance of repurchase agreements   | 1,562            | 2,441            |
| Reinsurance transactions, net of cash provided  | 48               | 80               |
| Additions to contractholder deposit funds   | 15,291           | 7,528            |
| Withdrawals from contractholder deposit funds   | (11,264)         | (8,096)          |
| Issuance of long-term debt  | 1,461            | 629              |
| Payment of debt principal and origination fees  | (300)            | (400)            |
| Capital contributions   | 850              | —                |
| Return of capital to parent   | —                | (5)              |
| Capital contributions from non-controlling interests and redeemable non-controlling interests | 109              | —                |
| Distribution to non-controlling interests and redeemable non-controlling interests            | 3                | (14)             |
| Other financing activity, net   | (61)             | (9)              |
| <b>Net cash provided by (used in) financing activities</b>                                    | <b>5,347</b>     | <b>(272)</b>     |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash                 | (9)              | 5                |
| <b>Net change in cash, cash equivalents and restricted cash</b>                               | <b>(4,226)</b>   | <b>(1,664)</b>   |
| Cash, cash equivalents and restricted cash, beginning of period                               | 12,298           | 6,425            |
| <b>Cash, cash equivalents and restricted cash, end of period</b>                              | <b>\$ 8,072</b>  | <b>\$ 4,761</b>  |
| <b>Supplemental cash flow information</b>   |                  |                  |
| Cash and cash equivalents per consolidated balance sheets                                     | \$ 7,711         | \$ 4,421         |
| Restricted cash and cash equivalents per consolidated balance sheets                          | 361              | 340              |
| <b>Total cash, cash equivalents and restricted cash</b>                                       | <b>\$ 8,072</b>  | <b>\$ 4,761</b>  |
| Cash paid for interest  | \$ 72            | \$ 55            |
| Income tax (receipts) payments  | 116              | 206              |
| <b>Non-cash transactions</b>  |                  |                  |
| Available-for-sale fixed maturity securities acquired through reinsurance agreements          | \$ 3,184         | \$ 394           |
| Trading fixed maturity securities acquired through reinsurance agreements                     | 8,210            | 394              |
| Contractholder deposit funds acquired through reinsurance agreements                          | 2,040            | 44               |
| Derecognition in non-controlling interest   | —                | 94               |

*See accompanying notes to unaudited consolidated financial statements.*

### 1. Nature of business and basis of presentation

Global Atlantic Limited (Delaware), a Delaware corporation, (together with its subsidiaries, “Global Atlantic,” the “Company,” we, our, or us) is a leading United States, or “U.S.,” retirement and life insurance company focused on delivering meaningful long-term value for our customers and shareholders.

The Company is a leading insurance company meeting the retirement and life insurance needs of individuals and institutions. The Company primarily offers individuals fixed-rate annuities, fixed-indexed annuities, and targeted life products through a network of banks, broker-dealers, and independent marketing organizations.

The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or “U.S. GAAP,” on a basis consistent with reporting interim financial information. The accompanying interim consolidated financial statements are unaudited and reflect all material adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods presented in conformity with U.S. GAAP. The December 31, 2023 consolidated balance sheet data was derived from audited consolidated financial statements for the year ended December 31, 2023, which include all disclosures required by GAAP. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the 2023 audited consolidated financial statements of the Company. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results for any subsequent periods or the entire fiscal year ending December 31, 2024.

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Amounts based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty, particularly related to the future performance of the underlying business. Actual experience could materially differ from these estimates and assumptions. The most significant estimates are those used in determining valuation of policy liabilities, valuation of embedded derivatives, valuation and impairment of investments, amortization of deferred revenues and expenses, and the annual effective tax rate.

### KKR initial acquisition of Global Atlantic Financial Group Limited

On February 1, 2021, KKR & Co. Inc., or together with its subsidiaries, “KKR,” completed the acquisition of the Company’s ultimate parent, Global Atlantic Financial Group Limited, or “GAFG,” by Magnolia Parent LLC (“Magnolia”), a KKR subsidiary, as contemplated by the Agreement and Plan of Merger, dated July 7, 2020 (as amended, the “2021 Merger Agreement”), by and among GAFG, Global Atlantic Financial Life Limited, or “GAFLL,” Magnolia, Magnolia Merger Sub Limited (“Merger Sub”), LAMC LP, and Goldman Sachs & Co. LLC, solely in its capacity as the equity representative, referred to here-in as the “2021 KKR Acquisition.” The total purchase price for the transaction was \$4.7 billion. Upon the conclusion of the acquisition, Magnolia was renamed to The Global Atlantic Financial Group LLC (“TGAFG”).

## Notes to the interim consolidated financial statements (unaudited)

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### KKR subsequent acquisition of remaining non-controlling interests in The Global Atlantic Financial Group

On January 2, 2024, KKR completed the merger previously announced on November 29, 2023, as contemplated by the Agreement and Plan Merger, (the “2023 Merger Agreement”) by and among KKR Magnolia Holdings LLC (“Magnolia Holdings”), an indirect subsidiary of KKR, Sweetbay Merger Sub LLC, a direct subsidiary of Magnolia Holdings (“Merger Sub”) and The Global Atlantic Financial Group (“TGAFG”), and together with its subsidiaries, (“Global Atlantic”), pursuant to which KKR acquired the remaining portion of Global Atlantic that KKR did not already own (the “2024 KKR Acquisition”). At the closing of the transaction (the “Closing”), Merger Sub merged with and into TGAFG, with TGAFG surviving the merger, resulting in Global Atlantic becoming a wholly owned subsidiary of KKR.

The total cash purchase price for the portion of Global Atlantic that KKR did not already own was approximately \$2.6 billion, subject to certain post-Closing purchase price adjustments as provided in the 2023 Merger Agreement. Additionally, in connection with the closing, certain Global Atlantic employees who participated in the Global Atlantic’s management equity incentive plan, rolled over a majority of their equity interests in Global Atlantic into KKR equity.

The outstanding debt of Global Atlantic will remain outstanding obligations of solely Global Atlantic entities and are not being assumed or guaranteed by KKR.

Following the merger, the Company was re-domesticated from Bermuda to Delaware, and changed its name to Global Atlantic Limited (Delaware).

## 2. Significant accounting policies

In addition to the new or revised accounting policies detailed below, for additional information on the Company’s other significant accounting policies, see Note 2—“Basis of presentation and significant accounting policies and practices” in the Company’s audited consolidated financial statements as of December 31, 2023.

### Adoption of new accounting pronouncements

#### Accounting for investments in tax credit structures

In March 2023, the FASB issued ASU 2023-02 “Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method” (“ASU 2023-02”) to expand the population of investments in tax credit structures that may be eligible to apply the proportional amortization method (“PAM”), if certain criteria are met. The election to use the PAM can be made on a tax credit program-by-program basis. Under the new guidance, certain disclosures are required for investments in tax credit programs for which the PAM is elected. The guidance is effective for fiscal years beginning after December 15, 2023. The Company adopted the standard effective January 1, 2024 and its adoption did not have any material impact on the financial statements.

**Notes to the interim consolidated financial statements (unaudited)**

**Future application of accounting standards**

**Improvements to income tax disclosures**

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 intends to enhance the transparency and decision usefulness of income tax disclosures, requiring disaggregated information about an entity's effective tax rate reconciliation as well as income taxes paid. This is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

**Scope application of profits interest and similar awards**

In March 2024, the FASB issued ASU 2024-01, Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards ("ASU 2024-01"). ASU 2024-01 amends the guidance in Accounting Standard Codification 718 ("ASC 718") by adding an illustrative example to demonstrate and clarify how to apply the scope guidance to determine whether profits interests and similar awards should be accounted for as a share-based payment arrangement under ASC 718 or another standard. For public entities, the ASU is effective for fiscal years beginning after December 15, 2024, inclusive of interim periods within those years. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

**3. Investments**

**Fixed maturity securities**

The cost or amortized cost and fair value for available-for-sale, or "AFS," fixed maturity securities were as follows:

| As of June 30, 2024                                       | Cost or amortized cost | Allowance for credit losses <sup>(4)(5)</sup> | Gross unrealized |                    | Fair value       |
|---|------------------------|---|------------------|--------------------|------------------|
|   |                        |   | gains            | losses             |                  |
| <b>(\$ in millions)</b>                                   |                        |   |                  |                    |                  |
| <b>AFS fixed maturity securities portfolio by type:</b>   |                        |   |                  |                    |                  |
| U.S. government and agencies                              | \$ 2,692               | \$ —  | \$ 4             | \$ (103)           | \$ 2,593         |
| U.S. state, municipal and political subdivisions          | 5,148                  | —   | 11               | (1,024)            | 4,135            |
| Corporate <sup>(1)</sup>                                  | 50,392                 | (64)  | 96               | (7,498)            | 42,926           |
| Residential mortgage-backed securities, or "RMBS"         | 11,528                 | (108)   | 36               | (745)              | 10,711           |
| Commercial mortgage-backed securities, or "CMBS"          | 8,148                  | (23)  | 8                | (544)              | 7,589            |
| Collateralized bond obligations, or "CBOs"                | 2,804                  | (1)   | —                | (136)              | 2,667            |
| Collateralized loan obligations, or "CLOs" <sup>(2)</sup> | 3,878                  | (9)   | 14               | (38)               | 3,845            |
| Asset-backed securities, or "ABSs" <sup>(3)</sup>         | 2,939                  | (10)  | 18               | (128)              | 2,819            |
| <b>Total AFS fixed maturity securities</b>                | <b>\$ 87,529</b>       | <b>\$ (215)</b>                               | <b>\$ 187</b>    | <b>\$ (10,216)</b> | <b>\$ 77,285</b> |

(1) Includes related party KKR corporate debt securities with amortized cost, allowance for credit loss, gross unrealized gains, gross unrealized losses and fair value of \$3.8 billion, \$0 million, \$2 million, \$(279) million and \$3.6 billion, respectively.

(2) Includes related party KKR collateralized debt obligations with amortized cost, allowance for credit loss, gross unrealized gains, gross unrealized losses and fair value of \$157 million, \$0 million, \$637 thousand, \$(6) thousand and \$158 million, respectively.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

- (3) Includes related party KKR asset-backed debt obligations with amortized cost, allowance for credit loss, gross unrealized gains, gross unrealized losses and fair value of \$46 million, \$— million, \$— million, \$(3) million and \$43 million, respectively.
- (4) 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.
- (5) Includes credit loss allowances on purchase-credit deteriorated fixed-maturity securities of \$(7) million.

| As of December 31, 2023<br>(\$ in millions)             | Cost or<br>amortized<br>cost | Allowance<br>for credit<br>losses <sup>(3)(4)</sup> | Gross unrealized |                   | Fair value       |
|---|------------------------------|---|------------------|-------------------|------------------|
|   |                              |   | gains            | losses            |                  |
| <b>AFS fixed maturity securities portfolio by type:</b> |                              |   |                  |                   |                  |
| U.S. government and agencies                            | \$ 1,210                     | \$ —  | \$ 63            | \$ (69)           | \$ 1,204         |
| U.S. state, municipal and political subdivisions        | 5,563                        | —   | 30               | (985)             | 4,608            |
| Corporate <sup>(1)</sup>                                | 49,261                       | (49)  | 212              | (6,913)           | 42,511           |
| RMBS  | 8,735                        | (152)   | 38               | (675)             | 7,946            |
| CMBS  | 7,492                        | (36)  | 4                | (731)             | 6,729            |
| CBOs  | 2,952                        | (2)   | —                | (144)             | 2,806            |
| CLOs <sup>(2)</sup>                                     | 3,636                        | (21)  | 7                | (53)              | 3,569            |
| ABSs  | 2,899                        | (10)  | 14               | (160)             | 2,743            |
| <b>Total AFS fixed maturity securities</b>              | <b>\$ 81,748</b>             | <b>\$ (270)</b>                                     | <b>\$ 368</b>    | <b>\$ (9,730)</b> | <b>\$ 72,116</b> |

- (1) Includes related party KKR corporate AFS fixed maturity securities with amortized cost, gross unrealized gains, gross unrealized losses and fair value of \$2.9 billion, — million, \$325 thousand, \$(321) million and \$2.6 billion, respectively.
- (2) Includes related party KKR collateralized debt obligations with amortized cost, gross unrealized gains, gross unrealized losses and fair value of \$142 million, \$(1) million, \$171 thousand, \$(253) thousand and \$141 million, respectively.
- (3) 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.
- (4) Includes credit loss allowances on purchase-credit deteriorated fixed-maturity securities of \$(13) million.

The maturity distribution for AFS fixed maturity securities is as follows:

| As of June 30, 2024<br>(\$ in millions)    | Cost or<br>amortized<br>cost (net of<br>allowance) | Fair value       |
|--|--|------------------|
| Due in one year or less                    | \$ 1,329   | \$ 1,305         |
| Due after one year through five years      | 13,855   | 13,414           |
| Due after five years through ten years     | 9,952  | 9,199            |
| Due after ten years                        | 33,032   | 25,736           |
| <b>Subtotal<sup>(1)</sup></b>              | <b>58,168</b>                                      | <b>49,654</b>    |
| RMBS                                       | 11,420   | 10,711           |
| CMBS                                       | 8,125  | 7,589            |
| CBOs                                       | 2,803  | 2,667            |
| CLOs <sup>(2)</sup>                        | 3,869  | 3,845            |
| ABSs <sup>(3)</sup>                        | 2,929  | 2,819            |
| <b>Total AFS fixed maturity securities</b> | <b>\$ 87,314</b>                                   | <b>\$ 77,285</b> |

- (1) Includes related party KKR corporate debt securities with amortized cost and fair value of \$3.8 billion and \$3.6 billion, respectively.

## Notes to the interim consolidated financial statements (unaudited)

- (2) Includes related party KKR collateralized loan obligations with amortized cost and fair value of \$157 million and \$158 million, respectively.
- (3) Includes related party KKR asset-backed securities with amortized cost and fair value of \$46 million and \$43 million, respectively.

Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, or the Company may have the right to put or sell the obligations back to the issuers. Structured securities are shown separately as they have periodic payments and are not due at a single maturity.

### Securities in a continuous unrealized loss position

The following tables provide information about the Company's AFS fixed maturity securities that have been continuously in an unrealized loss position:

| As of June 30, 2024  | Less than 12 months |                   | 12 months or more |                   | Total            |                    |
|--|---------------------|-------------------|-------------------|-------------------|------------------|--------------------|
|  | Fair value          | Unrealized losses | Fair value        | Unrealized losses | Fair value       | Unrealized losses  |
| <i>(\$ in millions)</i>  |                     |                   |                   |                   |                  |                    |
| <b>AFS fixed maturity securities portfolio by type:</b>                  |                     |                   |                   |                   |                  |                    |
| U.S. government and agencies   | \$ 1,952            | \$ (26)           | \$ 253            | \$ (77)           | \$ 2,205         | \$ (103)           |
| U.S. state, municipal and political subdivisions                         | 233                 | (2)               | 3,569             | (1,022)           | 3,802            | (1,024)            |
| Corporate  | 8,149               | (367)             | 26,111            | (7,131)           | 34,260           | (7,498)            |
| RMBS   | 3,393               | (96)              | 4,363             | (649)             | 7,756            | (745)              |
| CMBS   | 881                 | (6)               | 5,440             | (538)             | 6,321            | (544)              |
| CBOs   | 3                   | —                 | 2,664             | (136)             | 2,667            | (136)              |
| CLOs   | 615                 | (1)               | 433               | (37)              | 1,048            | (38)               |
| ABSs   | 444                 | (6)               | 1,716             | (122)             | 2,160            | (128)              |
| <b>Total AFS fixed maturity securities in a continuous loss position</b> | <b>\$ 15,670</b>    | <b>\$ (504)</b>   | <b>\$ 44,549</b>  | <b>\$ (9,712)</b> | <b>\$ 60,219</b> | <b>\$ (10,216)</b> |

| As of December 31, 2023  | Less than 12 months |                   | 12 months or more |                   | Total            |                   |
|--|---------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|  | Fair value          | Unrealized losses | Fair value        | Unrealized losses | Fair value       | Unrealized losses |
| <i>(\$ in millions)</i>  |                     |                   |                   |                   |                  |                   |
| <b>AFS fixed maturity securities portfolio by type:</b>                  |                     |                   |                   |                   |                  |                   |
| U.S. government and agencies   | \$ 95               | \$ (3)            | \$ 199            | \$ (66)           | \$ 294           | \$ (69)           |
| U.S. state, municipal and political subdivisions                         | 112                 | (4)               | 3,829             | (981)             | 3,941            | (985)             |
| Corporate  | 4,682               | (364)             | 29,031            | (6,549)           | 33,713           | (6,913)           |
| RMBS   | 1,371               | (67)              | 4,355             | (608)             | 5,726            | (675)             |
| CMBS   | 332                 | (5)               | 6,032             | (726)             | 6,364            | (731)             |
| CBOs   | 2                   | —                 | 2,805             | (144)             | 2,807            | (144)             |
| CLOs   | 256                 | (1)               | 1,724             | (52)              | 1,980            | (53)              |
| ABSs   | 553                 | (16)              | 1,742             | (144)             | 2,295            | (160)             |
| <b>Total AFS fixed maturity securities in a continuous loss position</b> | <b>\$ 7,403</b>     | <b>\$ (460)</b>   | <b>\$ 49,717</b>  | <b>\$ (9,270)</b> | <b>\$ 57,120</b> | <b>\$ (9,730)</b> |



## Notes to the interim consolidated financial statements (unaudited)

Unrealized gains and losses can be created by changing interest rates or several other factors, including changing credit spreads. The Company had gross unrealized losses on below investment grade AFS fixed maturity securities of \$668 million and \$695 million as of June 30, 2024 and December 31, 2023, respectively. The single largest unrealized loss on AFS fixed maturity securities was \$98 million and \$112 million as of June 30, 2024 and December 31, 2023, respectively. The Company had 6,400 and 5,905 securities in an unrealized loss position as of June 30, 2024 and December 31, 2023, respectively.

As of June 30, 2024, AFS fixed maturity securities in an unrealized loss position for 12 months or more consisted of 4,818 debt securities. These debt securities primarily relate to Corporate, RMBS, and U.S. state, municipal and political subdivisions fixed maturity securities, which have depressed values due primarily to an increase in interest rates since the purchase of these securities. Unrealized losses were not recognized in net income on these debt securities since the Company neither intends to sell the securities nor does it believe that it is more likely than not that it will be required to sell these securities before recovery of their cost or amortized cost basis. For securities with significant declines in value, individual security level analysis was performed utilizing underlying collateral default expectations, market data and industry analyst reports.

### Allowance for credit losses on fixed maturity securities

The table below presents a roll-forward of the allowance for credit losses recognized for fixed maturity securities held by the Company:

|  | Three months ended June 30, 2024 |               |               | Six months ended June 30, 2024 |               |               |
|--|----------------------------------|---------------|---------------|--------------------------------|---------------|---------------|
|  | Corporate                        | Structured    | Total         | Corporate                      | Structured    | Total         |
| <b>(\$ in millions)</b>  |                                  |               |               |                                |               |               |
| <b>Balance, as of beginning of period</b>  | <b>\$ 29</b>                     | <b>\$ 181</b> | <b>\$ 210</b> | <b>\$ 49</b>                   | <b>\$ 221</b> | <b>\$ 270</b> |
| Initial credit loss allowance recognized on securities with no previously recognized allowance   | 13                               | —             | 13            | 22                             | 1             | 23            |
| Reductions due to sales (or maturities, pay downs or prepayments) during the period of securities with a previously recognized credit loss allowance | —                                | (3)           | (3)           | —                              | (10)          | (10)          |
| Net additions / reductions for securities with a previously recognized credit loss allowance   | 22                               | (15)          | 7             | 17                             | (49)          | (32)          |
| Balances charged off   | —                                | (12)          | (12)          | (24)                           | (12)          | (36)          |
| <b>Balance, as of end of period</b>  | <b>\$ 64</b>                     | <b>\$ 151</b> | <b>\$ 215</b> | <b>\$ 64</b>                   | <b>\$ 151</b> | <b>\$ 215</b> |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

|  | Three months ended June 30, 2023 |               |               | Six months ended June 30, 2023 |               |               |
|--|----------------------------------|---------------|---------------|--------------------------------|---------------|---------------|
|  | Corporate                        | Structured    | Total         | Corporate                      | Structured    | Total         |
| <b>(\$ in millions)</b>  |                                  |               |               |                                |               |               |
| <b>Balance, as of beginning of period</b>  | <b>\$ 1</b>                      | <b>\$ 200</b> | <b>\$ 201</b> | <b>\$ 1</b>                    | <b>\$ 127</b> | <b>\$ 128</b> |
| Initial impairments for credit losses recognized on securities not previously impaired   | 21                               | 2             | 23            | 21                             | 47            | 68            |
| Accretion of initial credit loss allowance on PCD securities   | —                                | 1             | 1             | —                              | 1             | 1             |
| Reductions due to sales (or maturities, pay downs or prepayments) during the period of securities previously identified as credit impaired | —                                | (3)           | (3)           | —                              | (6)           | (6)           |
| Net additions / reductions for securities previously impaired  | 1                                | 7             | 8             | 1                              | 38            | 39            |
| <b>Balance, as of end of period</b>  | <b>\$ 23</b>                     | <b>\$ 207</b> | <b>\$ 230</b> | <b>\$ 23</b>                   | <b>\$ 207</b> | <b>\$ 230</b> |

## Notes to the interim consolidated financial statements (unaudited)

### Mortgage and other loan receivables

Mortgage and other loan receivables consist of the following:

|  | June 30,<br>2024 | December 31,<br>2023 |
|--|------------------|----------------------|
| <b>(\$ in millions)</b>  |                  |                      |
| Commercial mortgage loans <sup>(1)</sup>   | \$ 23,388        | \$ 21,861            |
| Residential mortgage loans <sup>(1)</sup>  | 18,049           | 12,723               |
| Consumer loans   | 4,549            | 4,425                |
| Other loan receivables <sup>(2)</sup>  | 1,435            | 771                  |
| <b>Total mortgage and other loan receivables</b>                                     | <b>\$ 47,421</b> | <b>\$ 39,780</b>     |
| Allowance for credit losses <sup>(3)</sup>   | (601)            | (602)                |
| <b>Total mortgage and other loan receivables, net of allowance for credit losses</b> | <b>\$ 46,820</b> | <b>\$ 39,178</b>     |

(1) Includes \$603 million and \$697 million of loans carried at fair value using the fair value option as of June 30, 2024 and December 31, 2023, respectively. The fair value option was elected for these loans for asset-liability matching purposes. These loans had unpaid principal balances of \$684 million and \$785 million as of June 30, 2024 and December 31, 2023, respectively.

(2) As of June 30, 2024, other loan receivables consisted primarily of renewable energy development loans, warehouse facility loans backed by agricultural mortgages, loans collateralized by aircraft and loans collateralized by residential mortgages of \$455 million, \$427 million, \$347 million and \$200 million, respectively. As of December 31, 2023, other loan receivables consisted primarily of loans collateralized by aircraft and loans collateralized by residential mortgages of \$315 million and \$200 million, respectively.

(3) Includes credit loss allowances on purchase-credit deteriorated mortgage and other loan receivables of \$(74) million and \$(92) million as of June 30, 2024 and December 31, 2023, respectively.

The maturity distribution for residential and commercial mortgage loans was as follows as of June 30, 2024:

| Years                   | Residential      | Commercial       | Total<br>mortgage<br>loans |
|-------------------------|------------------|------------------|----------------------------|
| <b>(\$ in millions)</b> |                  |                  |                            |
| Remainder of 2024       | \$ 38            | \$ 1,397         | \$ 1,435                   |
| 2025                    | 14               | 4,173            | 4,187                      |
| 2026                    | 718              | 6,519            | 7,237                      |
| 2027                    | 705              | 4,778            | 5,483                      |
| 2028                    | 133              | 1,630            | 1,763                      |
| 2029                    | 13               | 1,058            | 1,071                      |
| Thereafter              | 16,428           | 3,833            | 20,261                     |
| <b>Total</b>            | <b>\$ 18,049</b> | <b>\$ 23,388</b> | <b>\$ 41,437</b>           |

Actual maturities could differ from contractual maturities because borrowers may have the right to prepay (with or without prepayment penalties) and loans may be refinanced.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The Company diversifies its mortgage loan portfolio by both geographic region and property type to reduce concentration risk. The following tables present the mortgage loans by geographic region and property type:

| Mortgage loans - carrying value by geographic region<br>(\$ in millions) | June 30,         |                | December 31,     |                |
|--|------------------|----------------|------------------|----------------|
|  | 2024             |                | 2023             |                |
| Pacific  | \$ 10,404        | 25.1 %         | \$ 8,649         | 25.0 %         |
| West South Central   | 4,905            | 11.8 %         | 4,203            | 12.2 %         |
| South Atlantic   | 11,436           | 27.6 %         | 9,654            | 27.9 %         |
| Middle Atlantic  | 5,124            | 12.4 %         | 4,436            | 12.8 %         |
| East North Central   | 1,388            | 3.3 %          | 1,166            | 3.4 %          |
| Mountain   | 3,887            | 9.4 %          | 3,263            | 9.4 %          |
| New England  | 1,596            | 3.9 %          | 1,471            | 4.3 %          |
| East South Central   | 882              | 2.1 %          | 731              | 2.1 %          |
| West North Central   | 434              | 1.0 %          | 359              | 1.0 %          |
| Other regions  | 1,381            | 3.4 %          | 652              | 1.9 %          |
| <b>Total by geographic region</b>  | <b>\$ 41,437</b> | <b>100.0 %</b> | <b>\$ 34,584</b> | <b>100.0 %</b> |

| Mortgage loans - carrying value by property type<br>(\$ in millions) | June 30,         |                | December 31,     |                |
|--|------------------|----------------|------------------|----------------|
|  | 2024             |                | 2023             |                |
| Residential  | \$ 18,049        | 43.6 %         | \$ 12,723        | 36.8 %         |
| Office building  | 4,396            | 10.6 %         | 4,586            | 13.3 %         |
| Multi-family   | 11,681           | 28.2 %         | 11,496           | 33.2 %         |
| Industrial   | 5,668            | 13.7 %         | 4,416            | 12.8 %         |
| Retail   | 488              | 1.2 %          | 494              | 1.4 %          |
| Other property types   | 814              | 1.9 %          | 578              | 1.7 %          |
| Warehouse  | 341              | 0.8 %          | 291              | 0.8 %          |
| <b>Total by property type</b>  | <b>\$ 41,437</b> | <b>100.0 %</b> | <b>\$ 34,584</b> | <b>100.0 %</b> |

### Allowance for credit losses

Changes in the allowance for credit losses are summarized below:

|  | Three months ended June 30, 2024 |                            |                                     |               |
|--|----------------------------------|----------------------------|-------------------------------------|---------------|
|  | Commercial mortgage loans        | Residential mortgage loans | Consumer and other loan receivables | Total         |
| <b>Balance, at beginning of period</b>       | <b>\$ 360</b>                    | <b>\$ 103</b>              | <b>\$ 213</b>                       | <b>\$ 676</b> |
| Net provision (release)                      | 30                               | (9)                        | 23                                  | 44            |
| Charge-offs                                  | (83)                             | (1)                        | (41)                                | (125)         |
| Recoveries of amounts previously charged-off | —                                | —                          | 6                                   | 6             |
| <b>Balance, as of end of period</b>          | <b>\$ 307</b>                    | <b>\$ 93</b>               | <b>\$ 201</b>                       | <b>\$ 601</b> |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

|  | Six months ended June 30, 2024 |                            |                                     |               |
|--|--------------------------------|----------------------------|-------------------------------------|---------------|
|  | Commercial mortgage loans      | Residential mortgage loans | Consumer and other loan receivables | Total         |
| <i>(\$ in millions)</i>                      |                                |                            |                                     |               |
| <b>Balance, at beginning of period</b>       | <b>\$ 319</b>                  | <b>\$ 109</b>              | <b>\$ 174</b>                       | <b>\$ 602</b> |
| Net provision (release)                      | 87                             | (14)                       | 98                                  | 171           |
| Charge-offs                                  | (99)                           | (2)                        | (82)                                | (183)         |
| Recoveries of amounts previously charged-off | —                              | —                          | 11                                  | 11            |
| <b>Balance, as of end of period</b>          | <b>\$ 307</b>                  | <b>\$ 93</b>               | <b>\$ 201</b>                       | <b>\$ 601</b> |

|  | Three months ended June 30, 2023 |                            |                                     |               |
|--|----------------------------------|----------------------------|-------------------------------------|---------------|
|  | Commercial mortgage loans        | Residential mortgage loans | Consumer and other loan receivables | Total         |
| <i>(\$ in millions)</i>                      |                                  |                            |                                     |               |
| <b>Balance, at beginning of period</b>       | <b>\$ 247</b>                    | <b>\$ 134</b>              | <b>\$ 208</b>                       | <b>\$ 589</b> |
| Net provision (release)                      | 7                                | 7                          | 17                                  | 31            |
| Charge-offs                                  | (14)                             | (2)                        | (35)                                | (51)          |
| Recoveries of amounts previously charged-off | —                                | —                          | 9                                   | 9             |
| <b>Balance, as of end of period</b>          | <b>\$ 240</b>                    | <b>\$ 139</b>              | <b>\$ 199</b>                       | <b>\$ 578</b> |

|  | Six months ended June 30, 2023 |                            |                                     |               |
|--|--------------------------------|----------------------------|-------------------------------------|---------------|
|  | Commercial mortgage loans      | Residential mortgage loans | Consumer and other loan receivables | Total         |
| <i>(\$ in millions)</i>                      |                                |                            |                                     |               |
| <b>Balance, at beginning of period</b>       | <b>\$ 227</b>                  | <b>\$ 126</b>              | <b>\$ 207</b>                       | <b>\$ 560</b> |
| Net provision (release)                      | 27                             | 17                         | 51                                  | 95            |
| Charge-offs                                  | (14)                           | (4)                        | (70)                                | (88)          |
| Recoveries of amounts previously charged-off | —                              | —                          | 11                                  | 11            |
| <b>Balance, as of end of period</b>          | <b>\$ 240</b>                  | <b>\$ 139</b>              | <b>\$ 199</b>                       | <b>\$ 578</b> |

### Credit quality indicators

#### *Mortgage and loan receivable performance status*

The following table represents our portfolio of mortgage and loan receivables by origination year and performance status:

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Performance status<br>as of June 30, 2024<br>(\$ in millions) | By year of origination |                 |                 |                  |                 |                 |                  |
|---|------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
|   | 2024                   | 2023            | 2022            | 2021             | 2020            | Prior           | Total            |
| <b>Commercial mortgage loans</b>                              |                        |                 |                 |                  |                 |                 |                  |
| Gross charge-offs for the six months ended June 30, 2024      | \$ —                   | \$ —            | \$ —            | \$ (43)          | \$ (11)         | \$ (45)         | \$ (99)          |
| Current   | \$ 1,853               | \$ 3,540        | \$ 6,409        | \$ 6,596         | \$ 623          | \$ 4,183        | \$ 23,204        |
| 30 to 59 days past due  | —                      | —               | —               | —                | —               | —               | —                |
| 60 to 89 days past due  | —                      | —               | —               | —                | —               | —               | —                |
| 90 days or more past due or in process of foreclosure         | —                      | —               | —               | 139              | —               | 45              | 184              |
| <b>Total commercial mortgage loans</b>                        | <b>\$ 1,853</b>        | <b>\$ 3,540</b> | <b>\$ 6,409</b> | <b>\$ 6,735</b>  | <b>\$ 623</b>   | <b>\$ 4,228</b> | <b>\$ 23,388</b> |
| <b>Residential mortgage loans</b>                             |                        |                 |                 |                  |                 |                 |                  |
| Gross charge-offs for the six months ended June 30, 2024      | \$ —                   | \$ —            | \$ (1)          | \$ (1)           | \$ —            | \$ —            | \$ (2)           |
| Current   | \$ 3,950               | \$ 4,353        | \$ 1,958        | \$ 4,290         | \$ 1,337        | \$ 1,613        | \$ 17,501        |
| 30 to 59 days past due  | 86                     | 43              | 26              | 27               | 5               | 82              | 269              |
| 60 to 89 days past due  | 1                      | 11              | 8               | 20               | 1               | 29              | 70               |
| 90 days or more past due or in process of foreclosure         | —                      | 12              | 21              | 51               | 8               | 117             | 209              |
| <b>Total residential mortgage loans</b>                       | <b>\$ 4,037</b>        | <b>\$ 4,419</b> | <b>\$ 2,013</b> | <b>\$ 4,388</b>  | <b>\$ 1,351</b> | <b>\$ 1,841</b> | <b>\$ 18,049</b> |
| <b>Consumer loans</b>   |                        |                 |                 |                  |                 |                 |                  |
| Gross charge-offs for the six months ended June 30, 2024      | \$ —                   | \$ (2)          | \$ (12)         | \$ (41)          | \$ (11)         | \$ (16)         | \$ (82)          |
| Current   | \$ 116                 | \$ 481          | \$ 508          | \$ 1,556         | \$ 632          | \$ 1,156        | \$ 4,449         |
| 30 to 59 days past due  | —                      | 2               | 4               | 25               | 3               | 15              | 49               |
| 60 to 89 days past due  | —                      | 1               | 2               | 11               | 2               | 6               | 22               |
| 90 days or more past due or in process of foreclosure         | —                      | 1               | 4               | 11               | 3               | 10              | 29               |
| <b>Total consumer loans</b>                                   | <b>\$ 116</b>          | <b>\$ 485</b>   | <b>\$ 518</b>   | <b>\$ 1,603</b>  | <b>\$ 640</b>   | <b>\$ 1,187</b> | <b>\$ 4,549</b>  |
| <b>Total mortgage and consumer loan receivables</b>           | <b>\$ 6,006</b>        | <b>\$ 8,444</b> | <b>\$ 8,940</b> | <b>\$ 12,726</b> | <b>\$ 2,614</b> | <b>\$ 7,256</b> | <b>\$ 45,986</b> |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Performance status as of December 31, 2023             | By year of origination |                 |                  |                 |                 |                 |                  | Total |
|--|------------------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|-------|
|  | 2023                   | 2022            | 2021             | 2020            | 2019            | Prior           |                  |       |
| <b>(\$ in millions)</b>                                |                        |                 |                  |                 |                 |                 |                  |       |
| <b>Commercial mortgage loans</b>                       |                        |                 |                  |                 |                 |                 |                  |       |
| Gross charge-offs for the year ended December 31, 2023 | \$ —                   | \$ —            | \$ —             | \$ —            | \$ (14)         | \$ (8)          | \$ (22)          |       |
| Current  | \$ 3,601               | \$ 6,278        | \$ 6,633         | \$ 624          | \$ 1,396        | \$ 2,969        | \$ 21,501        |       |
| 30 to 59 days past due                                 | —                      | —               | —                | —               | —               | —               | —                |       |
| 60 to 89 days past due                                 | —                      | —               | —                | —               | —               | 80              | 80               |       |
| 90 days or more past due or in process of foreclosure  | —                      | —               | 182              | 37              | —               | 61              | 280              |       |
| <b>Total commercial mortgage loans</b>                 | <b>\$ 3,601</b>        | <b>\$ 6,278</b> | <b>\$ 6,815</b>  | <b>\$ 661</b>   | <b>\$ 1,396</b> | <b>\$ 3,110</b> | <b>\$ 21,861</b> |       |
| <b>Residential mortgage loans</b>                      |                        |                 |                  |                 |                 |                 |                  |       |
| Gross charge-offs for the year ended December 31, 2023 | \$ —                   | \$ (1)          | \$ (2)           | \$ (1)          | \$ (1)          | \$ (2)          | \$ (7)           |       |
| Current  | \$ 2,795               | \$ 1,981        | \$ 4,518         | \$ 1,358        | \$ 222          | \$ 1,365        | \$ 12,239        |       |
| 30 to 59 days past due                                 | 43                     | 22              | 37               | 4               | 5               | 84              | 195              |       |
| 60 to 89 days past due                                 | 8                      | 9               | 10               | 1               | 1               | 27              | 56               |       |
| 90 days or more past due or in process of foreclosure  | 3                      | 19              | 73               | 12              | 9               | 117             | 233              |       |
| <b>Total residential mortgage loans</b>                | <b>\$ 2,849</b>        | <b>\$ 2,031</b> | <b>\$ 4,638</b>  | <b>\$ 1,375</b> | <b>\$ 237</b>   | <b>\$ 1,593</b> | <b>\$ 12,723</b> |       |
| <b>Consumer loans</b>                                  |                        |                 |                  |                 |                 |                 |                  |       |
| Gross charge-offs for the year ended December 31, 2023 | \$ —                   | \$ (18)         | \$ (83)          | \$ (23)         | \$ (16)         | \$ (20)         | \$ (160)         |       |
| Current  | \$ 109                 | \$ 497          | \$ 1,726         | \$ 702          | \$ 611          | \$ 656          | \$ 4,301         |       |
| 30 to 59 days past due                                 | 2                      | 4               | 29               | 5               | 4               | 13              | 57               |       |
| 60 to 89 days past due                                 | 1                      | 3               | 15               | 3               | 3               | 7               | 32               |       |
| 90 days or more past due or in process of foreclosure  | 3                      | 4               | 13               | 4               | 4               | 7               | 35               |       |
| <b>Total consumer loans</b>                            | <b>\$ 115</b>          | <b>\$ 508</b>   | <b>\$ 1,783</b>  | <b>\$ 714</b>   | <b>\$ 622</b>   | <b>\$ 683</b>   | <b>\$ 4,425</b>  |       |
| <b>Total mortgage and consumer loan receivables</b>    | <b>\$ 6,565</b>        | <b>\$ 8,817</b> | <b>\$ 13,236</b> | <b>\$ 2,750</b> | <b>\$ 2,255</b> | <b>\$ 5,386</b> | <b>\$ 39,009</b> |       |

## Notes to the interim consolidated financial statements (unaudited)

### ***Loan-to-value ratio on mortgage loans***

The loan-to-value ratio is expressed as a percentage of the current amount of the loan relative to the value of the underlying collateral. The following table summarizes the Company's loan-to-value ratios for its commercial mortgage loans as of June 30, 2024 and December 31, 2023:

| <b>Loan-to-value as of June 30, 2024, by year of origination</b> | <b>Carrying value loan-to-value 70% and less</b> | <b>Carrying value loan-to-value 71% - 90%</b> | <b>Carrying value loan-to-value over 90%</b> | <b>Total carrying value</b> |
|--|--|---|--|-----------------------------|
| <b><i>(\$ in millions)</i></b>                                   |  |   |  |                             |
| 2024   | \$ 1,853   | \$ —  | \$ —   | \$ 1,853                    |
| 2023   | 3,540  | —   | —  | 3,540                       |
| 2022   | 6,043  | 366   | —  | 6,409                       |
| 2021   | 4,865  | 1,552   | 318  | 6,735                       |
| 2020   | 495  | 92  | 36   | 623                         |
| 2019   | 1,249  | 55  | 39   | 1,343                       |
| Prior  | 2,730  | 54  | 101  | 2,885                       |
| <b>Total commercial mortgage loans</b>                           | <b>\$ 20,775</b>                                 | <b>\$ 2,119</b>                               | <b>\$ 494</b>                                | <b>\$ 23,388</b>            |

| <b>Loan-to-value as of December 31, 2023, by year of origination</b> | <b>Carrying value loan-to-value 70% and less</b> | <b>Carrying value loan-to-value 71% - 90%</b> | <b>Carrying value loan-to-value over 90%</b> | <b>Total carrying value</b> |
|--|--|---|--|-----------------------------|
| <b><i>(\$ in millions)</i></b>                                       |  |   |  |                             |
| 2023   | \$ 3,601   | \$ —  | \$ —   | \$ 3,601                    |
| 2022   | 5,913  | 365   | —  | 6,278                       |
| 2021   | 5,110  | 1,484   | 221  | 6,815                       |
| 2020   | 496  | 93  | 72   | 661                         |
| 2019   | 1,258  | 94  | 44   | 1,396                       |
| 2018   | 882  | 53  | 115  | 1,050                       |
| Prior  | 1,992  | —   | 68   | 2,060                       |
| <b>Total commercial mortgage loans</b>                               | <b>\$ 19,252</b>                                 | <b>\$ 2,089</b>                               | <b>\$ 520</b>                                | <b>\$ 21,861</b>            |

Changing economic conditions and updated assumptions affect the Company's assessment of the collectibility of commercial mortgage loans. Changing vacancies and rents are incorporated into the analysis that the Company performs to measure the allowance for credit losses. In addition, the Company continuously monitors its commercial mortgage loan portfolio to identify risk. Areas of emphasis are properties that have exposure to specific geographic events or have deteriorating credit.

The weighted average loan-to-value ratio for the Company's residential mortgage loans was 63% as of both June 30, 2024 and December 31, 2023.

### **Loan modifications**

The Company may modify the terms of a loan when the borrower is experiencing financial difficulties, as a means to optimize recovery of amounts due on the loan. Modifications may involve temporary relief, such as payment forbearance for a short period time (where interest continues to accrue) or may involve more substantive changes to a loan. Changes to the terms of a loan, pursuant to a modification agreement, are factored into the analysis of the loan's expected credit losses, under the allowance model applicable to the loan.



## Notes to the interim consolidated financial statements (unaudited)

For commercial mortgage loans, modifications for borrowers experiencing financial difficulty are tailored for individual loans and may include interest rate relief, maturity extensions or, less frequently, principal forgiveness. For both residential mortgage loans and consumer loans, the most common modifications for borrowers experiencing financial difficulty, aside from insignificant delays in payment, typically involve deferral of missed payments to the end of the loan term, interest rate relief, or maturity extensions.

The tables below present the carrying value of loans to borrowers experiencing financial difficulty, for which modifications have been granted during the six months ended June 30, 2024 and 2023:

| Six months ended June 30, 2024 by loan type | Deferral of Amounts Due | Interest Rate Relief | Maturity Extension | Combination <sup>(1)</sup> | Total         | Percentage of total carrying value outstanding |
|---|-------------------------|----------------------|--------------------|----------------------------|---------------|--|
| <i>(\$ in millions)</i>                     |                         |                      |                    |                            |               |  |
| Commercial mortgage loans                   | \$ —                    | \$ —                 | \$ —               | \$ 221                     | \$ 221        | 0.95 %   |
| Residential mortgage loans <sup>(2)</sup>   | 3                       | —                    | —                  | 8                          | 11            | 0.06 %   |
| Consumer loans                              | 2                       | 1                    | 20                 | 24                         | 47            | 1.03 %   |
| <b>Total</b>                                | <b>\$ 5</b>             | <b>\$ 1</b>          | <b>\$ 20</b>       | <b>\$ 253</b>              | <b>\$ 279</b> |  |

(1) Includes modifications involving a combination of deferral of amounts due, interest rate relief, or maturity extension.

(2) Certain loans that were modified in the prior quarter have since been repaid in full.

| Six months ended June 30, 2023 by loan type | Deferral of Amounts Due | Interest Rate Relief | Maturity Extension | Combination <sup>(1)</sup> | Total         | Percentage of total carrying value outstanding |
|---|-------------------------|----------------------|--------------------|----------------------------|---------------|--|
| <i>(\$ in millions)</i>                     |                         |                      |                    |                            |               |  |
| Commercial mortgage loans                   | \$ —                    | \$ —                 | \$ —               | \$ 199                     | \$ 199        | 1.01 %   |
| Residential mortgage loans <sup>(2)</sup>   | 1                       | 1                    | 29                 | 3                          | 34            | 0.30 %   |
| Consumer loans                              | 4                       | 1                    | 44                 | 10                         | 59            | 1.23 %   |
| <b>Total</b>                                | <b>\$ 5</b>             | <b>\$ 2</b>          | <b>\$ 73</b>       | <b>\$ 212</b>              | <b>\$ 292</b> |  |

(1) Includes modifications involving a combination of deferral of amounts due, interest rate relief, or maturity extension.

(2) Certain loans that were modified in the prior quarter have since been repaid in full.

All of the commercial mortgage loans that had a combination of modifications had both interest rate relief and maturity extensions. For these loans, the interest rate relief generally involved either a change from a floating rate or a decrease in fixed rate to a weighted average rate of 4.7% and 4.0%, for the six months ended June 30, 2024 and 2023, respectively. The maturity extensions for these loans added a weighted-average of 3.7 years and 2.5 years to the life of the loans, for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, the Company has commitments to lend additional funds of \$9 million for the modified commercial mortgage loans disclosed above.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The table below presents the performance status of the loans modified during the twelve months ended June 30, 2024:

| Performance status as of June 30, 2024 by loan type<br>(\$ in millions) | Current       | 30-59 days past due | 60-89 days past due | 90 days or more past due or in process of foreclosure | Total         |
|---|---------------|---------------------|---------------------|---|---------------|
| Commercial mortgage loans   | \$ 532        | \$ —                | \$ —                | \$ —  | \$ 532        |
| Residential mortgage loans  | 11            | 2                   | —                   | 4   | 17            |
| Consumer loans  | 60            | 10                  | 4                   | 3   | 77            |
| <b>Total<sup>(1)</sup></b>  | <b>\$ 603</b> | <b>\$ 12</b>        | <b>\$ 4</b>         | <b>\$ 7</b>   | <b>\$ 626</b> |

(1) Loans may have been modified more than once during the twelve months period; in this circumstance, the loan is only included once in this table. In addition, certain loans that were modified in prior quarters have since been repaid in full.

## Other investments

Other investments consist of the following:

|   | June 30, 2024    | December 31, 2023 |
|---|------------------|-------------------|
| (\$ in millions)  |                  |                   |
| Investments in real estate <sup>(1)</sup>                             | \$ 7,173         | \$ 4,778          |
| Investments in renewable energy <sup>(2)</sup>                        | 1,349            | 1,348             |
| Investments in transportation and other leased assets <sup>(3)</sup>  | 3,033            | 2,972             |
| Policy loans  | 1,609            | 1,556             |
| Other investment funds and partnerships <sup>(4)</sup>                | 2,141            | 181               |
| Federal Home Loan Bank, or "FHLB," common stock and other investments | 388              | 405               |
| Equity securities   | 21               | 20                |
| <b>Total other investments</b>  | <b>\$ 15,714</b> | <b>\$ 11,260</b>  |

(1) Primarily comprised of investments in real estate that are held in consolidated investment companies that use fair value accounting.

(2) Net of accumulated depreciation attributed to consolidated renewable energy assets of \$173 million and \$154 million as of June 30, 2024 and December 31, 2023, respectively.

(3) Net of accumulated depreciation of \$372 million and \$314 million as of June 30, 2024 and December 31, 2023, respectively.

(4) Includes related party balance of \$939 million and \$1 million as of June 30, 2024 and December 31, 2023, respectively.

The total amount of other investments accounted for using the equity method of accounting was \$1.8 billion and \$143 million as of June 30, 2024 and December 31, 2023, respectively. The Company's maximum exposure to loss related to these equity method investments is limited to the carrying value of these investments plus unfunded commitments of \$195 million and \$20 million as of June 30, 2024 and December 31, 2023, respectively.

In addition, the Company has investments that would otherwise require the equity method of accounting for which the fair value option has been elected. The carrying amount of these investments was \$476 million and \$176 million as of June 30, 2024 and December 31, 2023, respectively.

## Notes to the interim consolidated financial statements (unaudited)

### Variable interest entities

The Company has formed certain VIEs to either (i) hold investments, including fixed maturity securities, consumer and other loans, renewable energy, transportation and real estate, or (ii) to conduct certain reinsurance activities with third party commitments. These VIEs issue beneficial interests primarily to the Company's insurance companies and the Company maintains the power to direct the activities of the VIEs that most significantly impact their economic performance and bears the obligation to absorb losses or receive benefits from the VIEs that could potentially be significant. Accordingly, the Company is the primary beneficiary of these VIEs, which are consolidated. Where these VIEs or entities consolidated by these VIEs issue beneficial interests to third-parties, they are reported as non-controlling interests by the Company.

The following table illustrates the Company's consolidated VIE positions:

|   | June 30,<br>2024 | December 31,<br>2023 |
|---|------------------|----------------------|
| <b>(\$ in millions)</b>   |                  |                      |
| <b>Assets of consolidated variable interest entities:</b>           |                  |                      |
| <b>Investments:</b>   |                  |                      |
| AFS fixed maturity securities, at fair value                        | \$ 8,527         | \$ 8,817             |
| Mortgage and other loan receivables                                 | 4,700            | 4,568                |
| Other investments:  |                  |                      |
| Investments in renewable energy                                     | 1,304            | 1,293                |
| Investments in transportation and other leased assets               | 3,033            | 2,972                |
| Investments in real estate  | 7,161            | 4,776                |
| Other investment partnerships                                       | 710              | —                    |
| Other invested assets   | 136              | 130                  |
| <b>Total other investments</b>                                      | <b>12,344</b>    | <b>9,171</b>         |
| <b>Total investments</b>  | <b>25,571</b>    | <b>22,556</b>        |
| Cash and cash equivalents   | 985              | 783                  |
| Accrued investment income   | 246              | 238                  |
| Other assets  | 239              | 253                  |
| <b>Total assets of consolidated variable interest entities</b>      | <b>\$ 27,041</b> | <b>\$ 23,830</b>     |
| <b>Liabilities of consolidated variable interest entities:</b>      |                  |                      |
| Debt  | \$ 35            | \$ —                 |
| Accrued expenses and other liabilities                              | 381              | 337                  |
| <b>Total liabilities of consolidated variable interest entities</b> | <b>416</b>       | <b>337</b>           |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The carrying amount and maximum exposure to loss relating to VIEs in which the Company holds a significant variable interest but is not the primary beneficiary and which have not been consolidated were as follows:

|                                 | June 30, 2024   |   | December 31, 2023 |   |
|---------------------------------|-----------------|---|-------------------|---|
|                                 | Carrying amount | Maximum exposure to loss <sup>(1)</sup> | Carrying amount   | Maximum exposure to loss <sup>(1)</sup> |
| <i>(\$ in millions)</i>         |                 |   |                   |   |
| Other investment partnerships   | \$ 1,123        | \$ 1,123                                | \$ 170            | \$ 170                                  |
| Investments in renewable energy | 45              | 45                                      | 55                | 55                                      |
| <b>Total</b>                    | <b>\$ 1,168</b> | <b>\$ 1,168</b>                         | <b>\$ 225</b>     | <b>\$ 225</b>                           |

(1) The maximum exposure to loss relating to other investment and renewable energy partnership interests is equal to the carrying amounts. The Company also has unfunded commitments of \$26 million and \$23 million as of June 30, 2024 and December 31, 2023, respectively.

## Repurchase agreement transactions

As of June 30, 2024 and December 31, 2023, the Company participated in repurchase agreements with a notional value of \$565 million and \$1.4 billion, respectively. As collateral for these transactions, the Company typically posts AFS fixed maturity securities and residential mortgage loans, which are included in investments in the consolidated balance sheets. The gross obligation for repurchase agreements is reported in other liabilities in the consolidated balance sheets.

The carrying value of assets pledged for repurchase agreements by type of collateral and remaining contractual maturity of the repurchase agreements as of June 30, 2024 and December 31, 2023 is presented in the following tables:

| As of June 30, 2024         | Overnight   | <30 Days      | 30 - 90 Days | >90 Days     | Total         |
|-----------------------------|-------------|---------------|--------------|--------------|---------------|
| <i>(\$ in millions)</i>     |             |               |              |              |               |
| AFS corporate securities    | \$ —        | \$ 517        | \$ —         | \$ —         | \$ 517        |
| Residential mortgage loans  | —           | 3             | 34           | 35           | 72            |
| <b>Total assets pledged</b> | <b>\$ —</b> | <b>\$ 520</b> | <b>\$ 34</b> | <b>\$ 35</b> | <b>\$ 589</b> |

| As of December 31, 2023     | Overnight   | <30 Days     | 30 - 90 Days  | >90 Days      | Total           |
|-----------------------------|-------------|--------------|---------------|---------------|-----------------|
| <i>(\$ in millions)</i>     |             |              |               |               |                 |
| AFS corporate securities    | \$ —        | \$ —         | \$ 524        | \$ 849        | \$ 1,373        |
| Residential mortgage loans  | —           | 39           | —             | —             | 39              |
| <b>Total assets pledged</b> | <b>\$ —</b> | <b>\$ 39</b> | <b>\$ 524</b> | <b>\$ 849</b> | <b>\$ 1,412</b> |

## Other pledges and restrictions

Certain of the Company's subsidiaries are members of regional banks in the Federal Home Loan Banks (FHLB) system and such membership requires the members to own stock in these FHLBs. We own an aggregate of \$129 million and \$132 million (accounted for at cost basis) of stock in FHLBs as of June 30, 2024 and December 31, 2023, respectively. In addition, the Company's subsidiaries have entered into funding agreements with the FHLB, which require that the Company pledge eligible assets, such as fixed maturity securities and mortgage loans, as collateral. Assets pledged as collateral for these funding agreements had

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

a carrying value of \$3.9 billion and \$3.6 billion as of June 30, 2024 and December 31, 2023, respectively.

The capital stock of one of our equity method investments has been pledged as collateral security for the due payment and performance of the debt obligations of the investee. Our investment subject to this pledge had a carrying value of \$710 million as of June 30, 2024.

### Insurance - statutory deposits

As of June 30, 2024 and December 31, 2023, the carrying value of the assets on deposit with various state and U.S. governmental authorities were \$142 million and \$148 million, respectively.

### Net investment income

Net investment income is comprised primarily of interest income, including amortization of premiums and accretion of discounts, based on yields that change due to expectations in projected cash flows, dividend income from common and preferred stock, earnings from investments accounted for under equity method accounting, and lease income on other investments.

The components of net investment income were as follows:

|   | Three months ended |                 | Six months ended |                 |
|---|--------------------|-----------------|------------------|-----------------|
|   | June 30,           | June 30,        | June 30,         | June 30,        |
|   | 2024               | 2023            | 2024             | 2023            |
| <b>(\$ in millions)</b>   |                    |                 |                  |                 |
| Fixed maturity securities - interest and other income                               | \$ 1,492           | \$ 1,129        | \$ 2,893         | \$ 2,225        |
| Mortgage and other loan receivables   | 629                | 472             | 1,189            | 931             |
| Income assumed from funds withheld receivable at interest                           | 19                 | 26              | 41               | 48              |
| Income ceded to funds withheld payable at interest                                  | (586)              | (317)           | (1,106)          | (618)           |
| Policy loans  | 19                 | 9               | 44               | 19              |
| Investments in transportation and other leased assets                               | 85                 | 79              | 163              | 155             |
| Investments in renewable energy   | 11                 | 17              | 25               | 38              |
| Investments in real estate  | 52                 | 43              | 98               | 79              |
| Short-term and other investment income  | 120                | 55              | 266              | 132             |
| <b>Gross investment income<sup>(1)</sup></b>  | <b>\$ 1,841</b>    | <b>\$ 1,513</b> | <b>\$ 3,613</b>  | <b>\$ 3,009</b> |
| Less investment expenses:   |                    |                 |                  |                 |
| Investment management and administration <sup>(2)</sup>                             | 266                | 191             | 517              | 385             |
| Transportation, renewable energy and real-estate asset depreciation and maintenance | 50                 | 57              | 100              | 106             |
| Interest expense on derivative collateral and repurchase agreements                 | 26                 | 21              | 58               | 37              |
| <b>Net investment income</b>  | <b>\$ 1,499</b>    | <b>\$ 1,244</b> | <b>\$ 2,938</b>  | <b>\$ 2,481</b> |

(1) Includes income from related parties of \$81 million and \$45 million for the three months ended June 30, 2024 and 2023, respectively, and \$151 million and \$90 million for the six months ended June 30, 2024 and 2023, respectively.

## Notes to the interim consolidated financial statements (unaudited)

- (2) Includes investment management fees paid to KKR, a related party, of \$127 million and \$111 million for the three months ended June 30, 2024 and 2023, respectively, and \$239 million and \$219 million for the six months ended June 30, 2024 and 2023, respectively.

### Net investment-related losses

Net investment-related losses were as follows:

|   | Three months ended |                 | Six months ended |                 |
|---|--------------------|-----------------|------------------|-----------------|
|   | June 30,           | June 30,        | June 30,         | June 30,        |
|   | 2024               | 2023            | 2024             | 2023            |
| <b>(\$ in millions)</b>   |                    |                 |                  |                 |
| Realized losses on available-for-sale fixed maturity debt securities  | \$ (75)            | \$ (55)         | \$ (103)         | \$ (52)         |
| Credit loss allowances on available-for-sale securities   | (20)               | (31)            | 9                | (107)           |
| Credit loss allowances on mortgage and other loan receivables   | (44)               | (31)            | (171)            | (95)            |
| Allowances on unfunded commitments  | 32                 | 40              | 27               | 32              |
| Impairment of available-for-sale fixed maturity debt securities due to intent to sell                         | —                  | —               | —                | (27)            |
| Unrealized (losses) gains on fixed maturity securities classified as trading <sup>(1)</sup>                   | (485)              | (71)            | (574)            | 315             |
| Unrealized losses on investments recognized under the fair-value option and equity investments <sup>(2)</sup> | (35)               | (3)             | (77)             | (59)            |
| Unrealized (losses) gains on real estate investments recognized under investment company accounting           | (29)               | (43)            | (107)            | 20              |
| Net gains (losses) on derivative instruments  | 325                | 78              | 426              | (270)           |
| Realized gains on funds withheld at interest, payable   | 46                 | 4               | 70               | 8               |
| Realized (losses) gains on funds withheld at interest, receivable   | (21)               | (12)            | (23)             | 6               |
| Other realized (losses) gains   | 3                  | 2               | (11)             | (7)             |
| <b>Net investment-related losses</b>  | <b>\$ (303)</b>    | <b>\$ (122)</b> | <b>\$ (534)</b>  | <b>\$ (236)</b> |

- (1) Includes gains (losses) from related party KKR trading corporate debt securities of \$— million and \$(5) million for the three months ended June 30, 2024 and 2023, respectively, and \$12 million and \$5 million for the six months ended June 30, 2024 and 2023, respectively.

- (2) Includes losses from related party Parasol Renewable Energy Investments of \$(3) million and \$(38) million for the three and six months ended June 30, 2023, respectively.

**Notes to the interim consolidated financial statements (unaudited)**

**Proceeds and gross gains and losses from voluntary sales**

The proceeds from voluntary sales and the gross gains and losses on those sales of available-for-sale (“AFS”) fixed maturity securities were as follows:

|                                       | Three months ended |          | Six months ended |          |
|---------------------------------------|--------------------|----------|------------------|----------|
|                                       | June 30,           | June 30, | June 30,         | June 30, |
|                                       | 2024               | 2023     | 2024             | 2023     |
| <b>(\$ in millions)</b>               |                    |          |                  |          |
| <b>AFS fixed maturity securities:</b> |                    |          |                  |          |
| Proceeds from voluntary sales         | \$ 7,150           | \$ 1,728 | \$ 9,197         | \$ 3,135 |
| Gross gains                           | \$ 35              | \$ 16    | \$ 45            | \$ 31    |
| Gross losses                          | \$ (102)           | \$ (71)  | \$ (119)         | \$ (81)  |

**4. Derivative instruments**

The Company holds derivative instruments that are primarily used in its hedge program. The Company has established a hedge program that seeks to mitigate economic impacts primarily from interest rate and equity price movements, while taking into consideration accounting and capital impacts.

The Company hedges interest rate and equity market risks associated with its insurance liabilities including fixed-indexed annuities, indexed universal life policies, variable annuity policies and variable universal life policies, among others. For fixed-indexed annuities and indexed universal life policies, the Company generally seeks to use static hedges to offset the exposure primarily created by changes in its embedded derivative balances. The Company generally purchases options which replicate the crediting rate strategies, often in the form of call spreads. Call spreads are the purchase of a call option matched by the sale of a different call option. For variable annuities and variable universal life policies, the Company generally seeks to dynamically hedge its exposure to changes in the value of the guarantee it provides to policyholders. Doing so requires the active trading of several financial instruments to respond to changes in market conditions. In addition, the Company enters into inflation swaps to manage inflation risk associated with inflation-indexed preneed policies.

In the context of specific reinsurance transactions in the institutional channel or acquisitions, the Company may also enter into hedges which are designed to limit short-term market risks to the economic value of the target assets. From time to time, the Company also enters into hedges designed to mitigate interest rate and credit risk in investment income, interest expense, and fair value of assets and liabilities. In addition, the Company enters into currency swaps and forwards to manage any foreign exchange rate risks that may arise from investments denominated in foreign currencies.

The Company attempts to mitigate the risk of loss due to ineffectiveness under these derivative investments through a regular monitoring process which evaluates the program's effectiveness. Management monitors the Company's derivative activities by reviewing portfolio activities and risk levels. Management also oversees all derivative transactions to ensure that the types of transactions entered into and the results obtained from those transactions are consistent with both the Company's risk management strategy and the Company's policies and procedures.

## Notes to the interim consolidated financial statements (unaudited)

The restricted cash which was held in connection with open derivative transactions with exchange brokers was \$175 million and \$133 million as of June 30, 2024 and December 31, 2023, respectively.

The Company also has embedded derivatives related to reinsurance contracts that are accounted for on a modified coinsurance and funds withheld basis. An embedded derivative exists because the arrangement exposes the reinsurer to third-party credit risk. These embedded derivatives are included in funds withheld receivable and payable at interest in the consolidated balance sheets.

### Credit Risk

The Company may be exposed to credit-related losses in the event of nonperformance by its counterparties to derivatives. Generally, the current credit exposure of the Company's derivatives is limited to the positive fair value of derivatives less any collateral received from the counterparty.

The Company manages the credit risk on its derivatives by entering into derivative transactions with highly rated financial institutions and other creditworthy counterparties and, where feasible, by trading through central clearing counterparties. The Company further manages its credit risk on derivatives via the use of master netting agreements, which require the daily posting of collateral by the party in a liability position. Counterparty credit exposure and collateral values are monitored regularly and measured against counterparty exposure limits. The provisions of derivative transactions may allow for the termination and settlement of a transaction if there is a downgrade to the Company's financial strength ratings below a specified level.

The fair value and notional value of the derivative assets and liabilities were as follows:

|   | June 30, 2024    |                 |               |  |
|---|------------------|-----------------|---------------|--|
|   | Gross Notional   | Fair Value      |               |  |
|   |                  | Assets          | Liabilities   |  |
| <i>(\$ in millions)</i>   |                  |                 |               |  |
| <b>Derivatives designated as hedge accounting instruments:</b>          |                  |                 |               |  |
| Interest rate contracts   | \$ 9,456         | \$ 5            | \$ 411        |  |
| Foreign currency contracts  | 2,415            | 28              | 25            |  |
| <b>Total derivatives designated as hedge accounting instruments</b>     | <b>\$ 11,871</b> | <b>\$ 33</b>    | <b>\$ 436</b> |  |
| <b>Derivatives not designated as hedge accounting instruments:</b>      |                  |                 |               |  |
| Interest rate contracts   | \$ 28,197        | \$ 153          | \$ 353        |  |
| Equity market contracts   | 35,973           | 1,820           | 185           |  |
| Foreign currency contracts  | 2,536            | 68              | 60            |  |
| Other contracts   | 61               | —               | 3             |  |
| <b>Total derivatives not designated as hedge accounting instruments</b> | <b>\$ 66,767</b> | <b>\$ 2,041</b> | <b>\$ 601</b> |  |
| Impact of netting <sup>(2)</sup>  | —                | (2,043)         | (733)         |  |
| <b>Total derivatives<sup>(1)</sup></b>                                  | <b>\$ 78,638</b> | <b>\$ 31</b>    | <b>\$ 304</b> |  |

(1) Excludes embedded derivatives. The fair value of these embedded derivatives related to assets was \$114 million and the fair value of these embedded derivatives related to liabilities was \$2.1 billion.

(2) Represents netting of derivative exposures covered by qualifying master netting agreements.



Notes to the interim consolidated financial statements (unaudited)

| (\$ in millions)  | December 31, 2023 |                 |               |             |
|---|-------------------|-----------------|---------------|-------------|
|   | Gross Notional    | Fair Value      |               | Liabilities |
|   |                   | Assets          |               |             |
| <b>Derivatives designated as hedge accounting instruments:</b>          |                   |                 |               |             |
| Interest rate contracts   | \$ 7,321          | \$ —            | \$ 372        |             |
| Foreign currency contracts  | 2,302             | 24              | 73            |             |
| <b>Total derivatives designated as hedge accounting instruments</b>     | <b>\$ 9,623</b>   | <b>\$ 24</b>    | <b>\$ 445</b> |             |
| <b>Derivatives not designated as hedge accounting instruments:</b>      |                   |                 |               |             |
| Interest rate contracts   | \$ 22,259         | \$ 284          | \$ 306        |             |
| Equity market contracts   | 35,203            | 1,481           | 248           |             |
| Foreign currency contracts  | 1,331             | 66              | 57            |             |
| Other contracts   | 60                | —               | 1             |             |
| <b>Total derivatives not designated as hedge accounting instruments</b> | <b>\$ 58,853</b>  | <b>\$ 1,831</b> | <b>\$ 612</b> |             |
| Impact of netting <sup>(2)</sup>  | —                 | (1,809)         | (911)         |             |
| <b>Total derivatives<sup>(1)</sup></b>                                  | <b>\$ 68,476</b>  | <b>\$ 46</b>    | <b>\$ 146</b> |             |

(1) Excludes embedded derivatives. The fair value of these embedded derivatives related to assets was \$89 million and the fair value of these embedded derivatives related to liabilities was \$1.6 billion.

(2) Represents netting of derivative exposures covered by qualifying master netting agreements.

### Derivatives designated as accounting hedges

Where the Company has derivative instruments that are designated and qualify as accounting hedges, these derivative instruments receive hedge accounting.

#### Fair value hedges

The Company has designated foreign exchange, or “FX,” derivative contracts, including forwards and swaps, to hedge the foreign currency risk associated with foreign currency-denominated bonds in fair value hedges. These foreign currency-denominated bonds are accounted for as AFS fixed maturity securities. Changes in the fair value of the hedged AFS fixed maturity securities due to changes in spot exchange rates are reclassified from AOCI to earnings, which offsets the earnings impact of the spot changes of the FX derivative contracts, both of which are recognized within investment-related (losses) gains. The effectiveness of these hedges is assessed using the spot method. Changes in the fair value of the FX derivative contracts related to changes in the spot-forward difference are excluded from the assessment of hedge effectiveness and are deferred in AOCI and recognized in earnings using a systematic and rational method over the life of the FX derivative contracts.

The Company has designated interest rate swaps to hedge the interest rate risk associated with certain debt and policy liabilities. These fair value hedges qualify for the shortcut method of assessing hedge effectiveness.

## Notes to the interim consolidated financial statements (unaudited)

The following table presents the financial statement classification, carrying amount and cumulative fair value hedging adjustments for qualifying hedged assets and liabilities:

|  | Carrying Amount of the Hedged Assets / (Liabilities) |                   | Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of Hedged Assets / (Liabilities) <sup>(1)</sup> |                   |
|--|--|-------------------|---|-------------------|
|  | June 30, 2024  | December 31, 2023 | June 30, 2024   | December 31, 2023 |
| <b>(\$ in millions)</b>                      |  |                   |   |                   |
| AFS fixed maturity securities <sup>(2)</sup> | \$ 2,101   | \$ 2,324          | \$ (55)   | \$ 80             |
| Debt   | (2,297)  | (1,608)           | (215)   | (166)             |
| Policy liabilities                           | (4,138)  | (4,380)           | (252)   | (255)             |

(1) Includes \$20 million and \$28 million of hedging adjustments on discontinued hedging relationships as of June 30, 2024 and December 31, 2023, respectively.

(2) Carrying amount is the amortized cost for AFS debt securities.

### Cash flow hedges

The Company has designated bond forwards to hedge the interest rate risk associated with the planned purchase of AFS debt securities in cash flow hedges. These arrangements are hedging purchases through December 2027 and are expected to affect earnings until 2053. Regression analysis is used to assess the effectiveness of these hedges.

As of June 30, 2024 and December 31, 2023, there was a cumulative loss of \$(180) million and \$(127) million, respectively, on the currently designated bond forwards recorded in accumulated other comprehensive loss. Amounts deferred in accumulated other comprehensive loss are reclassified to net investment income following the qualifying purchases of AFS securities, as an adjustment to the yield earned over the life of the purchased securities, using the effective interest method.

The Company has designated interest rate swaps to hedge the interest rate risk associated with floating rate investments, including AFS fixed maturity securities and commercial mortgage loans. Regression analysis is used to assess the effectiveness of these hedges.

As of June 30, 2024, there was a cumulative gain (loss) of \$4 million on the currently designated interest rate swaps recorded in accumulated other comprehensive loss. Amounts deferred in accumulated other comprehensive loss are reclassified to net investment income in the same period during which the hedged investments affect earnings.

For all cash flow hedges, the Company estimates that the amount of gains/losses in accumulated other comprehensive loss to be reclassified into earnings in the next 12 months will not be material.

### Net investment hedges

The Company has designated cross currency swaps to hedge the foreign currency risk associated with foreign currency-denominated equity method investments in net investment hedges. The effectiveness of these hedges is assessed based on changes in spot rates.

Notes to the interim consolidated financial statements (unaudited)

Changes in the fair value of the swaps are recognized in other comprehensive income (OCI), consistent with the translation adjustment for the hedged investment. The component comprising the difference between forward rates and spot rates is amortized to net investment income over the life of the swaps. As of June 30, 2024, the cumulative foreign currency translation gain (loss) recorded in accumulated other comprehensive income (AOCI) related to net investment hedges was \$(9) million.

Derivative results

The following table presents the financial statement classification and amount of gains (losses) recognized on derivative instruments and related hedged items, where applicable:

|  | Three months ended June 30, 2024      |                       |                          |                  |                |  |
|--|---------------------------------------|-----------------------|--------------------------|------------------|----------------|--|
|  | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |  |
| <i>(\$ in millions)</i>  |                                       |                       |                          |                  |                |  |
| <b>Derivatives Designated as Hedge Accounting Instruments</b>                          |                                       |                       |                          |                  |                |  |
| <b>Fair Value Hedges</b>   |                                       |                       |                          |                  |                |  |
| <i>Gains (losses) on derivatives designated as hedge instruments:</i>                  |                                       |                       |                          |                  |                |  |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ (20)                  | \$ (29)          | —              |  |
| Foreign currency contracts   | 7                                     | 1                     | —                        | —                | (1)            |  |
| <b>Total gains (losses) on derivatives designated as hedge instruments</b>             | <b>\$ 7</b>                           | <b>\$ 1</b>           | <b>\$ (20)</b>           | <b>\$ (29)</b>   | <b>(1)</b>     |  |
| <i>Gains (losses) on hedged items:</i>   |                                       |                       |                          |                  |                |  |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ 20                    | \$ 29            | —              |  |
| Foreign currency contracts   | (10)                                  | —                     | —                        | —                | —              |  |
| <b>Total gains (losses) on hedged items</b>  | <b>\$ (10)</b>                        | <b>\$ —</b>           | <b>\$ 20</b>             | <b>\$ 29</b>     | <b>—</b>       |  |
| <i>Amortization for gains (losses) excluded from assessment of effectiveness:</i>      |                                       |                       |                          |                  |                |  |
| Foreign currency contracts   | \$ 7                                  | \$ —                  | \$ —                     | \$ —             | —              |  |
| <b>Total amortization for gains (losses) excluded from assessment of effectiveness</b> | <b>\$ 7</b>                           | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>—</b>       |  |
| <b>Total gains (losses) on fair value hedges, net of hedged items</b>                  | <b>\$ 4</b>                           | <b>\$ 1</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>(1)</b>     |  |
| <b>Cash Flow Hedges</b>  |                                       |                       |                          |                  |                |  |
| Interest rate contracts  | \$ (1)                                | \$ (1)                | \$ —                     | \$ —             | (19)           |  |
| <b>Total gains (losses) on cash flow hedges</b>  | <b>\$ (1)</b>                         | <b>\$ (1)</b>         | <b>\$ —</b>              | <b>\$ —</b>      | <b>(19)</b>    |  |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

|   | Three months ended June 30, 2024      |                       |                          |                  |                |
|---|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|   | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <i>(\$ in millions)</i>   |                                       |                       |                          |                  |                |
| <b>Net investment hedges</b>  |                                       |                       |                          |                  |                |
| Gains (losses) on derivatives designated as hedge instruments                             | \$ —                                  | \$ —                  | \$ —                     | \$ —             | \$ (9)         |
| <b>Total gains (losses) on net investment hedges</b>                                      | <b>\$ —</b>                           | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ (9)</b>  |
| <b>Derivatives Not Designated as Hedge Accounting Instruments</b>                         |                                       |                       |                          |                  |                |
| Interest rate contracts   | \$ (118)                              | \$ —                  | \$ —                     | \$ —             | \$ —           |
| Foreign exchange and other derivative contracts   | (3)                                   | —                     | —                        | —                | —              |
| Equity index options  | 91                                    | —                     | —                        | —                | —              |
| Equity future contracts   | (6)                                   | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld payable   | 358                                   | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld receivable  | —                                     | —                     | —                        | —                | —              |
| <b>Total gains (losses) on derivatives not designated as hedge accounting instruments</b> | <b>\$ 322</b>                         | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b>    |
| <b>Total</b>  | <b>\$ 325</b>                         | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ (29)</b> |

|  | Six months ended June 30, 2024        |                       |                          |                  |                |
|--|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|  | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <i>(\$ in millions)</i>  |                                       |                       |                          |                  |                |
| <b>Derivatives Designated as Hedge Accounting Instruments</b>                          |                                       |                       |                          |                  |                |
| <b>Fair Value Hedges</b>   |                                       |                       |                          |                  |                |
| <i>Gains (losses) on derivatives designated as hedge instruments:</i>                  |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ (84)                  | \$ (82)          | \$ —           |
| Foreign currency contracts   | 57                                    | 2                     | —                        | —                | (6)            |
| <b>Total gains (losses) on derivatives designated as hedge instruments</b>             | <b>\$ 57</b>                          | <b>\$ 2</b>           | <b>\$ (84)</b>           | <b>\$ (82)</b>   | <b>\$ (6)</b>  |
| <i>Gains (losses) on hedged items:</i>   |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ 84                    | \$ 82            | \$ —           |
| Foreign currency contracts   | (55)                                  | —                     | —                        | —                | —              |
| <b>Total gains (losses) on hedged items</b>  | <b>\$ (55)</b>                        | <b>\$ —</b>           | <b>\$ 84</b>             | <b>\$ 82</b>     | <b>\$ —</b>    |
| <i>Amortization for gains (losses) excluded from assessment of effectiveness:</i>      |                                       |                       |                          |                  |                |
| Foreign currency contracts   | \$ 13                                 | \$ —                  | \$ —                     | \$ —             | \$ —           |
| <b>Total amortization for gains (losses) excluded from assessment of effectiveness</b> | <b>\$ 13</b>                          | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b>    |

# Global Atlantic Limited (Delaware) and subsidiaries

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|   | Six months ended June 30, 2024        |                       |                          |                  |                |
|---|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|   | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <i>(\$ in millions)</i>   |                                       |                       |                          |                  |                |
| <b>Total gains (losses) on fair value hedges, net of hedged items</b>                     | \$ 15                                 | \$ 2                  | \$ —                     | \$ —             | \$ (6)         |
| <b>Cash Flow Hedges</b>   |                                       |                       |                          |                  |                |
| Interest rate contracts   | \$ (1)                                | \$ (2)                | \$ —                     | \$ —             | \$ (50)        |
| <b>Total gains (losses) on cash flow hedges</b>   | \$ (1)                                | \$ (2)                | \$ —                     | \$ —             | \$ (50)        |
| <b>Net investment hedges</b>  |                                       |                       |                          |                  |                |
| Gains (losses) on derivatives designated as hedge instruments                             | \$ —                                  | \$ —                  | \$ —                     | \$ —             | \$ (9)         |
| <b>Total gains (losses) on net investment hedges</b>                                      | \$ —                                  | \$ —                  | \$ —                     | \$ —             | \$ (9)         |
| <b>Derivatives Not Designated as Hedge Accounting Instruments</b>                         |                                       |                       |                          |                  |                |
| Interest rate contracts   | \$ (367)                              | \$ —                  | \$ —                     | \$ —             | \$ —           |
| Foreign exchange and other derivative contracts   | 22                                    | —                     | —                        | —                | —              |
| Equity index options  | 349                                   | —                     | —                        | —                | —              |
| Equity future contracts   | (70)                                  | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld payable   | 453                                   | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld receivable  | 25                                    | —                     | —                        | —                | —              |
| <b>Total gains (losses) on derivatives not designated as hedge accounting instruments</b> | \$ 412                                | \$ —                  | \$ —                     | \$ —             | \$ —           |
| <b>Total</b>  | \$ 426                                | \$ —                  | \$ —                     | \$ —             | \$ (65)        |

|  | Three months ended June 30, 2023      |                       |                          |                  |                |
|--|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|  | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <i>(\$ in millions)</i>  |                                       |                       |                          |                  |                |
| <b>Derivatives Designated as Hedge Accounting Instruments</b>              |                                       |                       |                          |                  |                |
| <b>Fair Value Hedges</b>   |                                       |                       |                          |                  |                |
| <i>Gains (losses) on derivatives designated as hedge instruments:</i>      |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ (86)                  | \$ (40)          | \$ —           |
| Foreign currency contracts   | (20)                                  | —                     | —                        | —                | (6)            |
| <b>Total gains (losses) on derivatives designated as hedge instruments</b> | \$ (20)                               | \$ —                  | \$ (86)                  | \$ (40)          | \$ (6)         |
| <i>Gains (losses) on hedged items:</i>                                     |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ 86                    | \$ 40            | \$ —           |
| Foreign currency contracts   | 26                                    | —                     | —                        | —                | —              |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

|   | Three months ended June 30, 2023      |                       |                          |                  |                |
|---|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|   | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <b>(\$ in millions)</b>   |                                       |                       |                          |                  |                |
| <b>Total gains (losses) on hedged items</b>   | \$ 26                                 | \$ —                  | \$ 86                    | \$ 40            | \$ —           |
| <i>Amortization for gains (losses) excluded from assessment of effectiveness:</i>         |                                       |                       |                          |                  |                |
| Foreign currency contracts  | \$ 8                                  | \$ —                  | \$ —                     | \$ —             | \$ —           |
| <b>Total amortization for gains (losses) excluded from assessment of effectiveness</b>    | \$ 8                                  | \$ —                  | \$ —                     | \$ —             | \$ —           |
| <b>Total gains (losses) on fair value hedges, net of hedged items</b>                     | \$ 14                                 | \$ —                  | \$ —                     | \$ —             | \$ (6)         |
| <b>Cash Flow Hedges</b>   |                                       |                       |                          |                  |                |
| Interest rate contracts   | \$ (1)                                | \$ —                  | \$ —                     | \$ —             | \$ (21)        |
| <b>Total gains (losses) on cash flow hedges</b>   | \$ (1)                                | \$ —                  | \$ —                     | \$ —             | \$ (21)        |
| <b>Derivatives Not Designated as Hedge Accounting Instruments</b>                         |                                       |                       |                          |                  |                |
| Interest rate and foreign exchange contracts  | \$ (165)                              | \$ —                  | \$ —                     | \$ —             | \$ —           |
| Equity index options  | 231                                   | —                     | —                        | —                | —              |
| Equity future contracts   | (48)                                  | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld payable   | 33                                    | —                     | —                        | —                | —              |
| Embedded derivatives - funds withheld receivable  | 14                                    | —                     | —                        | —                | —              |
| <b>Total gains (losses) on derivatives not designated as hedge accounting instruments</b> | \$ 65                                 | \$ —                  | \$ —                     | \$ —             | \$ —           |
| <b>Total</b>  | \$ 78                                 | \$ —                  | \$ —                     | \$ —             | \$ (27)        |

|  | Six months ended June 30, 2023        |                       |                          |                  |                |
|--|---------------------------------------|-----------------------|--------------------------|------------------|----------------|
|  | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense | Change in AOCI |
| <b>(\$ in millions)</b>  |                                       |                       |                          |                  |                |
| <b>Derivatives Designated as Hedge Accounting Instruments</b>              |                                       |                       |                          |                  |                |
| <b>Fair Value Hedges</b>   |                                       |                       |                          |                  |                |
| <i>Gains (losses) on derivatives designated as hedge instruments:</i>      |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ (51)                  | \$ (20)          | \$ —           |
| Foreign currency contracts   | (55)                                  | —                     | —                        | —                | 3              |
| <b>Total gains (losses) on derivatives designated as hedge instruments</b> | \$ (55)                               | \$ —                  | \$ (51)                  | \$ (20)          | \$ 3           |
| <i>Gains (losses) on hedged items:</i>                                     |                                       |                       |                          |                  |                |
| Interest rate contracts  | \$ —                                  | \$ —                  | \$ 51                    | \$ 20            | \$ —           |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

|   | Six months ended June 30, 2023        |                       |                          |                  |             | Change in AOCI |
|---|---------------------------------------|-----------------------|--------------------------|------------------|-------------|----------------|
|   | Net Investment-related Gains (Losses) | Net Investment Income | Policy Benefits (Claims) | Interest Expense |             |                |
| <b>(\$ in millions)</b>   |                                       |                       |                          |                  |             |                |
| Foreign currency contracts  | 56                                    | —                     | —                        | —                |             | —              |
| <b>Total gains (losses) on hedged items</b>   | <b>\$ 56</b>                          | <b>\$ —</b>           | <b>\$ 51</b>             | <b>\$ 20</b>     |             | <b>—</b>       |
| <i>Amortization for gains (losses) excluded from assessment of effectiveness:</i>         |                                       |                       |                          |                  |             |                |
| Foreign currency contracts  | \$ 14                                 | \$ —                  | \$ —                     | \$ —             | \$ —        | —              |
| <b>Total amortization for gains (losses) excluded from assessment of effectiveness</b>    | <b>\$ 14</b>                          | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b> | <b>—</b>       |
| <b>Total gains (losses) on fair value hedges, net of hedged items</b>                     | <b>\$ 15</b>                          | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b> | <b>3</b>       |
| <b>Cash Flow Hedges</b>   |                                       |                       |                          |                  |             |                |
| Interest rate contracts   | \$ (1)                                | \$ —                  | \$ —                     | \$ —             | \$ —        | 37             |
| <b>Total gains (losses) on cash flow hedges</b>   | <b>\$ (1)</b>                         | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b> | <b>37</b>      |
| <b>Derivatives Not Designated as Hedge Accounting Instruments</b>                         |                                       |                       |                          |                  |             |                |
| Interest rate and foreign exchange contracts  | \$ (96)                               | \$ —                  | \$ —                     | \$ —             | \$ —        | —              |
| Equity index options  | 315                                   | —                     | —                        | —                | —           | —              |
| Equity future contracts   | (89)                                  | —                     | —                        | —                | —           | —              |
| Embedded derivatives - funds withheld payable   | (397)                                 | —                     | —                        | —                | —           | —              |
| Embedded derivatives - funds withheld receivable  | (17)                                  | —                     | —                        | —                | —           | —              |
| <b>Total gains (losses) on derivatives not designated as hedge accounting instruments</b> | <b>\$ (284)</b>                       | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b> | <b>—</b>       |
| <b>Total</b>  | <b>\$ (270)</b>                       | <b>\$ —</b>           | <b>\$ —</b>              | <b>\$ —</b>      | <b>\$ —</b> | <b>40</b>      |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

### Collateral

The amount of the Company's net derivative assets and liabilities after consideration of collateral received or pledged were as follows:

| <b>As of June 30, 2024</b>                              | <b>Gross amount recognized</b> | <b>Gross amounts offset in the consolidated balance sheets<sup>(1)</sup></b> | <b>Net amounts presented in the consolidated balance sheets</b> | <b>Collateral (received) / pledged</b> | <b>Net amount after collateral</b> |
|---|--------------------------------|--|---|--|------------------------------------|
| <b>(\$ in millions)</b>                                 |                                |  |   |  |                                    |
| Derivative assets (excluding embedded derivatives)      | \$ 2,074                       | \$ (2,043)   | \$ 31   | \$ (65)                                | \$ (34)                            |
| Derivative liabilities (excluding embedded derivatives) | \$ 1,037                       | \$ (733)   | \$ 304  | \$ 248                                 | \$ 56                              |

(1) Represents netting of derivative exposures covered by qualifying master netting agreements.

| <b>As of December 31, 2023</b>                          | <b>Gross amount recognized</b> | <b>Gross amounts offset in the consolidated balance sheets<sup>(1)</sup></b> | <b>Net amounts presented in the consolidated balance sheets</b> | <b>Collateral (received) / pledged</b> | <b>Net amount after collateral</b> |
|---|--------------------------------|--|---|--|------------------------------------|
| <b>(\$ in millions)</b>                                 |                                |  |   |  |                                    |
| Derivative assets (excluding embedded derivatives)      | \$ 1,855                       | \$ (1,809)   | \$ 46   | \$ (45)                                | \$ 1                               |
| Derivative liabilities (excluding embedded derivatives) | \$ 1,057                       | \$ (911)   | \$ 146  | \$ 168                                 | \$ (22)                            |

(1) Represents netting of derivative exposures covered by qualifying master netting agreements.

## 5. Fair value disclosure of financial instruments

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date ("the exit price"). The best evidence of fair value is a quoted price in an active market. If listed prices or quotations are not available, fair value is determined by reference to prices of similar instruments and quoted prices or recent prices in less active markets.

U.S. GAAP establishes a three-level valuation hierarchy based upon observable and non-observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair value hierarchy prioritizes inputs to the valuation techniques used to measure fair value, giving the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to



# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

fair value measurement of the financial instrument. The three levels of the fair value hierarchy are described below:

### Basis of fair value measurement

Level 1: Unadjusted quoted prices in active markets to which the Company had access as of the measurement date for identical, unrestricted assets and liabilities.

Level 2: Inputs to valuation techniques are observable either directly or indirectly through quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and

Level 3: Model-derived where one or more inputs to the valuation techniques are significant and unobservable.

The measurement of Level 3 financial instrument fair values uses unobservable inputs that are based on management judgment and the internal determination of assumptions that market participants would use in valuing them. Valuation subjectivity increases when markets are less liquid due to the lack of more transparent market-based inputs, which may increase the potential that estimated fair values are not reflective of the price at which an actual transaction would occur.

The following tables represent the Company's hierarchy for its assets and liabilities measured and reported at fair value by the fair value hierarchy on a recurring basis:

| As of June 30, 2024<br>(\$ in millions)          | Level 1      | Level 2       | Level 3       | Total         |
|--|--------------|---------------|---------------|---------------|
| <b>Assets:</b>                                   |              |               |               |               |
| <b>AFS fixed maturity securities:</b>            |              |               |               |               |
| U.S. government and agencies                     | \$ 2,473     | \$ 120        | \$ —          | \$ 2,593      |
| U.S. state, municipal and political subdivisions | —            | 4,135         | —             | 4,135         |
| Corporate <sup>(1)</sup>                         | —            | 30,955        | 11,971        | 42,926        |
| Structured securities <sup>(2)</sup>             | —            | 25,522        | 2,109         | 27,631        |
| <b>Total AFS fixed maturity securities</b>       | <b>2,473</b> | <b>60,732</b> | <b>14,080</b> | <b>77,285</b> |
| <b>Trading fixed maturity securities:</b>        |              |               |               |               |
| U.S. government and agencies                     | 2,910        | 170           | —             | 3,080         |
| U.S. state, municipal and political subdivisions | —            | 732           | —             | 732           |
| Corporate <sup>(3)</sup>                         | —            | 12,820        | 1,452         | 14,272        |
| Structured securities <sup>(4)</sup>             | —            | 6,769         | 654           | 7,423         |
| <b>Total trading fixed maturity securities</b>   | <b>2,910</b> | <b>20,491</b> | <b>2,106</b>  | <b>25,507</b> |
| Equity securities                                | 6            | —             | 15            | 21            |
| Mortgage and other loan receivables              | —            | —             | 603           | 603           |
| Other investments <sup>(5)</sup>                 | —            | —             | 7,550         | 7,550         |
| Funds withheld receivable at interest            | —            | —             | 114           | 114           |
| Reinsurance recoverable                          | —            | —             | 927           | 927           |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of June 30, 2024               | Level 1         | Level 2          | Level 3          | Total             |
|-----------------------------------|-----------------|------------------|------------------|-------------------|
| (\$ in millions)                  |                 |                  |                  |                   |
| <b>Derivative assets:</b>         |                 |                  |                  |                   |
| Equity market contracts           | 2               | 1,818            | —                | 1,820             |
| Interest rate contracts           | 3               | 155              | —                | 158               |
| Foreign currency contracts        | —               | 96               | —                | 96                |
| Impact of netting <sup>(6)</sup>  | (5)             | (2,038)          | —                | (2,043)           |
| <b>Total derivative assets</b>    | <b>—</b>        | <b>31</b>        | <b>—</b>         | <b>31</b>         |
| Separate account assets           | 4,123           | —                | —                | 4,123             |
| <b>Total assets at fair value</b> | <b>\$ 9,512</b> | <b>\$ 81,254</b> | <b>\$ 25,395</b> | <b>\$ 116,161</b> |

### Liabilities:

|  |             |               |                 |                 |
|--|-------------|---------------|-----------------|-----------------|
| Policy liabilities <sup>(6)</sup> (including market risk benefits) | \$ —        | \$ —          | \$ 1,320        | \$ 1,320        |
| Closed block policy liabilities                                    | —           | —             | 971             | 971             |
| Funds withheld payable at interest                                 | —           | —             | (2,900)         | (2,900)         |
| <b>Derivative instruments payable:</b>                             |             |               |                 |                 |
| Equity market contracts  | 3           | 182           | —               | 185             |
| Interest rate contracts  | 2           | 762           | —               | 764             |
| Other contracts  | —           | 3             | —               | 3               |
| Foreign currency contracts   | —           | 85            | —               | 85              |
| Impact of netting <sup>(7)</sup>                                   | (5)         | (728)         | —               | (733)           |
| <b>Total derivative instruments payable</b>                        | <b>—</b>    | <b>304</b>    | <b>—</b>        | <b>304</b>      |
| Embedded derivative – interest-sensitive life products             | —           | —             | 495             | 495             |
| Embedded derivative – annuity products                             | —           | —             | 4,478           | 4,478           |
| <b>Total liabilities at fair value</b>                             | <b>\$ —</b> | <b>\$ 304</b> | <b>\$ 4,364</b> | <b>\$ 4,668</b> |

(1) Includes related party KKR AFS corporate debt securities of \$3.6 billion.

(2) Includes related party KKR AFS structured securities of \$201 million.

(3) Includes related party KKR trading corporate debt securities of \$596 million.

(4) Includes related party KKR trading structured securities of \$113 million.

(5) Other investments excluded from the fair value hierarchy include private equity funds for which fair value is measured at net asset value per share as a practical expedient. As of June 30, 2024, the fair value of these investments was \$101 million. These investments have strategies primarily focused on real assets (including real estate and infrastructure) and are subject to certain restrictions on redemption. As of June 30, 2024, there were \$3 million of unfunded commitments associated with these investments.

(6) Includes market risk benefit of \$1.0 billion.

(7) Represents netting of derivative exposures covered by qualifying master netting agreements.

| As of December 31, 2023                          | Level 1      | Level 2       | Level 3       | Total         |
|--|--------------|---------------|---------------|---------------|
| (\$ in millions)                                 |              |               |               |               |
| <b>Assets:</b>                                   |              |               |               |               |
| <b>AFS fixed maturity securities:</b>            |              |               |               |               |
| U.S. government and agencies                     | \$ 1,083     | \$ 121        | \$ —          | \$ 1,204      |
| U.S. state, municipal and political subdivisions | —            | 4,608         | —             | 4,608         |
| Corporate <sup>(1)</sup>                         | —            | 31,405        | 11,106        | 42,511        |
| Structured securities <sup>(2)</sup>             | —            | 21,956        | 1,837         | 23,793        |
| <b>Total AFS fixed maturity securities</b>       | <b>1,083</b> | <b>58,090</b> | <b>12,943</b> | <b>72,116</b> |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of December 31, 2023                          | Level 1         | Level 2          | Level 3          | Total             |
|--|-----------------|------------------|------------------|-------------------|
| <b>(\$ in millions)</b>                          |                 |                  |                  |                   |
| <b>Trading fixed maturity securities:</b>        |                 |                  |                  |                   |
| U.S. government and agencies                     | 2,354           | 164              | —                | 2,518             |
| U.S. state, municipal and political subdivisions | —               | 1,224            | —                | 1,224             |
| Corporate <sup>(3)</sup>                         | —               | 9,843            | 1,152            | 10,995            |
| Structured securities <sup>(4)</sup>             | —               | 4,014            | 646              | 4,660             |
| <b>Total trading fixed maturity securities</b>   | <b>2,354</b>    | <b>15,245</b>    | <b>1,798</b>     | <b>19,397</b>     |
| Equity securities                                | 4               | —                | 16               | 20                |
| Mortgage and other loan receivables              | —               | —                | 697              | 697               |
| Other investments <sup>(5)</sup>                 | —               | —                | 4,926            | 4,926             |
| Funds withheld receivable at interest            | —               | —                | 89               | 89                |
| Reinsurance recoverable                          | —               | —                | 926              | 926               |
| <b>Derivative assets:</b>                        |                 |                  |                  |                   |
| Equity market contracts                          | 2               | 1,479            | —                | 1,481             |
| Interest rate contracts                          | 19              | 265              | —                | 284               |
| Foreign currency contracts                       | —               | 90               | —                | 90                |
| Impact of netting <sup>(6)</sup>                 | (24)            | (1,785)          | —                | (1,809)           |
| <b>Total derivative assets</b>                   | <b>(3)</b>      | <b>49</b>        | <b>—</b>         | <b>46</b>         |
| Separate account assets                          | 4,107           | —                | —                | 4,107             |
| <b>Total assets at fair value</b>                | <b>\$ 7,545</b> | <b>\$ 73,384</b> | <b>\$ 21,395</b> | <b>\$ 102,324</b> |

### Liabilities:

|  |           |          |           |            |           |              |           |              |
|--|-----------|----------|-----------|------------|-----------|--------------|-----------|--------------|
| Policy liabilities <sup>(6)</sup> (including market risk benefits) | \$        | —        | \$        | —          | \$        | 1,475        | \$        | 1,475        |
| Closed block policy liabilities                                    |           | —        |           | —          |           | 969          |           | 969          |
| Funds withheld payable at interest                                 |           | —        |           | —          |           | (2,447)      |           | (2,447)      |
| <b>Derivative instruments payable:</b>                             |           |          |           |            |           |              |           |              |
| Equity market contracts  |           | 7        |           | 241        |           | —            |           | 248          |
| Interest rate contracts  |           | 18       |           | 660        |           | —            |           | 678          |
| Foreign currency contracts   |           | —        |           | 130        |           | —            |           | 130          |
| Other contracts  |           | —        |           | 1          |           | —            |           | 1            |
| Impact of netting <sup>(7)</sup>                                   |           | (24)     |           | (887)      |           | —            |           | (911)        |
| <b>Total derivative instruments payable</b>                        |           | <b>1</b> |           | <b>145</b> |           | <b>—</b>     |           | <b>146</b>   |
| Embedded derivative - interest-sensitive life products             |           | —        |           | —          |           | 458          |           | 458          |
| Embedded derivative - annuity products                             |           | —        |           | —          |           | 3,587        |           | 3,587        |
| <b>Total liabilities at fair value</b>                             | <b>\$</b> | <b>1</b> | <b>\$</b> | <b>145</b> | <b>\$</b> | <b>4,042</b> | <b>\$</b> | <b>4,188</b> |

(1) Includes related party KKR AFS corporate debt securities of \$2.6 billion.

(2) Includes related party KKR AFS structured securities of \$141 million.

(3) Includes related party KKR trading corporate debt securities of \$522 million.

(4) Includes related party KKR trading structured securities of \$70 million.

(5) Other investments excluded from the fair value hierarchy include certain real estate and private equity funds for which fair value is measured at net asset value per share as a practical expedient. As of December 31, 2023, the fair value of these investments was \$139 million.

(6) Includes market risk benefit of \$1.1 billion.

(7) Represents netting of derivative exposures covered by qualifying master netting agreements.

## Notes to the interim consolidated financial statements (unaudited)

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### Fair value techniques and inputs

The following is a description of the valuation techniques and inputs used for instruments carried at fair value. The observability of the inputs used in the valuation determines the appropriate level in the fair value hierarchy for the respective asset or liability. Also refer to Note 2—"Summary of significant account policies and practices" for additional information valuation techniques used for the respective reported balances.

#### Investments

Investments in U.S. Treasury, government and agency securities, foreign government securities, short-term money market securities and mutual funds held in separate accounts are valued using quoted market prices for identical unrestricted instruments in active markets. Investments such as fixed maturity securities for which quoted market prices from active markets are not available are priced using observable inputs, which can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations and the relationship of recent market activity to the prices provided from alternative pricing sources. Other investments having one or more significant valuation inputs that are not observable are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequently, the Company uses other methodologies to determine fair value, which vary based on the type of investment.

Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realized on sales.

#### Derivative instruments

Derivative instruments such as exchange-traded futures and options are valued at their quoted market price. Most of the over the counter derivative instruments used by the Company are those for which all significant valuation inputs are corroborated by market evidence. These derivative instruments are principally valued using an income approach. The Company calculates the fair value of derivative assets by discounting future cash flows at a rate that incorporates counterparty credit spreads and the fair value of derivative liabilities by discounting future cash flows at a rate that incorporates the Company's own credit spreads. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence.

Valuations for non-option based interest rate derivatives are based on present value techniques, which utilize significant inputs that may include the swap yield curve, LIBOR basis curves and repurchase rates. Valuations for option based interest rate derivatives are based on option pricing models, which utilize significant inputs that may include the swap yield curve, LIBOR basis curves and interest rate volatility.

Prices for foreign currency derivatives based on the exchange rates of leading industrialized nations, including those with longer tenors, are generally observable. The valuation of other derivative instruments including credit derivatives and equity market derivatives have significant unobservable inputs, such as equity volatility inputs for options that are very long dated, and are principally valued using an income approach.

## Notes to the interim consolidated financial statements (unaudited)

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### Funds withheld at interest, reinsurance assets and policy liabilities

The funds withheld receivable at interest carried at fair value is primarily valued based on the fair value of the underlying investments, which have quoted prices or other observable inputs to pricing. A portion of the funds withheld receivable at interest carried at fair value represents embedded derivatives and is valued using present value techniques that consider inputs including contractholder persistency and contract duration. Reinsurance recoverables carried at fair value are valued using present value techniques that consider inputs including mortality and surrender rates for the associated policies, as well as estimates of policy expenses and the cost of capital held in support of the related closed block policy liabilities.

Policy liabilities carried at fair value are valued using present value techniques that discount estimated liability cash flows at a rate that reflects the riskiness of those cash flows and also consider policyholder behavior (lapse rates, surrender rates and mortality). Market risk benefits liability are valued at fair value using a non-option and option valuation approach based on current net amounts at risk, market data, Company experience, and other factors. Closed block policy liabilities carried at fair value are valued using present value techniques that consider inputs including mortality and surrender rates for the respective policies, as well as estimates of policy expenses and the cost of capital held in support of the liabilities. The funds withheld payable at interest carried at fair value represents embedded derivatives and is valued based on the change in the fair value of the assets supporting the payable. Other embedded derivative liabilities are related to our fixed-indexed annuity and interest-sensitive life products, which contain equity-indexed features. We calculate the embedded derivative liabilities as the present value of future projected benefits in excess of the projected guaranteed benefits, using an option budget as the indexed account value growth rate and considering an adjustment to reflect the risk of nonperformance on our obligation and inputs such as projected withdrawal and surrender activity, and mortality. We calculate instrument-specific credit risk using a blend of observable peer holding company credit spreads, adjusted to reflect the claims paying ability of our insurance entities, as well as an adjustment to reflect the priority of policy claims. See details in the table below.

### Fair value of assets and liabilities

#### Significant unobservable inputs

The tables below present the ranges of significant unobservable inputs used to value the Company's Level 3 financial assets and liabilities, and includes only those items for which information is reasonably available, such as data from internal determinations of fair value. These ranges represent the significant unobservable inputs that were used in the valuation of each type of financial asset and liability. Weighted averages in the tables below are calculated by weighting each input by the relative fair value of the respective financial instruments. The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one financial asset or liability. Accordingly, the ranges of inputs presented below do not represent uncertainty in, or possible ranges of, fair value measurements of the Company's Level 3 financial assets and liabilities as of June 30, 2024 and December 31, 2023. Also refer to Note 2—"Significant account policies and

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

practices” for additional information valuation techniques used for the respective reported balances.

| As of June 30, 2024                 |                                    |   |   |  |
|-------------------------------------|------------------------------------|---|---|--|
| Level 3 assets <sup>(1)</sup>       | Level 3 assets<br>(\$ in millions) | Valuation techniques and significant unobservable inputs  | Range of significant unobservable inputs (weighted average, or “WA”)  | Impact of an increase in the input on fair value |
| Corporate fixed maturity securities | \$ 13,423                          | Discounted cash flows - discount spread   | 0.2% - 5.4% (WA 2.9%)   | Decrease   |
| Structured securities               | 2,763                              | Discounted cash flows - discount spread   | 1.4% - 5.2% (WA 2.9%)   | Decrease   |
|                                     |                                    | Discounted cash flows - constant prepayment rate  | 10.0% - 15.0% (WA 12.0%)  | Increase/Decrease                                |
|                                     |                                    | Discounted cash flows - constant default rate   | 0.0% - 3.0% (WA 0.4%)   | Decrease   |
|                                     |                                    | Discounted cash flows - loss severity   | 0.0% - 95.0% (WA 10.3%)   | Decrease   |
| Other investments                   | 7,550                              | Discounted cash flow - vacancy rate   | 0.0% to 2.5% (WA 2.1%)  | Decrease   |
|                                     |                                    | Discounted cash flow - discount rate  | 6.8% to 8.2% (WA 7.6%)  | Decrease   |
|                                     |                                    | Discounted cash flow - terminal capitalization rate   | 5.0% to 7.2% (WA 5.9%)  | Decrease   |
| Reinsurance recoverable             | 927                                | Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities.   | The average expense assumption is between \$8.2 and \$78.0 per policy (WA \$17.4), increased by inflation. The annual inflation rate was increased by 2.5%. | Increase   |
|                                     |                                    | Unobservable inputs are a market participant’s view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities. | Expense risk margin: 9.4%   | Decrease   |
|                                     |                                    |   | Cost of capital: 3.7% - 13.9% (WA 9.8%).  | Increase   |
|                                     |                                    | Discounted cash flow - mortality rate   | 5.6%  | Increase   |
|                                     |                                    | Discounted cash flow - surrender rate   | 2.0%  | Increase   |

(1) The funds withheld interest receivable at interest has been excluded from the above table. As discussed in Note 15 – Reinsurance, the funds withheld interest receivable at interest is created through funds withheld contracts. The assets supporting these receivables were held in trusts for the benefit of the Company. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the invested assets supporting the funds withheld reinsurance agreements.

| As of December 31, 2023             |                                    |  |   |  |
|-------------------------------------|------------------------------------|--|---|--|
| Level 3 assets                      | Level 3 assets<br>(\$ in millions) | Valuation techniques and significant unobservable inputs | Range of significant unobservable inputs (WA) | Impact of an increase in the input on fair value |
| Corporate fixed maturity securities | \$ 4,143                           | Discounted cash flows - discount spread                  | 1.4% - 6.2% (WA 3.5%)                         | Decrease   |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of December 31, 2023               |                                    |   |   |  |
|---------------------------------------|------------------------------------|---|---|--|
| Level 3 assets                        | Level 3 assets<br>(\$ in millions) | Valuation techniques and significant unobservable inputs  | Range of significant unobservable inputs (WA)   | Impact of an increase in the input on fair value |
| Structured securities                 | \$ 82                              | Discounted cash flows - discount spread   | 3.1% - 6.3% (WA 3.6%)   | Decrease   |
|                                       |                                    | Discounted cash flows - constant prepayment rate  | 5.0% - 15.0% (WA 6.8%)  | Increase/<br>Decrease                            |
|                                       |                                    | Discounted cash flows - constant default rate   | 1.0% - 2.5% (WA 1.2%)   | Decrease   |
|                                       |                                    | Discounted cash flows - loss severity   | 100.00%   | Decrease   |
| Other investments                     | 4,776                              | Discounted cash flows - vacancy rate  | 0.0% to 2.5% (WA 2.1%)  | Decrease   |
|                                       |                                    | Discounted cash flows — discount rate   | 5.0% to 7.0% (WA 6.1%)  | Decrease   |
|                                       |                                    | Discounted cash flow - terminal capitalization rate   | 6.3% to 8.1% (WA 7.6%)  | Decrease   |
| Funds withheld receivable at interest | 89                                 | Discounted cash flow - duration/weighted average life   | 0 - 19.5 years (WA 8.1 years)   | Increase   |
|                                       |                                    | Discounted cash flow - contractholder persistency   | 2.0% - 24.9% (WA 4.5%)  | Increase   |
|                                       |                                    | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |
| Reinsurance recoverable               | 926                                | Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities.   | The average expense assumption is between \$8.2 and \$78.0 per policy (WA \$17.5), increased by inflation. The annual inflation rate was increased by 2.5%. | Increase   |
|                                       |                                    | Unobservable inputs are a market participant's view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities. | Expense risk margin: 9.4%   | Decrease   |
|                                       |                                    |   | Cost of capital: 3.7% - 13.9% (WA 9.7%)   | Increase   |
|                                       |                                    | Discounted cash flow - mortality rate   | 5.5%  | Increase   |
|                                       |                                    | Discounted cash flow - surrender rate   | 2.0%  | Increase   |

| As of June 30, 2024                |   |  |   |  |
|------------------------------------|---|--|---|--|
| Level 3 liabilities <sup>(1)</sup> | Level 3 liabilities<br>(\$ in millions) | Valuation techniques and significant unobservable inputs | Range of significant unobservable inputs (WA) | Impact of an increase in the input on fair value |
| Policy liabilities                 | \$ 1,320                                | <i>Policy liabilities under fair value option:</i>       |   |  |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of June 30, 2024                                    |   |   |   |  |
|--|---|---|---|--|
| Level 3 liabilities <sup>(1)</sup>                     | Level 3 liabilities<br>(\$ in millions) | Valuation techniques and significant unobservable inputs  | Range of significant unobservable inputs (WA)   | Impact of an increase in the input on fair value |
| Closed block policy liabilities                        | 971                                     | Present value of best estimate liability cash flows. Unobservable inputs include a market participant view of the risk margin included in the discount rate which reflects the variability of the cash flows. | Risk margin rate: 0.6% - 0.9% (WA 0.8%)   | Decrease   |
|  |   | Policyholder behavior is also a significant unobservable input, including lapse, surrender and mortality.   | Surrender rate: 3.3% - 7.6% (WA 6.3%)   | Decrease   |
|  |   |   | Mortality rate: 3.5% - 8.8% (WA 4.8%)   | Increase   |
|  |   | <i>Market risk benefit:</i>   |   |  |
|  |   | 10 and 30 year instrument-specific credit risk  | 0.8% / 0.9%   | Decrease   |
|  |   | Policyholder behavior is also a significant unobservable input, including lapse, surrender, and mortality.  | Mortality rate: 0.4% - 30.0% (WA 2.4%)  | Decrease   |
|  |   |   | Surrender rate: 0.1% - 39.5% (WA 3.9%)  | Decrease   |
|  |   | Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities.   | The average expense assumption is between \$8.2 and \$78.0 per policy (WA \$17.4), increased by inflation. The annual inflation rate was increased by 2.5%. | Increase   |
|  |   | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |
|  |   | Unobservable inputs are a market participant's view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities.       | Expense risk margin: 9.4%   | Decrease   |
| Embedded derivative – interest-sensitive life products | 495                                     | Discounted cash flow - mortality rate   | 5.6%  | Increase   |
|  |   | Discounted cash flow - surrender rate   | 2.0%  | Increase   |
|  |   | Policy persistency is a significant unobservable input.   | Lapse rate: 3.3%  | Decrease   |
|  |   |   | Mortality rate: 0.8%  | Decrease   |
|  |   | Future costs for options used to hedge the contract obligations   | Option budget assumption: 3.8%  | Increase   |
|  |   | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |



# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of June 30, 2024                    |   |   |   |  |
|--|---|---|---|--|
| Level 3 liabilities <sup>(1)</sup>     | Level 3 liabilities<br>(\$ in millions) | Valuation techniques and significant unobservable inputs                                    | Range of significant unobservable inputs (WA)                           | Impact of an increase in the input on fair value |
| Embedded derivative – annuity products | 4,478                                   | Policyholder behavior is a significant unobservable input, including utilization and lapse. | Utilization: Fixed-indexed annuity WA 3.0%                              | Decrease   |
|  |   |   | Surrender rate: Retail FIA WA 13.7%; Institutional FIA WA 16.0%         | Decrease   |
|  |   |   | Mortality rate: Retail FIA WA 2.5%; Institutional FIA WA 2.0%           | Decrease   |
|  |   |   | Option budget assumption: Retail FIA WA 2.9%; Institutional FIA WA 3.5% | Increase   |
|  |   |   | Future costs for options used to hedge the contract obligations         | Increase   |
|  |   | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |

- (1) The fair value of the embedded derivative component of the funds withheld interest payable at interest has been excluded from the above table. The investments supporting the funds withheld payable at interest balance are held in a trust by the Company. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the investments supporting the reinsurance cession agreements.

| As of December 31, 2023 |   |   |   |  |
|-------------------------|---|---|---|--|
| Level 3 liabilities     | Level 3 liabilities<br>(\$ in millions) | Valuation techniques and significant unobservable inputs  | Range of significant unobservable inputs (WA) | Impact of an increase in the input on fair value |
| Policy liabilities      | \$ 1,475                                | <i>Policy liabilities under fair value option:</i>  |   |  |
|                         |   | Present value of best estimate liability cash flows. Unobservable inputs include a market participant view of the risk margin included in the discount rate which reflects the riskiness of the cash flows. | Risk margin rate: 0.7% - 1.0% (WA 0.8%)       | Decrease   |
|                         |   | Policyholder behavior is also a significant unobservable input, including lapse, surrender and mortality.   | Surrender rate: 3.4% - 7.4% (WA 6.2%)         | Decrease   |
|                         |   |   | Mortality rate: 3.5% - 9.0% (WA 4.7%)         | Increase   |
|                         |   | <i>Market risk benefit:</i>   |   |  |
|                         |   | 10 and 30 year Instrument-specific credit risk  | 0.7% / 0.9%                                   | Decrease   |
|                         |   | Policyholder behavior is also a significant unobservable input, including lapse, surrender, and mortality.  | Mortality rate: 0.7% - 29.5% (WA 2.4%)        | Increase   |
|                         |   |   | Surrender rate: 0.1% - 45.4% (WA 3.8%)        | Increase   |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| As of December 31, 2023                                |                                      |   |   |   |  |                               |
|--|--------------------------------------|---|---|---|--|-------------------------------|
| Level 3 liabilities                                    | Level 3 liabilities (\$ in millions) | Valuation techniques and significant unobservable inputs  | Range of significant unobservable inputs (WA)   | Impact of an increase in the input on fair value                        |  |                               |
| Closed block policy liabilities                        | 969                                  | Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities. | The average expense assumption is between \$8.2 and \$78.0 per policy (WA \$17.5), increased by inflation. The annual inflation rate was increased by 2.5%.   | Increase  |  |                               |
|  |                                      |   | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |                               |
|  |                                      |   | Unobservable inputs are a market participant's view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities. | Expense risk margin: 9.4%   | Decrease   |                               |
|  |                                      |   |   | Cost of capital: 3.7% - 13.9% (WA 9.7%)                                 | Increase   |                               |
|  |                                      |   |   | Discounted cash flow - mortality rate                                   | 5.5%   | Increase                      |
|  |                                      |   |   | Discounted cash flow - surrender rate                                   | 2.0%   | Increase                      |
|  |                                      |   | Funds withheld payable at interest  | (2,447)   | Discounted cash flow - duration/ weighted average life | 0 - 16.9 years (WA 7.9 years) |
| Discounted cash flow - contractholder persistency      | 2.0% - 24.9% (WA 4.5%)               | Decrease  |   |   |  |                               |
| Instrument-specific credit risk                        | 0.6% - 0.9% (WA 0.8%)                | Decrease  |   |   |  |                               |
| Embedded derivative - interest-sensitive life products | 458                                  | Policy persistency is a significant unobservable input.   | Lapse rate: 3.3%  | Decrease  |  |                               |
|  |                                      |   | Mortality rate: 0.8%  | Decrease  |  |                               |
|  |                                      |   | Future costs for options used to hedge the contract obligations   | Option budget assumption: 3.8%  | Increase   |                               |
| Embedded derivative - annuity products                 | 3,587                                | Policyholder behavior is a significant unobservable input, including utilization and lapse.                     | Instrument-specific credit risk   | 0.6% - 0.9% (WA 0.8%)   | Decrease   |                               |
|  |                                      |   | Utilization: Fixed-indexed annuity WA 3.1%  | Decrease  |  |                               |
|  |                                      |   | Surrender rate: Retail FIA WA 13.3%; Institutional FIA WA 16.5%   | Decrease  |  |                               |
|  |                                      |   | Mortality rate: Retail FIA WA 2.5%; Institutional FIA WA 2.1%   | Decrease  |  |                               |
|  |                                      |   | Future costs for options used to hedge the contract obligations   | Option budget assumption: Retail FIA WA 2.6%; Institutional FIA WA 3.2% | Increase   |                               |
| Instrument-specific credit risk                        | 0.6% - 0.9% (WA 0.8%)                | Decrease  |   |   |  |                               |

Notes to the interim consolidated financial statements (unaudited)

Transfers between levels

Overall, transfers into and out of Level 3 are attributable to a change in the observability of inputs. Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable.

The tables below set forth a summary of changes in the fair value of the Company's Level 3 assets and liabilities for the three and six months ended June 30, 2024 and 2023 respectively. The tables reflect gains and losses for all assets and liabilities categorized as Level 3 for the three and six months ended June 30, 2024 and 2023:

|  | Three months ended June 30, 2024 |  |           |                             |                                   |                |   |                    |
|--|----------------------------------|--|-----------|-----------------------------|-----------------------------------|----------------|---|--------------------|
|  | Beginning balance                | Net realized and unrealized gains / losses included in |           |                             | Transfers into / (out) of Level 3 | Ending balance | Total unrealized gains / losses included in |                    |
|  |                                  | Income   | OCI       | Net settlements / purchases |                                   |                | Income <sup>(1)</sup>                       | OCI <sup>(1)</sup> |
| (\$ in millions)                                   |                                  |  |           |                             |                                   |                |   |                    |
| <b>Assets:</b>                                     |                                  |  |           |                             |                                   |                |   |                    |
| <b>AFS fixed maturity securities:</b>              |                                  |  |           |                             |                                   |                |   |                    |
| Corporate fixed maturity securities <sup>(2)</sup> | \$ 12,084                        | \$ (13)  | \$ 8      | \$ (108)                    | \$ —                              | \$ 11,971      | \$ —  | \$ 10              |
| Structured securities <sup>(3)</sup>               | 1,933                            | 8  | 13        | 112                         | 43                                | 2,109          | —   | 16                 |
| <b>Total AFS fixed maturity securities</b>         | <b>14,017</b>                    | <b>(5)</b>   | <b>21</b> | <b>4</b>                    | <b>43</b>                         | <b>14,080</b>  | <b>—</b>                                    | <b>26</b>          |
| <b>Trading fixed maturity securities:</b>          |                                  |  |           |                             |                                   |                |   |                    |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Three months ended June 30, 2024                       |                   |  |                |                             |                                   |                  |   |                    |
|--|-------------------|--|----------------|-----------------------------|-----------------------------------|------------------|---|--------------------|
| (\$ in millions)                                       | Beginning balance | Net realized and unrealized gains / losses included in |                |                             | Transfers into / (out) of Level 3 | Ending balance   | Total unrealized gains / losses included in |                    |
|  |                   | Income   | OCI            | Net settlements / purchases |                                   |                  | Income <sup>(1)</sup>                       | OCI <sup>(1)</sup> |
| Corporate fixed maturity securities <sup>(4)</sup>     | 920               | 3  | —              | 528                         | 1                                 | 1,452            | 2   | —                  |
| Structured securities <sup>(5)</sup>                   | 724               | 16   | —              | (101)                       | 15                                | 654              | 1   | —                  |
| <b>Total trading fixed maturity securities</b>         | <b>1,644</b>      | <b>19</b>  | <b>—</b>       | <b>427</b>                  | <b>16</b>                         | <b>2,106</b>     | <b>3</b>                                    | <b>—</b>           |
| Equity securities                                      | 16                | (1)  | —              | —                           | —                                 | 15               | (1)   | —                  |
| Mortgage and other loan receivables                    | 687               | 9  | —              | (93)                        | —                                 | 603              | (3)   | —                  |
| Other investments                                      | 4,897             | (76)   | —              | 2,729                       | —                                 | 7,550            | (76)  | —                  |
| Funds withheld receivable at interest                  | 114               | —  | —              | —                           | —                                 | 114              | —   | —                  |
| Reinsurance recoverable                                | 966               | (45)   | —              | 6                           | —                                 | 927              | —   | —                  |
| <b>Total assets</b>                                    | <b>\$ 22,341</b>  | <b>\$ (99)</b>   | <b>\$ 21</b>   | <b>\$ 3,073</b>             | <b>\$ 59</b>                      | <b>\$ 25,395</b> | <b>\$ (77)</b>                              | <b>\$ 26</b>       |
| <b>Liabilities:</b>                                    |                   |  |                |                             |                                   |                  |   |                    |
| Policy liabilities                                     | \$ 1,338          | \$ (12)  | \$ (14)        | \$ 8                        | \$ —                              | \$ 1,320         | \$ —  | \$ —               |
| Closed block policy liabilities                        | 1,006             | (38)   | (2)            | 5                           | —                                 | 971              | —   | —                  |
| Funds withheld payable at interest                     | (2,543)           | (357)  | —              | —                           | —                                 | (2,900)          | —   | —                  |
| Embedded derivative – interest-sensitive life products | 486               | 32   | —              | (23)                        | —                                 | 495              | —   | —                  |
| Embedded derivative – annuity products                 | 4,051             | 91   | —              | 336                         | —                                 | 4,478            | —   | —                  |
| <b>Total liabilities</b>                               | <b>\$ 4,338</b>   | <b>\$ (284)</b>  | <b>\$ (16)</b> | <b>\$ 326</b>               | <b>\$ —</b>                       | <b>\$ 4,364</b>  | <b>\$ —</b>                                 | <b>\$ —</b>        |

(1) As related to financial instruments still held as of the end of the period.

(2) Includes related party KKR AFS corporate debt securities of \$(626) million.

(3) Includes related party KKR AFS structured securities of \$11 thousand.

(4) Includes related party KKR trading corporate debt securities of \$(147) thousand.

(5) Includes related party KKR trading structured securities of \$334 thousand.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Six months ended June 30, 2024                         |  |                 |   |                             |                                   |                  |                       |                    |  |
|--|--|-----------------|---|-----------------------------|-----------------------------------|------------------|-----------------------|--------------------|--|
|  | Net realized and unrealized gains / losses included in |                 | Total unrealized gains / losses included in |                             |                                   |                  |                       |                    |  |
|  | Beginning balance                                      | Income          | OCI   | Net settlements / purchases | Transfers into / (out) of Level 3 | Ending balance   | Income <sup>(1)</sup> | OCI <sup>(1)</sup> |  |
| <i>(\$ in millions)</i>                                |  |                 |   |                             |                                   |                  |                       |                    |  |
| <b>Assets:</b>   |  |                 |   |                             |                                   |                  |                       |                    |  |
| <b>AFS fixed maturity securities:</b>                  |  |                 |   |                             |                                   |                  |                       |                    |  |
| Corporate fixed maturity securities <sup>(2)</sup>     | \$ 11,106  | \$ (59)         | \$ 158                                      | \$ 766                      | \$ —                              | \$ 11,971        | \$ —                  | \$ 153             |  |
| Structured securities <sup>(3)</sup>                   | 1,837  | 15              | 25  | 136                         | 96                                | 2,109            | —                     | 27                 |  |
| <b>Total AFS fixed maturity securities</b>             | <b>12,943</b>  | <b>(44)</b>     | <b>183</b>                                  | <b>902</b>                  | <b>96</b>                         | <b>14,080</b>    | <b>—</b>              | <b>180</b>         |  |
| <b>Trading fixed maturity securities:</b>              |  |                 |   |                             |                                   |                  |                       |                    |  |
| Corporate fixed maturity securities <sup>(4)</sup>     | 1,152  | 55              | —   | 244                         | 1                                 | 1,452            | 52                    | —                  |  |
| Structured securities <sup>(5)</sup>                   | 646  | 26              | —   | (125)                       | 107                               | 654              | 10                    | —                  |  |
| <b>Total trading fixed maturity securities</b>         | <b>1,798</b>   | <b>81</b>       | <b>—</b>                                    | <b>119</b>                  | <b>108</b>                        | <b>2,106</b>     | <b>62</b>             | <b>—</b>           |  |
| Equity securities                                      | 16   | (1)             | —   | —                           | —                                 | 15               | —                     | —                  |  |
| Mortgage and other loan receivables                    | 697  | 5               | —   | (99)                        | —                                 | 603              | 3                     | —                  |  |
| Other investments                                      | 4,926  | (156)           | —   | 2,780                       | —                                 | 7,550            | (154)                 | —                  |  |
| Funds withheld receivable at interest                  | 89   | 25              | —   | —                           | —                                 | 114              | —                     | —                  |  |
| Reinsurance recoverable                                | 926  | 7               | —   | (6)                         | —                                 | 927              | —                     | —                  |  |
| <b>Total assets</b>                                    | <b>\$ 21,395</b>                                       | <b>\$ (83)</b>  | <b>\$ 183</b>                               | <b>\$ 3,696</b>             | <b>\$ 204</b>                     | <b>\$ 25,395</b> | <b>\$ (89)</b>        | <b>\$ 180</b>      |  |
| <b>Liabilities:</b>                                    |  |                 |   |                             |                                   |                  |                       |                    |  |
| Policy liabilities                                     | \$ 1,475   | \$ (154)        | \$ (9)                                      | \$ 8                        | \$ —                              | \$ 1,320         | \$ —                  | \$ —               |  |
| Closed block policy liabilities                        | 969  | 1               | (3)   | 4                           | —                                 | 971              | —                     | —                  |  |
| Funds withheld payable at interest                     | (2,447)  | (453)           | —   | —                           | —                                 | (2,900)          | —                     | —                  |  |
| Embedded derivative – interest-sensitive life products | 458  | 84              | —   | (47)                        | —                                 | 495              | —                     | —                  |  |
| Embedded derivative – annuity products                 | 3,587  | 296             | —   | 595                         | —                                 | 4,478            | —                     | —                  |  |
| <b>Total liabilities</b>                               | <b>\$ 4,042</b>  | <b>\$ (226)</b> | <b>\$ (12)</b>                              | <b>\$ 560</b>               | <b>\$ —</b>                       | <b>\$ 4,364</b>  | <b>\$ —</b>           | <b>\$ —</b>        |  |

(1) As related to financial instruments still held as of the end of the period.

## Notes to the interim consolidated financial statements (unaudited)

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- (2) Includes related party KKR AFS corporate debt securities of \$3.4 billion.
- (3) Includes related party KKR AFS structured securities of \$9 million.
- (4) Includes related party KKR trading corporate debt securities of \$541 million.
- (5) Includes related party KKR trading structured securities of \$54 million.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Three months ended June 30, 2023                       |                   |  |                |                             |                                   |                  |   |                    |  |
|--|-------------------|--|----------------|-----------------------------|-----------------------------------|------------------|---|--------------------|--|
|  | Beginning balance | Net realized and unrealized gains / losses included in |                |                             | Transfers into / (out) of Level 3 | Ending balance   | Total unrealized gains / losses included in |                    |  |
|  |                   | Income   | OCI            | Net settlements / purchases |                                   |                  | Income <sup>(1)</sup>                       | OCI <sup>(1)</sup> |  |
| <i>(\$ in millions)</i>                                |                   |  |                |                             |                                   |                  |   |                    |  |
| <b>Assets:</b>   |                   |  |                |                             |                                   |                  |   |                    |  |
| <b>AFS fixed maturity securities:</b>                  |                   |  |                |                             |                                   |                  |   |                    |  |
| Corporate fixed maturity securities <sup>(2)</sup>     | \$ 10,321         | \$ 18  | \$ (23)        | \$ 48                       | \$ 33                             | \$ 10,397        | \$ —  | \$ (2)             |  |
| Structured securities <sup>(3)</sup>                   | 1,777             | 9  | 10             | 30                          | 104                               | 1,930            | —   | 12                 |  |
| <b>Total AFS fixed maturity securities</b>             | <b>12,098</b>     | <b>27</b>  | <b>(13)</b>    | <b>78</b>                   | <b>137</b>                        | <b>12,327</b>    | <b>—</b>                                    | <b>10</b>          |  |
| <b>Trading fixed maturity securities:</b>              |                   |  |                |                             |                                   |                  |   |                    |  |
| Corporate fixed maturity securities <sup>(4)</sup>     | 1,087             | (2)  | —              | 3                           | —                                 | 1,088            | (2)   | —                  |  |
| Structured securities <sup>(5)</sup>                   | 715               | (9)  | —              | (1)                         | 6                                 | 711              | (9)   | —                  |  |
| <b>Total trading fixed maturity securities</b>         | <b>1,802</b>      | <b>(11)</b>  | <b>—</b>       | <b>2</b>                    | <b>6</b>                          | <b>1,799</b>     | <b>(11)</b>                                 | <b>—</b>           |  |
| Equity securities                                      | 15                | 1  | —              | —                           | —                                 | 16               | —   | —                  |  |
| Mortgage and other loan receivables                    | 774               | 10   | —              | (16)                        | —                                 | 768              | 11  | —                  |  |
| Other investments                                      | 5,009             | (47)   | —              | 54                          | —                                 | 5,016            | (58)  | —                  |  |
| Funds withheld receivable at interest                  | (18)              | 14   | —              | —                           | —                                 | (4)              | —   | —                  |  |
| Reinsurance recoverable                                | 1,011             | (22)   | —              | —                           | —                                 | 989              | —   | —                  |  |
| <b>Total assets</b>                                    | <b>\$ 20,691</b>  | <b>\$ (28)</b>   | <b>\$ (13)</b> | <b>\$ 118</b>               | <b>\$ 143</b>                     | <b>\$ 20,911</b> | <b>\$ (58)</b>                              | <b>\$ 10</b>       |  |
| <b>Liabilities:</b>                                    |                   |  |                |                             |                                   |                  |   |                    |  |
| Policy liabilities                                     | \$ 1,134          | \$ (97)  | \$ 145         | \$ (1)                      | \$ —                              | \$ 1,181         | \$ —  | \$ —               |  |
| Closed block policy liabilities                        | 1,046             | (16)   | (1)            | (3)                         | —                                 | 1,026            | —   | —                  |  |
| Funds withheld payable at interest                     | (3,058)           | (32)   | —              | —                           | —                                 | (3,090)          | —   | —                  |  |
| Embedded derivative – interest-sensitive life products | 373               | 69   | —              | 5                           | —                                 | 447              | —   | —                  |  |
| Embedded derivative – annuity products                 | 2,402             | 213  | —              | 201                         | —                                 | 2,816            | —   | —                  |  |
| <b>Total liabilities</b>                               | <b>\$ 1,897</b>   | <b>\$ 137</b>  | <b>\$ 144</b>  | <b>\$ 202</b>               | <b>\$ —</b>                       | <b>\$ 2,380</b>  | <b>\$ —</b>                                 | <b>\$ —</b>        |  |

(1) As related to financial instruments still held as of the end of the period.

## Notes to the interim consolidated financial statements (unaudited)

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- (2) Includes related party KKR AFS corporate debt securities of \$(23) million.
- (3) Includes related party KKR AFS structured securities of \$127 thousand.
- (4) Includes related party KKR trading corporate debt securities of \$(4) million.
- (5) Includes related party KKR trading structured securities of \$(1) million.



# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Six months ended June 30, 2023                         |                   |               |  |                             |                                   |                  |                       |   |  |  |
|--|-------------------|---------------|--|-----------------------------|-----------------------------------|------------------|-----------------------|---|--|--|
|  |                   |               | Net realized and unrealized gains / losses included in |                             |                                   |                  |                       | Total unrealized gains / losses included in |  |  |
|  | Beginning balance | Income        | OCI  | Net settlements / purchases | Transfers into / (out) of Level 3 | Ending balance   | Income <sup>(1)</sup> | OCI <sup>(1)</sup>                          |  |  |
| <i>(\$ in millions)</i>                                |                   |               |  |                             |                                   |                  |                       |   |  |  |
| <b>Assets:</b>   |                   |               |  |                             |                                   |                  |                       |   |  |  |
| <b>AFS fixed maturity securities:</b>                  |                   |               |  |                             |                                   |                  |                       |   |  |  |
| Corporate fixed maturity securities <sup>(2)</sup>     | \$ 10,124         | \$ 41         | \$ (1)   | \$ 200                      | \$ 33                             | \$ 10,397        | \$ —                  | \$ 7  |  |  |
| Structured securities <sup>(3)</sup>                   | 1,426             | 4             | 43   | 185                         | 272                               | 1,930            | —                     | 45  |  |  |
| <b>Total AFS fixed maturity securities</b>             | <b>11,550</b>     | <b>45</b>     | <b>42</b>  | <b>385</b>                  | <b>305</b>                        | <b>12,327</b>    | <b>—</b>              | <b>52</b>                                   |  |  |
| <b>Trading fixed maturity securities:</b>              |                   |               |  |                             |                                   |                  |                       |   |  |  |
| Corporate fixed maturity securities <sup>(4)</sup>     | 1,120             | (4)           | —  | (28)                        | —                                 | 1,088            | (4)                   | —   |  |  |
| Structured securities <sup>(5)</sup>                   | 698               | (5)           | —  | 13                          | 5                                 | 711              | (4)                   | —   |  |  |
| <b>Total trading fixed maturity securities</b>         | <b>1,818</b>      | <b>(9)</b>    | <b>—</b>   | <b>(15)</b>                 | <b>5</b>                          | <b>1,799</b>     | <b>(8)</b>            | <b>—</b>                                    |  |  |
| Equity securities                                      | 16                | —             | —  | —                           | —                                 | 16               | (1)                   | —   |  |  |
| Mortgage and other loan receivables                    | 788               | 7             | —  | (27)                        | —                                 | 768              | 5                     | —   |  |  |
| Other investments                                      | 4,883             | (32)          | —  | 165                         | —                                 | 5,016            | (34)                  | —   |  |  |
| Funds withheld receivable at interest                  | 13                | (17)          | —  | —                           | —                                 | (4)              | —                     | —   |  |  |
| Reinsurance recoverable                                | 982               | 18            | —  | (11)                        | —                                 | 989              | —                     | —   |  |  |
| <b>Total assets</b>                                    | <b>\$ 20,050</b>  | <b>\$ 12</b>  | <b>\$ 42</b>   | <b>\$ 497</b>               | <b>\$ 310</b>                     | <b>\$ 20,911</b> | <b>\$ (38)</b>        | <b>\$ 52</b>                                |  |  |
| <b>Liabilities:</b>                                    |                   |               |  |                             |                                   |                  |                       |   |  |  |
| Policy liabilities                                     | \$ 1,063          | \$ 26         | \$ 94  | \$ (2)                      | \$ —                              | \$ 1,181         | \$ —                  | \$ —  |  |  |
| Closed block policy liabilities                        | 1,016             | 21            | (2)  | (9)                         | —                                 | 1,026            | —                     | —   |  |  |
| Funds withheld payable at interest                     | (3,488)           | 398           | —  | —                           | —                                 | (3,090)          | —                     | —   |  |  |
| Embedded derivative – interest-sensitive life products | 338               | 107           | —  | 2                           | —                                 | 447              | —                     | —   |  |  |
| Embedded derivative – annuity products                 | 1,851             | 415           | —  | 550                         | —                                 | 2,816            | —                     | —   |  |  |
| <b>Total liabilities</b>                               | <b>\$ 780</b>     | <b>\$ 967</b> | <b>\$ 92</b>   | <b>\$ 541</b>               | <b>\$ —</b>                       | <b>\$ 2,380</b>  | <b>\$ —</b>           | <b>\$ —</b>                                 |  |  |

(1) As related to financial instruments still held as of the end of the period.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

- (2) Includes related party KKR AFS corporate debt securities of \$2.0 billion.  
(3) Includes related party KKR AFS structured securities of \$7 million.  
(4) Includes related party KKR trading corporate debt securities of \$451 million.  
(5) Includes related party KKR trading structured securities of \$53 million.

| Three months ended June 30,<br>2024                    | Purchases |              | Issuances |            | Sales     |                | Settlements |                | Net<br>settlements<br>/ purchases |              |
|--|-----------|--------------|-----------|------------|-----------|----------------|-------------|----------------|-----------------------------------|--------------|
| (\$ in millions)                                       |           |              |           |            |           |                |             |                |                                   |              |
| <b>Assets:</b>   |           |              |           |            |           |                |             |                |                                   |              |
| <b>AFS fixed maturity securities:</b>                  |           |              |           |            |           |                |             |                |                                   |              |
| Corporate fixed maturity securities <sup>(1)</sup>     | \$        | 1,511        | \$        | —          | \$        | (676)          | \$          | (943)          | \$                                | (108)        |
| Structured securities                                  |           | 251          |           | —          |           | (8)            |             | (131)          |                                   | 112          |
| <b>Total AFS fixed maturity securities</b>             |           | <b>1,762</b> |           | <b>—</b>   |           | <b>(684)</b>   |             | <b>(1,074)</b> |                                   | <b>4</b>     |
| <b>Trading fixed maturity securities:</b>              |           |              |           |            |           |                |             |                |                                   |              |
| Corporate fixed maturity securities <sup>(2)</sup>     |           | 707          |           | —          |           | (169)          |             | (10)           |                                   | 528          |
| Structured securities                                  |           | 107          |           | —          |           | (198)          |             | (10)           |                                   | (101)        |
| <b>Total trading fixed maturity securities</b>         |           | <b>814</b>   |           | <b>—</b>   |           | <b>(367)</b>   |             | <b>(20)</b>    |                                   | <b>427</b>   |
| Mortgage and other loan receivables                    |           | —            |           | —          |           | —              |             | (93)           |                                   | (93)         |
| Other investments                                      |           | 2,733        |           | —          |           | (4)            |             | —              |                                   | 2,729        |
| Reinsurance recoverable                                |           | —            |           | —          |           | —              |             | 6              |                                   | 6            |
| <b>Total assets</b>                                    | <b>\$</b> | <b>5,309</b> | <b>\$</b> | <b>—</b>   | <b>\$</b> | <b>(1,055)</b> | <b>\$</b>   | <b>(1,181)</b> | <b>\$</b>                         | <b>3,073</b> |
| <b>Liabilities:</b>                                    |           |              |           |            |           |                |             |                |                                   |              |
| Policy liabilities                                     | \$        | —            | \$        | 12         | \$        | —              | \$          | (4)            | \$                                | 8            |
| Closed block policy liabilities                        |           | —            |           | 4          |           | —              |             | 1              |                                   | 5            |
| Embedded derivative - interest-sensitive life products |           | —            |           | —          |           | —              |             | (23)           |                                   | (23)         |
| Embedded derivative - annuity products                 |           | —            |           | 398        |           | —              |             | (62)           |                                   | 336          |
| <b>Total liabilities</b>                               | <b>\$</b> | <b>—</b>     | <b>\$</b> | <b>414</b> | <b>\$</b> | <b>—</b>       | <b>\$</b>   | <b>(88)</b>    | <b>\$</b>                         | <b>326</b>   |

(1) Includes related party KKR AFS corporate debt securities with net purchases of \$(620) million.

(2) Includes related party KKR trading corporate debt securities with net purchases of \$— million.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Six months ended June 30, 2024<br>(\$ in millions)     | Purchases       | Issuances     | Sales             | Settlements       | Net<br>settlements<br>/ purchases |
|--|-----------------|---------------|-------------------|-------------------|-----------------------------------|
| <b>Assets:</b>   |                 |               |                   |                   |                                   |
| <b>AFS fixed maturity securities:</b>                  |                 |               |                   |                   |                                   |
| Corporate fixed maturity securities <sup>(1)</sup>     | \$ 4,336        | \$ —          | \$ (845)          | \$ (2,725)        | \$ 766                            |
| Structured securities                                  | 342             | —             | (10)              | (196)             | 136                               |
| <b>Total AFS fixed maturity securities</b>             | <b>4,678</b>    | <b>—</b>      | <b>(855)</b>      | <b>(2,921)</b>    | <b>902</b>                        |
| <b>Trading fixed maturity securities:</b>              |                 |               |                   |                   |                                   |
| Corporate fixed maturity securities <sup>(2)</sup>     | 815             | —             | (223)             | (348)             | 244                               |
| Structured securities                                  | 107             | —             | (204)             | (28)              | (125)                             |
| <b>Total trading fixed maturity securities</b>         | <b>922</b>      | <b>—</b>      | <b>(427)</b>      | <b>(376)</b>      | <b>119</b>                        |
| Mortgage and other loan receivables                    | 2               | —             | —                 | (101)             | (99)                              |
| Other investments                                      | 2,788           | —             | (8)               | —                 | 2,780                             |
| Reinsurance recoverable                                | —               | —             | —                 | (6)               | (6)                               |
| <b>Total assets</b>                                    | <b>\$ 8,390</b> | <b>\$ —</b>   | <b>\$ (1,290)</b> | <b>\$ (3,404)</b> | <b>\$ 3,696</b>                   |
| <b>Liabilities:</b>                                    |                 |               |                   |                   |                                   |
| Policy liabilities                                     | \$ —            | \$ 15         | \$ —              | \$ (7)            | \$ 8                              |
| Closed block policy liabilities                        | —               | 4             | —                 | —                 | 4                                 |
| Embedded derivative – interest-sensitive life products | —               | —             | —                 | (47)              | (47)                              |
| Embedded derivative – annuity products                 | —               | 716           | —                 | (121)             | 595                               |
| <b>Total liabilities</b>                               | <b>\$ —</b>     | <b>\$ 735</b> | <b>\$ —</b>       | <b>\$ (175)</b>   | <b>\$ 560</b>                     |

(1) Includes related party KKR AFS corporate debt securities with net purchases of \$799 million.

(2) Includes related party KKR trading corporate debt securities with net purchases of \$35 million.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Three months ended June 30,<br>2023<br>(\$ in millions) | Purchases     | Issuances     | Sales         | Settlements     | Net<br>settlements<br>/ purchases |
|---|---------------|---------------|---------------|-----------------|-----------------------------------|
| <b>Assets:</b>  |               |               |               |                 |                                   |
| <b>AFS fixed maturity securities:</b>                   |               |               |               |                 |                                   |
| Corporate fixed maturity securities <sup>(1)</sup>      | \$ 215        | \$ —          | \$ (5)        | \$ (162)        | \$ 48                             |
| Structured securities                                   | 88            | —             | —             | (58)            | 30                                |
| <b>Total AFS fixed maturity securities</b>              | <b>303</b>    | <b>—</b>      | <b>(5)</b>    | <b>(220)</b>    | <b>78</b>                         |
| <b>Trading fixed maturity securities:</b>               |               |               |               |                 |                                   |
| Corporate fixed maturity securities <sup>(2)</sup>      | 7             | —             | —             | (4)             | 3                                 |
| Structured securities                                   | 13            | —             | —             | (14)            | (1)                               |
| <b>Total trading fixed maturity securities</b>          | <b>20</b>     | <b>—</b>      | <b>—</b>      | <b>(18)</b>     | <b>2</b>                          |
| Mortgage and other loan receivables                     | 1             | —             | —             | (17)            | (16)                              |
| Other investments                                       | 60            | —             | (6)           | —               | 54                                |
| <b>Total assets</b>                                     | <b>\$ 384</b> | <b>\$ —</b>   | <b>\$ (1)</b> | <b>\$ (255)</b> | <b>\$ 118</b>                     |
| <b>Liabilities:</b>                                     |               |               |               |                 |                                   |
| Policy liabilities                                      | \$ —          | \$ —          | \$ —          | \$ (1)          | \$ (1)                            |
| Closed block policy liabilities                         | —             | —             | —             | (3)             | (3)                               |
| Embedded derivative - interest-sensitive life products  | —             | —             | —             | 5               | 5                                 |
| Embedded derivative - annuity products                  | —             | 225           | —             | (24)            | 201                               |
| <b>Total liabilities</b>                                | <b>\$ —</b>   | <b>\$ 225</b> | <b>\$ —</b>   | <b>\$ (23)</b>  | <b>\$ 202</b>                     |

(1) Includes related party KKR AFS corporate debt securities with net purchases of \$— million.

(2) Includes related party KKR trading corporate debt securities with net purchases of \$— million.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| Six months ended June 30, 2023<br>(\$ in millions)     | Purchases       | Issuances     | Sales          | Settlements     | Net settlements / purchases |
|--|-----------------|---------------|----------------|-----------------|-----------------------------|
| <b>Assets:</b>   |                 |               |                |                 |                             |
| <b>AFS fixed maturity securities:</b>                  |                 |               |                |                 |                             |
| Corporate fixed maturity securities <sup>(1)</sup>     | \$ 683          | \$ —          | \$ (6)         | \$ (477)        | \$ 200                      |
| Structured securities                                  | 265             | —             | —              | (80)            | 185                         |
| <b>Total AFS fixed maturity securities</b>             | <b>948</b>      | <b>—</b>      | <b>(6)</b>     | <b>(557)</b>    | <b>385</b>                  |
| <b>Trading fixed maturity securities:</b>              |                 |               |                |                 |                             |
| Corporate fixed maturity securities <sup>(2)</sup>     | 15              | —             | (1)            | (42)            | (28)                        |
| Structured securities                                  | 38              | —             | (1)            | (24)            | 13                          |
| <b>Total trading fixed maturity securities</b>         | <b>53</b>       | <b>—</b>      | <b>(2)</b>     | <b>(66)</b>     | <b>(15)</b>                 |
| Mortgage and other loan receivables                    | 1               | —             | (3)            | (25)            | (27)                        |
| Other investments                                      | 178             | —             | (13)           | —               | 165                         |
| Reinsurance recoverable                                | —               | —             | —              | (11)            | (11)                        |
| <b>Total assets</b>                                    | <b>\$ 1,180</b> | <b>\$ —</b>   | <b>\$ (24)</b> | <b>\$ (659)</b> | <b>\$ 497</b>               |
| <b>Liabilities:</b>                                    |                 |               |                |                 |                             |
| Policy liabilities                                     | \$ —            | \$ —          | \$ —           | \$ (2)          | \$ (2)                      |
| Closed block policy liabilities                        | —               | —             | —              | (9)             | (9)                         |
| Embedded derivative - interest-sensitive life products | —               | —             | —              | 2               | 2                           |
| Embedded derivative - annuity products                 | —               | 593           | —              | (43)            | 550                         |
| <b>Total liabilities</b>                               | <b>\$ —</b>     | <b>\$ 593</b> | <b>\$ —</b>    | <b>\$ (52)</b>  | <b>\$ 541</b>               |

(1) Includes related party KKR AFS corporate debt securities with net purchases of \$218 million.

(2) Includes related party KKR trading corporate debt securities with net purchases of \$(4) million.

## Fair-value option

The following table summarizes financial instruments for which the fair value option has been elected:

|                                     | June 30, 2024   | December 31, 2023 |
|-------------------------------------|-----------------|-------------------|
| (\$ in millions)                    |                 |                   |
| <b>Assets</b>                       |                 |                   |
| Mortgage and other loan receivables | \$ 603          | \$ 697            |
| Other investments                   | 520             | 234               |
| Reinsurance recoverable             | 927             | 926               |
| <b>Total assets</b>                 | <b>\$ 2,050</b> | <b>\$ 1,857</b>   |
| <b>Liabilities</b>                  |                 |                   |
| Policy liabilities                  | \$ 1,272        | \$ 1,323          |
| <b>Total liabilities</b>            | <b>\$ 1,272</b> | <b>\$ 1,323</b>   |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The following table summarizes the net realized and unrealized gains and losses recognized on financial instruments for which the fair value option has been elected:

| (\$ in millions)                    | Three months ended |               | Six months ended |                |
|-------------------------------------|--------------------|---------------|------------------|----------------|
|                                     | June 30,           | June 30,      | June 30,         | June 30,       |
|                                     | 2024               | 2023          | 2024             | 2023           |
| <b>Assets</b>                       |                    |               |                  |                |
| Mortgage and other loan receivables | \$ 12              | \$ 12         | \$ 8             | \$ 6           |
| Other investments                   | (13)               | (9)           | (53)             | (56)           |
| <b>Total assets</b>                 | <b>\$ (1)</b>      | <b>\$ 3</b>   | <b>\$ (45)</b>   | <b>\$ (50)</b> |
| <b>Liabilities</b>                  |                    |               |                  |                |
| Policy liabilities                  | \$ 17              | \$ (2)        | \$ 58            | \$ (1)         |
| <b>Total liabilities</b>            | <b>\$ 17</b>       | <b>\$ (2)</b> | <b>\$ 58</b>     | <b>\$ (1)</b>  |

## 6. Insurance intangibles, unearned revenue reserves and unearned front-end loads

The following reflects the reconciliation of the components of insurance intangibles to the total balance reported in the consolidated balance sheets as of June 30, 2024 and December 31, 2023:

| (\$ in millions)                   | June 30,        | December 31,    |
|------------------------------------|-----------------|-----------------|
|                                    | 2024            | 2023            |
| Deferred acquisition costs         | \$ 1,376        | \$ 1,155        |
| Value of business acquired         | 1,209           | 1,253           |
| Cost-of-reinsurance intangibles    | 2,320           | 2,043           |
| <b>Total insurance intangibles</b> | <b>\$ 4,905</b> | <b>\$ 4,451</b> |

## Deferred acquisition costs

The following tables reflect the deferred acquisition costs roll-forward by product category for the six months ended June 30, 2024 and 2023:

| (\$ in millions)                                  | Six months ended June 30, 2024 |                         |                         |               |                 |
|---|--------------------------------|-------------------------|-------------------------|---------------|-----------------|
|   | Fixed rate annuities           | Fixed indexed annuities | Interest sensitive life | Other         | Total           |
| <b>Balance, as of the beginning of the period</b> | <b>\$ 374</b>                  | <b>\$ 482</b>           | <b>\$ 132</b>           | <b>\$ 167</b> | <b>\$ 1,155</b> |
| Capitalizations                                   | 131                            | 159                     | 5                       | 32            | 327             |
| Amortization expense                              | (51)                           | (42)                    | (4)                     | (9)           | (106)           |
| <b>Balance, as of the end of the period</b>       | <b>\$ 454</b>                  | <b>\$ 599</b>           | <b>\$ 133</b>           | <b>\$ 190</b> | <b>\$ 1,376</b> |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| (\$ in millions)                                  | Six months ended June 30, 2023 |                         |                         |        |        | Total |
|---|--------------------------------|-------------------------|-------------------------|--------|--------|-------|
|   | Fixed rate annuities           | Fixed indexed annuities | Interest sensitive life | Other  |        |       |
| <b>Balance, as of the beginning of the period</b> | \$ 222                         | \$ 368                  | \$ 116                  | \$ 115 | \$ 821 |       |
| Capitalizations                                   | 80                             | 89                      | 16                      | 35     | 220    |       |
| Amortization expense                              | (29)                           | (28)                    | (3)                     | (7)    | (67)   |       |
| <b>Balance, as of the end of the period</b>       | \$ 273                         | \$ 429                  | \$ 129                  | \$ 143 | \$ 974 |       |

### Value of business acquired

The following tables reflect the value of business acquired, or “VOBA” asset roll-forward by product category for the six months ended June 30, 2024 and 2023:

| (\$ in millions)                                  | Six months ended June 30, 2024 |                         |                    |                         |       |          |
|---|--------------------------------|-------------------------|--------------------|-------------------------|-------|----------|
|   | Fixed rate annuities           | Fixed indexed annuities | Variable annuities | Interest sensitive life | Other | Total    |
| <b>Balance, as of the beginning of the period</b> | \$ 45                          | \$ 621                  | \$ 245             | \$ 263                  | \$ 79 | \$ 1,253 |
| Amortization expense                              | (2)                            | (21)                    | (10)               | (7)                     | (4)   | (44)     |
| <b>Balance, as of the end of the period</b>       | \$ 43                          | \$ 600                  | \$ 235             | \$ 256                  | \$ 75 | \$ 1,209 |

| (\$ in millions)                                  | Six months ended June 30, 2023 |                         |                    |                         |       |          |
|---|--------------------------------|-------------------------|--------------------|-------------------------|-------|----------|
|   | Fixed rate annuities           | Fixed indexed annuities | Variable annuities | Interest sensitive life | Other | Total    |
| <b>Balance, as of the beginning of the period</b> | \$ 49                          | \$ 663                  | \$ 242             | \$ 277                  | \$ 86 | \$ 1,317 |
| Amortization expense                              | (2)                            | (21)                    | (13)               | (7)                     | (3)   | (46)     |
| <b>Balance, as of the end of the period</b>       | \$ 47                          | \$ 642                  | \$ 229             | \$ 270                  | \$ 83 | \$ 1,271 |

The following tables reflect the negative value of business acquired, or “negative VOBA” liability roll-forward by product category for the six months ended June 30, 2024 and 2023:

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| (\$ in millions)                                  | Six months ended June 30, 2024 |                         |                    |                         |        |        |
|---|--------------------------------|-------------------------|--------------------|-------------------------|--------|--------|
|   | Fixed rate annuities           | Fixed indexed annuities | Variable annuities | Interest sensitive life | Other  | Total  |
| <b>Balance, as of the beginning of the period</b> | \$ 66                          | \$ 107                  | \$ 92              | \$ 422                  | \$ 181 | \$ 868 |
| Amortization expense                              | (13)                           | (17)                    | (3)                | (14)                    | (7)    | (54)   |
| <b>Balance, as of end of period</b>               | \$ 53                          | \$ 90                   | \$ 89              | \$ 408                  | \$ 174 | \$ 814 |

| (\$ in millions)                                  | Six months ended June 30, 2023 |                         |                    |                         |        |          |
|---|--------------------------------|-------------------------|--------------------|-------------------------|--------|----------|
|   | Fixed rate annuities           | Fixed indexed annuities | Variable annuities | Interest sensitive life | Other  | Total    |
| <b>Balance, as of the beginning of the period</b> | \$ 98                          | \$ 146                  | \$ 100             | \$ 462                  | \$ 199 | \$ 1,005 |
| Amortization expense                              | (17)                           | (20)                    | (5)                | (18)                    | (9)    | (69)     |
| <b>Balance, as of the end of the period</b>       | \$ 81                          | \$ 126                  | \$ 95              | \$ 444                  | \$ 190 | \$ 936   |

## Unearned revenue reserves and unearned front-end loads

| (\$ in millions)                                  | Six months ended June 30, |        |
|---|---------------------------|--------|
|   | 2024                      | 2023   |
|   | Preneed                   |        |
| <b>Balance, as of the beginning of the period</b> | \$ 178                    | \$ 118 |
| Deferral  | 35                        | 36     |
| Amortized to income during the period             | (8)                       | (5)    |
| <b>Balance, as of the end of the period</b>       | \$ 205                    | \$ 149 |



# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

### 7. Policy liabilities

The following reflects the reconciliation of the components of policy liabilities to the total balance reported in the consolidated balance sheets as of June 30, 2024 and December 31, 2023:

|  | June 30,<br>2024  | December 31,<br>2023 |
|--|-------------------|----------------------|
| <b>(\$ in millions)</b>  |                   |                      |
| Policyholders' account balances  | \$ 132,488        | \$ 125,187           |
| Liability for future policy benefits                                       | 26,186            | 17,824               |
| Additional liability for annuitization, death, or other insurance benefits | 7,304             | 7,130                |
| Market risk benefit liability  | 1,020             | 1,121                |
| Other policy-related liabilities <sup>(1)</sup>                            | 10,835            | 8,796                |
| <b>Total policy liabilities</b>  | <b>\$ 177,833</b> | <b>\$ 160,058</b>    |

(1) Other policy-related liabilities as of June 30, 2024 and December 31, 2023 primarily consist of embedded derivatives associated with contractholder deposit funds (\$5.0 billion and \$4.0 billion, respectively), cost-of-reinsurance liabilities (\$3.0 billion and \$1.8 billion, respectively), policy liabilities accounted under a fair value option (both \$1.2 billion), negative VOBA (\$814 million and \$868 million, respectively) and outstanding claims (\$244 million and \$235 million, respectively).

### Policyholders' account balances

The following reflects the policyholders' account balances roll-forward for the six months ended June 30, 2024 and 2023, and the policyholders' account balances weighted average interest rates, net amount at risk, and cash surrender value as of those dates:

| <b>(\$ in millions)</b>  | <b>Six months ended June 30, 2024</b> |                                |                                |                           |                            |                   |
|--|---------------------------------------|--------------------------------|--------------------------------|---------------------------|----------------------------|-------------------|
|  | <b>Fixed rate annuities</b>           | <b>Fixed indexed annuities</b> | <b>Interest sensitive life</b> | <b>Funding agreements</b> | <b>Other<sup>(1)</sup></b> | <b>Total</b>      |
| <b>Balance as of beginning of period</b>                           | <b>\$ 56,763</b>                      | <b>\$ 30,168</b>               | <b>\$ 21,968</b>               | <b>\$ 7,015</b>           | <b>\$ 9,273</b>            | <b>\$ 125,187</b> |
| Issuances and premiums received                                    | 9,927                                 | 3,662                          | 1,414                          | 896                       | 1,430                      | 17,329            |
| Benefit payments, surrenders, and withdrawals                      | (6,146)                               | (2,704)                        | (682)                          | (1,064)                   | (801)                      | (11,397)          |
| Interest <sup>(2)</sup>  | 1,053                                 | 347                            | 353                            | 139                       | 166                        | 2,058             |
| Other activity <sup>(3)</sup>                                      | (226)                                 | 60                             | (576)                          | (2)                       | 55                         | (689)             |
| <b>Balance as of end of period</b>                                 | <b>\$ 61,371</b>                      | <b>\$ 31,533</b>               | <b>\$ 22,477</b>               | <b>\$ 6,984</b>           | <b>\$ 10,123</b>           | <b>\$ 132,488</b> |
| Less: reinsurance recoverable                                      | (11,424)                              | (3,154)                        | (7,628)                        | —                         | (3,744)                    | (25,950)          |
| <b>Balance as of end of period, net of reinsurance recoverable</b> | <b>\$ 49,947</b>                      | <b>\$ 28,379</b>               | <b>\$ 14,849</b>               | <b>\$ 6,984</b>           | <b>\$ 6,379</b>            | <b>\$ 106,538</b> |
| Average interest rate  | 3.78 %                                | 2.48 %                         | 3.26 %                         | 3.97 %                    | 3.33 %                     | 3.34 %            |
| Net amount at risk, gross of reinsurance <sup>(4)</sup>            | \$ —                                  | \$ —                           | \$ 115,293                     | \$ —                      | \$ 1,153                   | \$ 116,446        |
| Cash surrender value <sup>(5)</sup>                                | \$ 46,936                             | \$ 30,590                      | \$ 14,068                      | \$ —                      | \$ 4,543                   | \$ 96,137         |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

- (1) "Other" consists of activity related to payout annuities without life contingencies, preneed, variable annuities and life products.
- (2) Interest includes interest credited to policyholders' account values, and interest accreted in other components of the policyholder account balance, including investment-type contract values, host amounts for contractholder deposits with embedded derivatives, funding agreements and other associated reserves.
- (3) "Other activity" includes policy charges, fees and commissions, transfers, assumption changes, fair value changes and the impact of hedge fair value adjustments.
- (4) Net amount at risk represents the difference between the face value of the insurance policy and the reserve accumulated under that same policy.
- (5) Cash surrender values are reported net of any applicable surrender charges, net of reinsurance.

| (\$ in millions)   | Six months ended June 30, 2023 |                         |                         |                    |                      |                   |
|--|--------------------------------|-------------------------|-------------------------|--------------------|----------------------|-------------------|
|  | Fixed rate annuities           | Fixed indexed annuities | Interest sensitive life | Funding agreements | Other <sup>(1)</sup> | Total             |
| <b>Balance as of beginning of period</b>                           | <b>\$ 48,511</b>               | <b>\$ 29,124</b>        | <b>\$ 17,397</b>        | <b>\$ 7,535</b>    | <b>\$ 9,714</b>      | <b>\$ 112,281</b> |
| Issuances and premiums received                                    | 4,806                          | 2,715                   | 361                     | 200                | 220                  | 8,302             |
| Benefit payments, surrenders, and withdrawals                      | (4,662)                        | (2,006)                 | (455)                   | (280)              | (818)                | (8,221)           |
| Interest <sup>(2)</sup>  | 715                            | 242                     | 234                     | 108                | 149                  | 1,448             |
| Other activity <sup>(3)</sup>                                      | (133)                          | (21)                    | (226)                   | 41                 | 130                  | (209)             |
| <b>Balance as of end of period</b>                                 | <b>\$ 49,237</b>               | <b>\$ 30,054</b>        | <b>\$ 17,311</b>        | <b>\$ 7,604</b>    | <b>\$ 9,395</b>      | <b>\$ 113,601</b> |
| Less: reinsurance recoverable                                      | (6,849)                        | (3,225)                 | (3,499)                 | —                  | (3,021)              | (16,594)          |
| <b>Balance as of end of period, net of reinsurance recoverable</b> | <b>\$ 42,388</b>               | <b>\$ 26,829</b>        | <b>\$ 13,812</b>        | <b>\$ 7,604</b>    | <b>\$ 6,374</b>      | <b>\$ 97,007</b>  |
| Average interest rate  | 2.90 %                         | 1.82 %                  | 3.14 %                  | 2.87 %             | 2.69 %               | 2.59 %            |
| Net amount at risk, gross of reinsurance <sup>(4)</sup>            | \$ —                           | \$ —                    | \$ 83,315               | \$ —               | \$ 1,184             | \$ 84,499         |
| Cash surrender value <sup>(5)</sup>                                | \$ 39,742                      | \$ 27,548               | \$ 12,895               | \$ —               | \$ 4,680             | \$ 84,865         |

- (1) "Other" consists of activity related to payout annuities without life contingencies, preneed, variable annuities and life products.
- (2) Interest includes interest credited to policyholders' account values, and interest accreted in other components of the policyholder account balance, including investment-type contract values, host amounts for contractholder deposits with embedded derivatives, funding agreements and other associated reserves.
- (3) "Other activity" includes policy charges, fees and commissions, transfers, assumption changes, fair value changes and the impact of hedge fair value adjustments.
- (4) Net amount at risk represents the difference between the face value of the insurance policy and the reserve accumulated under that same policy.
- (5) Cash surrender values are reported net of any applicable surrender charges, net of reinsurance.

The following table presents the account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums. Account values, as disclosed below, differ from policyholder account balances as they exclude balances associated with index credits, contractholder deposit fund host balances, funding agreements

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

and other associated reserves. In addition, policyholder account balances include discounts and premiums on assumed business which are not reflected in account values.

| As of June 30, 2024  |                       |                                     |                                      |  |   |                  |
|--|-----------------------|-------------------------------------|--------------------------------------|--|---|------------------|
| Account values with adjustable crediting rates subject to guaranteed minimums: |                       |                                     |                                      |  |   |                  |
| Range of guaranteed minimum crediting rates:                                   | At guaranteed minimum | 1 - 49 bps above guaranteed minimum | 50 - 99 bps above guaranteed minimum | 100 - 150 bps above guaranteed minimum | Greater than 150 bps above guaranteed minimum | Total            |
| <i>(\$ in millions, except for percentages)</i>                                |                       |                                     |                                      |  |   |                  |
| Less than 1.00%  | \$ 3,243              | \$ 37                               | \$ 464                               | \$ 1,595                               | \$ 30,292                                     | \$ 35,631        |
| 1.00% - 1.99%  | 1,403                 | 864                                 | 882                                  | 1,899                                  | 9,498   | 14,546           |
| 2.00% - 2.99%  | 823                   | 41                                  | 58                                   | 270                                    | 2,387   | 3,579            |
| 3.00% - 4.00%  | 11,029                | 1,559                               | 444                                  | 1,208                                  | 1,470   | 15,710           |
| Greater than 4.00%   | 11,762                | 1,344                               | 130                                  | 112                                    | 283   | 13,631           |
| <b>Total</b>   | <b>\$ 28,260</b>      | <b>\$ 3,845</b>                     | <b>\$ 1,978</b>                      | <b>\$ 5,084</b>                        | <b>\$ 43,930</b>                              | <b>\$ 83,097</b> |
| Percentage of total  | 34 %                  | 5 %                                 | 2 %                                  | 6 %                                    | 53 %  | 100 %            |

| As of December 31, 2023  |                       |                                     |                                      |  |   |                  |
|--|-----------------------|-------------------------------------|--------------------------------------|--|---|------------------|
| Account values with adjustable crediting rates subject to guaranteed minimums: |                       |                                     |                                      |  |   |                  |
| Range of guaranteed minimum crediting rates:                                   | At guaranteed minimum | 1 - 49 bps above guaranteed minimum | 50 - 99 bps above guaranteed minimum | 100 - 150 bps above guaranteed minimum | Greater than 150 bps above guaranteed minimum | Total            |
| <i>(\$ in millions, except for percentages)</i>                                |                       |                                     |                                      |  |   |                  |
| Less than 1.00%  | \$ 2,707              | \$ 26                               | \$ 660                               | \$ 3,546                               | \$ 25,940                                     | \$ 32,879        |
| 1.00% - 1.99%  | 1,471                 | 1,013                               | 1,000                                | 1,969                                  | 6,604   | 12,057           |
| 2.00% - 2.99%  | 896                   | 45                                  | 56                                   | 109                                    | 1,310   | 2,416            |
| 3.00% - 4.00%  | 12,494                | 1,187                               | 414                                  | 954                                    | 1,067   | 16,116           |
| Greater than 4.00%   | 12,096                | 1,386                               | 138                                  | 118                                    | 298   | 14,036           |
| <b>Total</b>   | <b>\$ 29,664</b>      | <b>\$ 3,657</b>                     | <b>\$ 2,268</b>                      | <b>\$ 6,696</b>                        | <b>\$ 35,219</b>                              | <b>\$ 77,504</b> |
| Percentage of total  | 38 %                  | 5 %                                 | 3 %                                  | 9 %                                    | 45 %  | 100 %            |

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

### Liability for future policy benefits

The following tables summarize the balances of, and changes in, the liability for future policy benefits for traditional and limited-payment contracts for the six months ended June 30, 2024 and 2023:

|  | Six months ended                |                      |                   |                                 |                      |                  |
|--|---------------------------------|----------------------|-------------------|---------------------------------|----------------------|------------------|
|  | June 30, 2024                   |                      |                   | June 30, 2023                   |                      |                  |
|  | Payout annuities <sup>(1)</sup> | Other <sup>(2)</sup> | Total             | Payout annuities <sup>(1)</sup> | Other <sup>(2)</sup> | Total            |
| <b>(\$ in millions)</b>  |                                 |                      |                   |                                 |                      |                  |
| <b>Present value of expected net premiums</b>                                    |                                 |                      |                   |                                 |                      |                  |
| Balance as of beginning of period  | \$ —                            | \$ (207)             | \$ (207)          | \$ —                            | \$ (255)             | \$ (255)         |
| Balance at original discount rate  | \$ —                            | \$ (240)             | \$ (240)          | \$ —                            | \$ (304)             | \$ (304)         |
| Effect of actual variances from expected experience                              | —                               | 5                    | 5                 | —                               | 3                    | 3                |
| <b>Adjusted beginning of period balance</b>                                      | <b>—</b>                        | <b>(235)</b>         | <b>(235)</b>      | <b>—</b>                        | <b>(301)</b>         | <b>(301)</b>     |
| Issuances  | —                               | (1,139)              | (1,139)           | —                               | —                    | —                |
| Interest   | —                               | (16)                 | (16)              | —                               | (2)                  | (2)              |
| Net premiums collected   | —                               | 66                   | 66                | —                               | 17                   | 17               |
| <b>Ending balance at original discount rate</b>                                  | <b>—</b>                        | <b>(1,324)</b>       | <b>(1,324)</b>    | <b>—</b>                        | <b>(286)</b>         | <b>(286)</b>     |
| Effect of changes in discount rate assumptions                                   | —                               | 44                   | 44                | —                               | 47                   | 47               |
| <b>Balance as of end of period</b>   | <b>\$ —</b>                     | <b>\$ (1,280)</b>    | <b>\$ (1,280)</b> | <b>\$ —</b>                     | <b>\$ (239)</b>      | <b>\$ (239)</b>  |
| <b>Present value of expected future policy benefits</b>                          |                                 |                      |                   |                                 |                      |                  |
| Balance as of beginning of period  | \$ 17,426                       | \$ 605               | \$ 18,031         | \$ 14,022                       | \$ 680               | \$ 14,702        |
| Balance at original discount rate  | \$ 20,039                       | \$ 702               | \$ 20,741         | \$ 17,181                       | \$ 807               | \$ 17,988        |
| Effect of actual variances from expected experience                              | 2                               | 1                    | 3                 | (13)                            | 2                    | (11)             |
| <b>Adjusted beginning of period balance</b>                                      | <b>\$ 20,041</b>                | <b>\$ 703</b>        | <b>\$ 20,744</b>  | <b>\$ 17,168</b>                | <b>\$ 809</b>        | <b>\$ 17,977</b> |
| Issuances  | \$ 2,077                        | \$ 8,752             | \$ 10,829         | \$ 1,610                        | \$ —                 | \$ 1,610         |
| Interest   | 297                             | 117                  | 414               | 198                             | 5                    | 203              |
| Benefit payments   | (892)                           | (237)                | (1,129)           | (793)                           | (48)                 | (841)            |
| <b>Ending balance at original discount rate</b>                                  | <b>\$ 21,523</b>                | <b>\$ 9,335</b>      | <b>\$ 30,858</b>  | <b>\$ 18,183</b>                | <b>\$ 766</b>        | <b>\$ 18,949</b> |
| Effect of changes in discount rate assumptions                                   | (3,174)                         | (218)                | (3,392)           | (3,083)                         | (126)                | (3,209)          |
| <b>Balance as of end of period</b>   | <b>\$ 18,349</b>                | <b>\$ 9,117</b>      | <b>\$ 27,466</b>  | <b>\$ 15,100</b>                | <b>\$ 640</b>        | <b>\$ 15,740</b> |
| <b>Net liability for future policy benefits</b>                                  | <b>\$ 18,349</b>                | <b>\$ 7,837</b>      | <b>\$ 26,186</b>  | <b>\$ 15,100</b>                | <b>\$ 401</b>        | <b>\$ 15,501</b> |
| Less: reinsurance recoverable <sup>(3)</sup>                                     | (9,481)                         | (6,220)              | (15,701)          | (7,750)                         | 2                    | (7,748)          |
| <b>Net liability for future policy benefits, net of reinsurance recoverables</b> | <b>\$ 8,868</b>                 | <b>\$ 1,617</b>      | <b>\$ 10,485</b>  | <b>\$ 7,350</b>                 | <b>\$ 403</b>        | <b>\$ 7,753</b>  |

## Notes to the interim consolidated financial statements (unaudited)

- (1) Payout annuities generally only have a single premium received at contract inception. As a result, the liability for future policy benefits generally would not reflect a present value for future premiums for payout annuities.
- (2) "Other" consists of activity related to long-term care insurance, variable annuities, traditional life insurance, preneed insurance and fixed-rate annuity products. Mortality and morbidity risks associated with the long-term care insurance have been ceded to a third-party reinsurer.
- (3) Reinsurance recoverables associated with the liability for future policy benefits is net of the effect of changes in discount rate assumptions of \$(358) million and \$46 million for the six months ended June 30, 2024 and 2023, respectively.

The following table summarizes the amount of gross premiums related to traditional and limited-payment contracts recognized in the consolidated statements of income for the six months ended June 30, 2024 and 2023:

| (\$ in millions)      | Gross premiums            |                 |
|-----------------------|---------------------------|-----------------|
|                       | Six months ended June 30, |                 |
|                       | 2024                      | 2023            |
| Payout annuities      | \$ 2,254                  | \$ 1,759        |
| Other                 | 8,619                     | 34              |
| <b>Total products</b> | <b>\$ 10,873</b>          | <b>\$ 1,793</b> |

The following table reflects the weighted-average duration and weighted-average interest rates of the future policy benefit liability as of June 30, 2024 and December 31, 2023:

|  | As of June 30, 2024 |        |
|--|---------------------|--------|
|  | Payout annuities    | Other  |
| Weighted-average interest rates, original discount rate    | 3.66 %              | 4.85 % |
| Weighted-average interest rates, current discount rate     | 5.45 %              | 5.53 % |
| Weighted-average liability duration (years, current rates) | 8.44                | 9.69   |

|  | As of December 31, 2023 |        |
|--|-------------------------|--------|
|  | Payout annuities        | Other  |
| Weighted-average interest rates, original discount rate    | 3.37 %                  | 2.57 % |
| Weighted-average interest rates, current discount rate     | 4.95 %                  | 4.95 % |
| Weighted-average liability duration (years, current rates) | 8.58                    | 9.03   |

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The following reflects the undiscounted ending balance of expected future gross premiums and expected future benefits and payments for traditional and limited-payment contracts as of June 30, 2024 and December 31, 2023:

| (\$ in millions)  | As of June 30, 2024 |           |
|---|---------------------|-----------|
|   | Payout annuities    | Other     |
| Expected future benefit payments, undiscounted                        | \$ 30,772           | \$ 16,561 |
| Expected future benefit payments, discounted (original discount rate) | 21,523              | 9,335     |
| Expected future benefit payments, discounted (current discount rate)  | 18,349              | 9,117     |
| Expected future gross premiums, undiscounted                          | —                   | 1,818     |
| Expected future gross premiums, discounted (original discount rate)   | —                   | 1,401     |
| Expected future gross premiums, discounted (current discount rate)    | —                   | 1,344     |

| (\$ in millions)  | As of December 31, 2023 |        |
|---|-------------------------|--------|
|   | Payout annuities        | Other  |
| Expected future benefit payments, undiscounted                        | \$ 29,165               | \$ 833 |
| Expected future benefit payments, discounted (original discount rate) | 19,899                  | 690    |
| Expected future benefit payments, discounted (current discount rate)  | 17,427                  | 605    |
| Expected future gross premiums, undiscounted                          | —                       | 378    |
| Expected future gross premiums, discounted (original discount rate)   | —                       | 318    |
| Expected future gross premiums, discounted (current discount rate)    | —                       | 263    |

## Additional liability for annuitization, death, or other insurance benefits

The following tables reflect the additional liability for annuitization, death, or other insurance benefits roll-forward for the six months ended June 30, 2024 and 2023:

| (\$ in millions)   | Six months ended |                 |
|--|------------------|-----------------|
|  | June 30, 2024    | June 30, 2023   |
| <b>Balance as of beginning of period</b>   | <b>\$ 7,251</b>  | <b>\$ 5,105</b> |
| Effect of changes in cash flow assumptions   | —                | —               |
| Effect of changes in experience  | (22)             | (28)            |
| <b>Adjusted balance as of beginning of period</b>  | <b>7,229</b>     | <b>5,077</b>    |
| Issuances  | 12               | 13              |
| Assessments  | 350              | 219             |
| Benefits paid  | (265)            | (194)           |
| Interest   | 119              | 65              |
| <b>Balance as of end of period</b>   | <b>7,445</b>     | <b>5,180</b>    |
| Less: impact of unrealized investment gains and losses   | 141              | 118             |
| Less: reinsurance recoverable, end of period   | 1,501            | —               |
| <b>Balance, end of period, net of reinsurance recoverable and impact of unrealized investment gains and losses</b> | <b>\$ 5,803</b>  | <b>\$ 5,062</b> |

## Notes to the interim consolidated financial statements (unaudited)

The additional liability for annuitization, death, or other insurance benefits relates primarily to secondary guarantees on certain interest-sensitive life products, and preneed insurance.

The following reflects the amount of gross assessments recognized for the additional liability for annuitization, death, or other insurance benefits in the consolidated statements of income for the six months ended June 30, 2024 and 2023:

|   | Gross assessments         |        |
|---|---------------------------|--------|
|   | Six months ended June 30, |        |
|   | 2024                      | 2023   |
| <b>(\$ in millions)</b>   |                           |        |
| Total amount recognized within revenue in the consolidated statements of income | \$ 350                    | \$ 205 |

The following reflects the weighted average duration and weighted average interest rate for the additional liability for annuitization, death, or other insurance benefits as of June 30, 2024 and December 31, 2023:

|  | As of         |                   |
|--|---------------|-------------------|
|  | June 30, 2024 | December 31, 2023 |
| Weighted-average interest, current discount rate | 3.28 %        | 3.09 %            |
| Weighted-average liability duration (years)      | 27.17         | 27.64             |

# Global Atlantic Limited (Delaware) and subsidiaries

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### Market risk benefits

The following table presents the balances of, and changes in, market risk benefits:

| (\$ in millions, except for percentages and policyholder information)                                 | Six months ended      |                               |                 |                       |                               |               |
|---|-----------------------|-------------------------------|-----------------|-----------------------|-------------------------------|---------------|
|   | June 30, 2024         |                               |                 | June 30, 2023         |                               |               |
|   | Fixed-indexed annuity | Variable- and other annuities | Total           | Fixed-indexed annuity | Variable- and other annuities | Total         |
| <b>Balance as of beginning of period</b>  | \$ 870                | \$ 251                        | \$ 1,121        | \$ 549                | \$ 120                        | \$ 669        |
| <b>Balance as of beginning of period, before impact of changes in instrument-specific credit risk</b> | \$ 792                | \$ 224                        | \$ 1,016        | \$ 657                | \$ 151                        | \$ 808        |
| Issuances   | 15                    | —                             | 15              | —                     | —                             | —             |
| Interest  | 21                    | 5                             | 26              | 19                    | 5                             | 24            |
| Attributed fees collected   | 52                    | 45                            | 97              | 51                    | 42                            | 93            |
| Benefit payments  | (3)                   | (4)                           | (7)             | (2)                   | (1)                           | (3)           |
| Effect of changes in interest rates   | (107)                 | (57)                          | (164)           | 30                    | 9                             | 39            |
| Effect of changes in equity markets   | (12)                  | (48)                          | (60)            | (18)                  | (54)                          | (72)          |
| Effect of actual experience different from assumptions  | 8                     | (6)                           | 2               | (2)                   | (18)                          | (20)          |
| <b>Balance as of end of period before impact of changes in instrument-specific credit risk</b>        | <b>766</b>            | <b>159</b>                    | <b>925</b>      | <b>735</b>            | <b>134</b>                    | <b>869</b>    |
| Effect of changes in instrument-specific credit risk  | 72                    | 23                            | 95              | (34)                  | (10)                          | (44)          |
| <b>Balance as of end of period</b>  | <b>838</b>            | <b>182</b>                    | <b>1,020</b>    | <b>701</b>            | <b>124</b>                    | <b>825</b>    |
| Less: reinsurance recoverable as of the end of the period   | —                     | (12)                          | (12)            | —                     | (14)                          | (14)          |
| <b>Balance as of end of period, net of reinsurance recoverable</b>                                    | <b>\$ 838</b>         | <b>\$ 170</b>                 | <b>\$ 1,008</b> | <b>\$ 701</b>         | <b>\$ 110</b>                 | <b>\$ 811</b> |
| Net amount at risk  | \$ 4,451              | \$ 1,297                      | \$ 5,748        | \$ 4,101              | \$ 1,201                      | \$ 5,302      |
| Weighted-average attained age of contract holders (years)   | 71                    | 69                            | 71              | 70                    | 70                            | 70            |

The following reflects the reconciliation of the market risk benefits reflected in the preceding table to the amounts reported in an asset and liability position, respectively, in the consolidated balance sheets as of June 30, 2024 and December 31, 2023:

| (\$ in millions)              | As of June 30, 2024 |                 |                   | As of December 31, 2023 |                 |                   |
|-------------------------------|---------------------|-----------------|-------------------|-------------------------|-----------------|-------------------|
|                               | Asset               | Liability       | Net               | Asset                   | Liability       | Net               |
| Fixed-indexed annuities       | \$ —                | \$ 838          | \$ (838)          | \$ —                    | \$ 870          | \$ (870)          |
| Variable- and other annuities | —                   | 182             | (182)             | —                       | 251             | (251)             |
| <b>Total</b>                  | <b>\$ —</b>         | <b>\$ 1,020</b> | <b>\$ (1,020)</b> | <b>\$ —</b>             | <b>\$ 1,121</b> | <b>\$ (1,121)</b> |



## Notes to the interim consolidated financial statements (unaudited)

### Separate account liabilities

Separate account assets and liabilities consist of investment accounts established and maintained by the Company for certain variable annuity and interest-sensitive life insurance contracts. Some of these contracts include minimum guarantees such as GMDBs and GMWBs that guarantee a minimum payment to the policyholder.

The assets that support these variable annuity and interest-sensitive life insurance contracts are measured at fair value and are reported as separate account assets on the consolidated balance sheet. An equivalent amount is reported as separate account liabilities. Market risk benefit assets and liabilities for minimum guarantees are valued and presented separately from separate account assets and separate account liabilities. For more information on market risk benefits see “–Market risk benefits” in this footnote. Policy charges assessed against the policyholders for mortality, administration and other services are included in “Policy fees” in the consolidated statements of income.

The following table presents the balances of and changes in separate account liabilities:

|   | June 30, 2024      |                         |                 | June 30, 2023      |                         |                 |
|---|--------------------|-------------------------|-----------------|--------------------|-------------------------|-----------------|
|   | Variable annuities | Interest-sensitive life | Total           | Variable annuities | Interest-sensitive life | Total           |
| <i>(\$ in millions)</i>                                 |                    |                         |                 |                    |                         |                 |
| <b>Balance as of beginning of period</b>                | <b>\$ 3,565</b>    | <b>\$ 542</b>           | <b>\$ 4,107</b> | <b>\$ 3,628</b>    | <b>\$ 503</b>           | <b>\$ 4,131</b> |
| Premiums and deposits                                   | 13                 | 6                       | 19              | 16                 | 7                       | 23              |
| Surrenders, withdrawals and benefit payments            | (270)              | (11)                    | (281)           | (234)              | (10)                    | (244)           |
| Investment performance                                  | 300                | 58                      | 358             | 302                | 60                      | 362             |
| Other   | (57)               | (23)                    | (80)            | (66)               | (24)                    | (90)            |
| <b>Balance as of end of period</b>                      | <b>\$ 3,551</b>    | <b>\$ 572</b>           | <b>\$ 4,123</b> | <b>\$ 3,646</b>    | <b>\$ 536</b>           | <b>\$ 4,182</b> |
| Cash surrender value as of end of period <sup>(1)</sup> | \$ 3,551           | \$ 572                  | \$ 4,123        | \$ 3,646           | \$ 536                  | \$ 4,182        |

(1) Cash surrender value attributed to the separate accounts does not reflect the impact of surrender charges; surrender charges are attributed to policyholder account balances recorded in the general account.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The following table presents the aggregate fair value of assets, by major investment asset type, supporting separate accounts:

|   | June 30,  |              | December 31, |              |
|---|-----------|--------------|--------------|--------------|
|   | 2024      |              | 2023         |              |
| <i>(\$ in millions)</i>                                     |           |              |              |              |
| <b>Asset type:</b>  |           |              |              |              |
| Managed volatility equity/fixed income blended fund         | \$        | 2,074        | \$           | 2,132        |
| Equity  |           | 1,682        |              | 1,596        |
| Fixed income  |           | 147          |              | 152          |
| Money market  |           | 219          |              | 226          |
| Alternative   |           | 1            |              | 1            |
| <b>Total assets supporting separate account liabilities</b> | <b>\$</b> | <b>4,123</b> | <b>\$</b>    | <b>4,107</b> |

## 8. Debt

Debt was comprised of the following:

|   | June 30, 2024   |        | December 31, 2023 |        |
|---|-----------------|--------|-------------------|--------|
|   | Amount          | Rate   | Amount            | Rate   |
| <i>(\$ in millions, except interest rates)</i>                                    |                 |        |                   |        |
| Revolving credit facility, due August 2026 <sup>(2)</sup>                         | \$ —            | — %    | \$ 200            | 6.96 % |
| Revolving credit facility, due May 2029   | —               | — %    | —                 | — %    |
| Senior notes, due October 2029 <sup>(2)</sup>                                     | 500             | 4.40 % | 500               | 4.40 % |
| Senior notes, due June 2031   | 650             | 3.13 % | 650               | 3.13 % |
| Senior notes, due June 2033   | 650             | 7.95 % | 650               | 7.95 % |
| Senior notes, due March 2054  | 750             | 6.75 % | —                 | — %    |
| Subordinated debentures, due October 2051   | 750             | 4.70 % | 750               | 4.70 % |
| Subordinated debentures, due October 2054   | 600             | 7.95 % | —                 | — %    |
| <b>Total debt - principal</b>   | <b>3,900</b>    |        | <b>2,750</b>      |        |
| Other debt obligations of consolidated special purpose vehicles <sup>(1)(4)</sup> | 35              | 7.79 % | —                 | — %    |
| Purchase accounting adjustments <sup>(2)</sup>                                    | 38              |        | 40                |        |
| Debt issuance costs, net of accumulated amortization <sup>(3)</sup>               | (60)            |        | (36)              |        |
| Fair value loss of hedged debt obligations, recognized in net income              | (215)           |        | (166)             |        |
| <b>Total debt</b>   | <b>\$ 3,698</b> |        | <b>\$ 2,588</b>   |        |

- (1) These debt obligations primarily include debt obligations of consolidated sponsored reinsurance vehicles that are not guaranteed by the Company.
- (2) The amortization of the purchase accounting adjustment was \$2 million and less than \$1 million for the three months ended June 30, 2024 and 2023, respectively, and \$3 million and \$2 million for the six months ended June 30, 2024 and 2023, respectively.
- (3) The amortization of the debt issuance costs was \$1 million and less than \$1 million for the six months ended and 2023, respectively.
- (4) Represents a weighted average interest rate.

### Senior notes due 2054

In March 2024, Global Atlantic (Fin) Company, or “FinCo,” a Delaware corporation and a subsidiary of the Company, issued \$750 million aggregate principal amount of 6.750% senior unsecured notes due 2054 (the “2054 Senior Notes”). The 2054 Senior Notes were issued

## Notes to the interim consolidated financial statements (unaudited)

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pursuant to an indenture, dated October 7, 2019, among FinCo, as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee, and supplemented by the fifth supplemental indenture thereto, dated March 15, 2024, among FinCo, the Company and the trustee. The 2054 Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Company.

The 2054 Senior Notes bear interest at a rate of 6.750% per year. Interest on the 2054 Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2024. The 2054 Senior Notes will mature on March 15, 2054. FinCo may, at its option, redeem some or all of the 2054 Senior Notes at any time: (i) prior to September 15, 2053 at a redemption price equal to the greater of 100% of the principal amount of the 2054 Senior Notes to be redeemed and a make-whole payment plus, in either case, accrued and unpaid interest, if any, to the date of redemption; and (ii) on or after September 15, 2053 at a redemption price equal to 100% of the principal amount of the 2054 Senior Notes to be redeemed, plus accrued and unpaid interest to the date of redemption.

### **Subordinated debentures due 2054**

On June 11, 2024, FinCo issued \$600 million of 7.95% fixed-to-fixed rate subordinated debentures maturing on October 15, 2054. The subordinated debentures were issued pursuant to the Subordinated Indenture, dated as of July 6, 2021, among FinCo, as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee, as supplemented by the Second Supplemental Indenture, dated as of June 11, 2024.

The subordinated debentures will bear interest (i) from, and including, June 11, 2024 to, but not including, the initial interest reset date of October 15, 2029 at an annual rate of 7.95% and (ii) from and including October 15, 2029, during each interest reset period, at an annual rate equal to the five-year Treasury rate as of the most recent reset interest determination date, plus 3.608%. Interest on the subordinated debentures is payable semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2024, and on the maturity date.

FinCo has the right on one or more occasions to defer the payment of interest on the subordinated debentures due 2054 for up to five consecutive years, each such period, a “deferral period.” During an optional deferral period, interest will continue to accrue at the interest rate on the subordinated debentures due 2054, compounded semi-annually as of each interest payment date. If FinCo has exercised its right to defer interest payments on the subordinated debentures due 2054, FinCo and the Company generally may not (1) make payments on or redeem or purchase (A) FinCo or the Company’s common stock, or (B) with respect to FinCo, any indebtedness ranking on parity with or junior to the subordinated debentures due 2054, and with respect to the Company, any indebtedness ranking on parity with or junior to the guarantee or (2) make any guarantee payments with respect to any guarantee by FinCo or the Company of any securities or any of their respective subsidiaries if such guarantee ranks equally with or junior to the debentures.

FinCo may elect to redeem the subordinated debentures due 2054 either (1) in whole at any time or in part from time to time during the three-month period prior to, and including, October 15, 2029, or the three month period prior to, and including, each subsequent interest reset date, in each case at 100% of the principal amount of the subordinated debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date; (2) in whole, but not in part, at any time within 90 days after the occurrence of a tax event at 100% of the principal amount of the subordinated debentures being redeemed, plus accrued and unpaid interest (including compounded

## Notes to the interim consolidated financial statements (unaudited)

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interest, if any) to, but excluding, the redemption date; (3) in whole, but not in part, at any time within 90 days after the occurrence of a rating agency event at 102% of the principal amount of the subordinated debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date; or (4) in whole, but not in part, at any time within 90 days after the occurrence of a regulatory capital event at 100% of the principal amount of the subordinated debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date.

### **Revolving Credit Facility**

On May 7, 2024, FinCo terminated the existing revolving credit facility and replaced it with a new credit agreement with FinCo, as borrower, and the Company, as guarantor, and Wells Fargo Bank, N.A., as administrative agent, that (1) provides for up to \$1.0 billion of revolving borrowings, including up to \$500 million of letters of credit, (2) has a maturity in May 2029, and (3) contains customary events of default, representations and warranties and covenants that are substantially similar to those that were in the terminated revolving credit facility, including the consolidated debt to capitalization and net worth covenants. Interest on any funded balances accrues at SOFR plus a spread ranging from 1.225% to 1.975%, based on the Company's long-term issuer credit ratings. The borrower must pay a commitment fee on any unfunded committed balance under the agreement, ranging from 0.125% to 0.300% based on the long-term issuer credit rating.

### **Debt obligations of consolidated special purpose vehicles and joint ventures**

In May 2024, GA Iris FinCo LLC, ("Iris FinCo") an indirect subsidiary of the Company, as borrower, and GA Iris LLC, a consolidated sponsored reinsurance vehicle ("GA Iris") as guarantor, entered into a Senior Unsecured Credit Agreement, ("Iris Credit Facility") with Wells Fargo Bank, N.A. as administrative agent. The Iris Credit Facility provides for up to \$240 million of revolving borrowings (with the option to increase up to an additional \$20 million) and has a maturity date of May 2027. Interest on borrowings will accrue at term SOFR plus a spread ranging from 1.85% to 2.60%. In June 2024, GA Iris, entered into a Subscription Credit Facility Agreement, ("Iris Subscription Facility") with EVERBANK, N.A. The Iris Subscription Facility provides for up to \$100 million of revolving borrowings and has a maturity date of June 2027. Interest on borrowings will accrue at term SOFR plus 2.75%. Neither of these facilities are guaranteed by GALD, KKR or any of their respective subsidiaries (other than GA Iris with respect to the Iris Credit Facility).

### **Debt Covenants**

Borrowings of the Company contain various debt covenants. These covenants do not, in management's opinion, materially restrict the Company's operating business or investment strategies as of June 30, 2024. The Company was in compliance with such debt covenants in all material respects as of June 30, 2024.

Notes to the interim consolidated financial statements (unaudited)

9. Composition of other assets, liabilities, income, insurance expenses and general, administrative and other expenses

Other assets consist of the following:

|   | June 30,<br>2024 | December 31,<br>2023 |
|---|------------------|----------------------|
| <b>(\$ in millions)</b>   |                  |                      |
| Deferred tax asset, net   | \$ 2,821         | \$ 2,356             |
| Unsettled investment sales <sup>(1)</sup> and derivative collateral receivables | 24               | 28                   |
| Derivative assets   | 31               | 46                   |
| Goodwill  | 501              | 501                  |
| Intangible assets and deferred sales inducements                                | 285              | 259                  |
| Current income tax recoverable  | 49               | 42                   |
| Operating lease right-to-use assets <sup>(2)</sup>                              | 169              | 176                  |
| Premiums and other account receivables  | 239              | 188                  |
| Miscellaneous assets  | 172              | 151                  |
| <b>Total other assets</b>   | <b>\$ 4,291</b>  | <b>\$ 3,747</b>      |

(1) Primarily includes amounts due from third parties for investments sold for which cash settlement has not occurred.

(2) The non-cancelable operating leases consist of leases for office space and renewal energy forward power purchase agreements in North America. The operating lease costs were \$6 million and \$7 million for the three months ended June 30, 2024 and 2023, respectively, and \$13 million and \$14 million for the six months ended June 30, 2024 and 2023, respectively.

The definite life intangible assets are amortized using the straight-line method over the useful life of the assets which is an average of 14 years. The indefinite life intangible assets are not subject to amortization. The amortization expense of definite life intangible assets was \$5 million for both the three months ended June 30, 2024 and 2023 and \$9 million for both the six months ended June 30, 2024 and 2023.

Other liabilities consist of the following:

|   | June 30,<br>2024 | December 31,<br>2023 |
|---|------------------|----------------------|
| <b>(\$ in millions)</b>   |                  |                      |
| Unsettled investment purchases <sup>(1)</sup> and derivative collateral liabilities | \$ 649           | \$ 206               |
| Derivative liabilities  | 304              | 146                  |
| Accrued expenses <sup>(2)</sup>   | 793              | 892                  |
| Insurance operations balances in course of settlement                               | 278              | 250                  |
| Securities sold under agreements to repurchase                                      | 566              | 1,358                |
| Accrued employee related expenses   | 68               | 201                  |
| Operating lease liabilities <sup>(3)</sup>  | 190              | 197                  |
| Tax payable to former parent company  | 48               | 63                   |
| Interest payable  | 33               | 16                   |
| Current income tax payable  | —                | —                    |
| Accounts and commissions payables   | 29               | 32                   |
| Other tax related liabilities   | 14               | 13                   |
| <b>Total other liabilities</b>  | <b>\$ 2,972</b>  | <b>\$ 3,374</b>      |

(1) Primarily includes amounts owed to third parties for investment purchases for which cash settlement has not occurred.

(2) Includes related party balances of \$155 million and \$121 million as of June 30, 2024 and December 31, 2023, respectively.

## Notes to the interim consolidated financial statements (unaudited)

- (3) Operating leases for office space have remaining lease terms that range from approximately 1 year to 11 years, some of which include options to extend the leases for up to 10 years. The weighted average remaining lease terms were 7.6 years as of both June 30, 2024 and December 31, 2023. The weighted average discount rates were 4.7% and 4.4% as of June 30, 2024 and December 31, 2023, respectively.

Other income consists of the following:

|   | Three months ended |                  | Six months ended |                  |
|---|--------------------|------------------|------------------|------------------|
|   | June 30,<br>2024   | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>                         |                    |                  |                  |                  |
| Reinsurance expense allowance                   | \$ 42              | \$ 24            | \$ 77            | \$ 45            |
| Administrative, marketing and distribution fees | 21                 | 16               | 42               | 31               |
| Miscellaneous income                            | 1                  | —                | 1                | 1                |
| <b>Total other income</b>                       | <b>\$ 64</b>       | <b>\$ 40</b>     | <b>\$ 120</b>    | <b>\$ 77</b>     |

Insurance expenses consist of the following:

|                                 | Three months ended |                  | Six months ended |                  |
|---------------------------------|--------------------|------------------|------------------|------------------|
|                                 | June 30,<br>2024   | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>         |                    |                  |                  |                  |
| Commission expense              | \$ 179             | \$ 124           | \$ 314           | \$ 298           |
| Reinsurance expense allowance   | 46                 | 30               | 88               | 60               |
| Other insurance expenses        | 15                 | 14               | 33               | 31               |
| Premium taxes                   | 4                  | 4                | 9                | 9                |
| <b>Total insurance expenses</b> | <b>\$ 244</b>      | <b>\$ 172</b>    | <b>\$ 444</b>    | <b>\$ 398</b>    |

General, administrative and other expenses consist of the following:

|  | Three months ended |                  | Six months ended |                  |
|--|--------------------|------------------|------------------|------------------|
|  | June 30,<br>2024   | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>                                  |                    |                  |                  |                  |
| Employee-related expenses                                | \$ 132             | \$ 161           | \$ 272           | \$ 337           |
| Administrative and professional services <sup>(1)</sup>  | 51                 | 45               | 97               | 83               |
| <b>Total general, administrative, and other expenses</b> | <b>\$ 183</b>      | <b>\$ 206</b>    | <b>\$ 369</b>    | <b>\$ 420</b>    |

- (1) Includes related party balances of \$2 million for both the three months ended June 30, 2024 and 2023, and \$4 million for both the six months ended June 30, 2024 and 2023.

Notes to the interim consolidated financial statements (unaudited)

10. Accumulated other comprehensive loss

Information regarding amounts reclassified out of each component of accumulated other comprehensive loss for the three and six months ended June 30, 2024 and 2023 were as follows:

| Components of accumulated other comprehensive income (loss)   | Consolidated statements of income and consolidated statements of comprehensive income (loss) location | Three months ended |                | Six months ended |                 |
|---|---|--------------------|----------------|------------------|-----------------|
|   |   | June 30,           |                | June 30,         |                 |
|   |   | 2024               | 2023           | 2024             | 2023            |
| <b>(\$ in millions)</b>   |   |                    |                |                  |                 |
| <b>Net unrealized investment-related gains (losses) on AFS fixed maturity securities and other investments:</b> |   |                    |                |                  |                 |
| Net unrealized investment gains (losses)  | Net investment-related (losses) gains   |                    |                |                  |                 |
| Net unrealized investment gains (losses), before income tax   |   | \$ (95)            | \$ (86)        | \$ (94)          | \$ (159)        |
| Income tax expense (benefit)  |   | (20)               | (17)           | (21)             | (30)            |
| <b>Net unrealized investment gains (losses), net of income tax, reclassified</b>                                |   | <b>\$ (75)</b>     | <b>\$ (69)</b> | <b>\$ (73)</b>   | <b>\$ (129)</b> |

11. Redeemable non-controlling interests

During the first quarter of 2019, the Company acquired controlling interests in certain renewable energy partnerships in which the non-controlling shareholder can sell its ownership back to the Company after a specified date is reached. The Company has redeemable non-controlling interests related to these renewable energy partnerships of \$46 million and \$48 million as of June 30, 2024 and December 31, 2023, respectively, as determined by the HLBV method. The estimated redemption value of redeemable non-controlling interests is calculated as the discounted cash flows subsequent to the expected flip date of the respective renewable energy partnership. The flip date represents the date at which the allocation of income and cash flows among the investors in the partnership is adjusted, pursuant to the redeemable non-controlling interest investors having achieved an agreed-upon return. The flip date of the Company's renewable energy partnerships determines when the redeemable non-controlling interests are eligible to be redeemed. Eligible redemption dates range from January 1, 2028 to June 30, 2028. For the redeemable non-controlling interests outstanding as of both June 30, 2024 and December 31, 2023, the estimated redemption value that would be due at the respective redemption dates is \$3 million.

## 12. Equity-based compensation plans

The components of equity-based compensation and long-term incentives expense were as follows:

|  | Three months ended |                  | Six months ended |                  |
|--|--------------------|------------------|------------------|------------------|
|  | June 30,<br>2024   | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>(\$ in millions)</b>                                      |                    |                  |                  |                  |
| Global Atlantic book value plan                              | \$ —               | \$ 15            | \$ —             | \$ 31            |
| KKR equity incentive plan and other equity-classified awards | 35                 | 4                | 64               | 7                |
| <b>Total equity-based compensation expense</b>               | <b>\$ 35</b>       | <b>\$ 19</b>     | <b>\$ 64</b>     | <b>\$ 38</b>     |
| Management equity incentive plan awards                      | \$ —               | \$ 18            | \$ —             | \$ 56            |
| <b>Total deferred compensation expense</b>                   | <b>\$ —</b>        | <b>\$ 18</b>     | <b>\$ —</b>      | <b>\$ 56</b>     |
| Deferred tax asset   | \$ 4               | \$ 1             | \$ 7             | \$ 2             |

No equity-based compensation costs were capitalized during the three and six months ended June 30, 2024 and 2023.

### Equity-classified awards

#### KKR equity incentive plans

##### *Service-vesting awards*

Employees of Global Atlantic are eligible for the grant of KKR restricted stock units, or “RSUs,” under the terms of KKR’s 2019 Equity Incentive Plan. Awards are generally subject to service-based vesting, typically over a three-to-five-year vesting period. Expense associated with these RSUs is based on the closing price of KKR & Co. Inc. common stock on the date of grant, discounted for the lack of participation rights in the expected dividends on unvested shares. Expense is recognized on a straight-line basis over the life of the award and assumes a forfeiture rate of up to 4% annually based upon expected turnover by class of recipient.

Pursuant to the terms of the 2023 Merger Agreement, all of the outstanding Global Atlantic Book Value Award Units (“BVAs”) were converted into KKR RSUs under the 2019 Equity Incentive Plan. The number of RSUs issued to each holder of outstanding BVAs was determined by dividing the total value of the BVA as of December 31, 2023 by the value of the KKR RSU conversion price of \$72.04 per share and rounding the result up to the nearest whole share. No fractional shares were issued as a result of the conversion and the vesting schedule of the converted BVA award was carried over to the new RSU award. The conversion price was based upon the average closing price of KKR common stock for the 10 trading days commencing November 21, 2023 and ending December 5, 2023.

On April 1, 2024, approximately 973,111 RSUs having an aggregate value of \$98 million vested as set forth under their respective grant agreements and resulted in the issuance of approximately 559,032 shares of KKR common stock, net of approximately 414,079 shares withheld to satisfy required tax withholdings.



## Notes to the interim consolidated financial statements (unaudited)

As of June 30, 2024, there was approximately \$214 million of total estimated unrecognized expense related to unvested Service-Vesting Awards, which is expected to be recognized over the weighted average remaining requisite service period of 1.52 years.

The table below presents the activity related to equity-classified compensation with service-based vesting conditions, for the six months ended June 30, 2024:

|   | Six months ended June 30, 2024 |  |
|---|--------------------------------|--|
|   | Shares                         | Weighted average grant date fair value per share |
| <b>Outstanding balance, as of beginning of period</b> | <b>1,839,097</b>               | <b>\$ 59.86</b>                                  |
| Transfers in/out                                      | 2,003,206                      | 43.55  |
| Granted   | 2,546,022                      | 77.37  |
| Vested  | (2,000,020)                    | 73.95  |
| Forfeitures   | (122,956)                      | 67.98  |
| <b>Outstanding balance, as of end of period</b>       | <b>4,265,349</b>               | <b>\$ 55.81</b>                                  |

### **Market condition awards**

Under the 2019 Equity Incentive Plan, KKR also grants restricted stock units and restricted holdings units (“RHUs”) that are subject to both a service-based vesting condition and a market price based vesting condition (referred to hereafter as “Market Condition Awards”) for certain Global Atlantic employees.

The number of Market Condition Awards that will vest depend upon (i) the market price of KKR common stock reaching certain price targets that range from \$95.80 to \$135.80 and (ii) the employee being employed by Global Atlantic on a certain date, which typically ranges from 5 to 6 years from the date of grant (with exceptions for involuntary termination without cause, death and permanent disability). The market price vesting condition is met when the average closing price of KKR common stock during 20 consecutive trading days meets or exceeds the stock price targets. Holders of the Market Condition Awards do not participate in dividends until such awards have met both their service-based and market price based vesting requirements. Additionally, these awards are subject to additional transfer restrictions and minimum retained ownership requirements after vesting.

Due to the existence of the service requirement, the vesting period for these Market Condition Awards is explicit, and as such, compensation expense will be recognized on (i) a straight-line basis over the period from the date of grant through the date the award recipient is required to be employed by Global Atlantic and (ii) assumes a forfeiture rate of up to 4% annually based upon expected turnover. The fair value of the awards granted is based on a Monte Carlo simulation valuation model. In addition, the grant date fair value assumes that holders of the Market Condition Awards will not participate in dividends until such awards have met all of their vesting requirements.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

Below is a summary of the grant date fair value based on the Monte Carlo simulation valuation model and the significant assumptions used to estimate the grant date fair value of these Market Condition Awards:

|  | Weighted<br>Average | Range             |
|--|---------------------|-------------------|
| Grant Date Fair Value                        | \$57.35             | \$22.56 - \$61.81 |
| Closing KKR share price as of valuation date | \$79.12             | \$37.93 - \$82.85 |
| Risk Free Rate                               | 3.68%               | 0.41% - 4.41%     |
| Volatility                                   | 29.87%              | 28.00% - 30.00%   |
| Dividend Yield                               | 0.89%               | 0.84% - 1.53%     |
| Expected Cost of Equity                      | 10.49%              | 10.45% - 11.00%   |

As of June 30, 2024, there was approximately \$75 million of total estimated unrecognized expense related to these unvested Market Condition Awards, which is expected to be recognized over the weighted average remaining requisite service period of 3.22 years.

The table below presents the activity related to unvested Market Condition Awards, for the six months ended June 30, 2024:

|   | Six months ended June 30, 2024 |   |
|---|--------------------------------|---|
|   | Shares                         | Weighted<br>average grant<br>date fair value<br>per share |
| Granted   | 2,158,830                      | 55.23   |
| Forfeited                                       | (8,630)                        | 52.86   |
| Transfers in (out)                              | 193,750                        | 26.73   |
| <b>Outstanding balance, as of end of period</b> | <b>2,343,950</b>               | <b>\$ 52.88</b>   |

As of June 30, 2024, 1 million units of these Market Condition awards have met their market price based vesting condition.

## Liability-classified awards

### Book-value awards

On February 1, 2021, the Company adopted the Global Atlantic Book Value Plan (“book value awards” or “BVAs”) to enhance the ability of the Company to attract, motivate and retain its employees and to promote the success of the Company’s business. The Awards granted under the Plan were liability-classified awards representing the right to receive one or more cash payments upon vesting. The BVAs generally vested in three equal, annual

## Notes to the interim consolidated financial statements (unaudited)

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installments, subject to the continued employment with certain exceptions in the event of death, disability or retirement.

On February 28, 2023, BVAs having an aggregate value of approximately \$24 million vested as set forth under the pre-acquisition grant agreements and resulted in a cash payment of an aggregate \$14 million to participants, net of applicable tax withholdings.

BVAs were accounted for as profit-sharing arrangements in accordance with ASC 710. On January 2, 2024, KKR replaced the BVAs with approximately 1.9 million of Service-Vesting Awards granted pursuant to KKR's 2019 Equity Incentive Plan, which are accounted for as equity classified awards in scope of ASC 718. As such, this modification resulted in (i) a change in scope from ASC 710 to ASC 718, (ii) a change in classification from liability to equity and (iii) a corresponding reclassification of \$77 million from Other Liabilities to Additional Paid-In Capital in the consolidated balance sheet. Accordingly, these awards will no longer be remeasured to fair value after the modification date. No incremental expense recognition was required upon the modification of the BVAs, because no incremental value was transferred to the employees. The service and vesting conditions of the Service-Vesting Awards mirror those of the BVAs.

### Other deferred compensation plans

#### Management equity incentive plan awards

On June 24, 2021, Global Atlantic issued 1,000 non-voting incentive shares to a Bermuda exempted partnership owned by certain Global Atlantic employees, who are eligible to receive incentive units under the GA Equity Incentive Plan (known as the Management Equity Incentive Plan, or "MEP"). These incentive units represented an interest in the receipt of certain amounts based on Global Atlantic's book value, market value, and AUM, in each case as derived in part from the value of TGAFG's fully-diluted equity shares.

The GA Equity Incentive Plan awards were accounted for as a hybrid compensation plan, consisting of one component most closely aligned with a profit-sharing plan under ASC 710, Compensation - General, as well as other components within scope of ASC 718, Compensation - Stock Compensation, in all cases with obligations liability-classified. Accordingly, with regard to awards within scope of ASC 710, Global Atlantic recorded expense based on payouts deemed to be probable and reasonably estimable based on the book value growth of Global Atlantic at the grant date and at each reporting period. For award components subject to liability-classification under ASC 718, Global Atlantic recorded expense, net of a 0% estimated forfeiture rate, based on the fair value of awards granted, with periodic adjustments to expense for changes in fair value, over the requisite 5-year service period.

On January 2, 2024, KKR replaced the GA Equity Incentive Plan awards with (i) 1.3 million units of Service-Vesting Awards with a remaining vesting period of approximately 2 years and approximately 0.9 million of Market Condition Awards, both of which are accounted for as equity classified awards in scope of ASC 718, and (ii) approximately \$54 million in vested units in KKR Holdings III restricted holdings units. As such, this modification resulted in (i) a change in scope from ASC 710 to ASC 718 for a portion of the award, (ii) a change in classification from liability to equity and (iii) a corresponding reclassification of \$149 million from Other Liabilities to Additional Paid-In Capital in the consolidated balance sheet. No incremental expense recognition was required upon the modification of the GA Equity Incentive Plan awards, because no incremental value was transferred to the employees.

## Notes to the interim consolidated financial statements (unaudited)

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Due to the existence of the service requirement, the vesting period for the Market Condition Awards is explicit, and as such, compensation expense will be recognized on (i) a straight-line basis over the period from the date of grant through the date the award recipient is required to be employed by KKR and (ii) assumes a forfeiture rate of up to 4% annually based upon expected turnover. The fair value of the awards granted is based on a Monte Carlo simulation valuation model.

### 13. Income taxes

The provision for income taxes represents federal and state income taxes. The effective tax rate for the three months ended June 30, 2024 and 2023 was 21.5% and 2.0%, respectively, and 20.4% and 11.5% for the six months ended June 30, 2024 and 2023, respectively. The effective tax rate on income before income taxes for the three and six months ended June 30, 2024 and 2023 differs from the U.S. federal statutory rate primarily due to tax credits, and additionally in 2023 certain Bermuda-based earnings.

At each reporting date, management considers new evidence, both positive and negative, that could impact the future realization of deferred tax assets. Management will consider a release of the valuation allowance once there is sufficient positive evidence that it is more likely than not that the deferred tax assets will be realized. Any release of the valuation allowance will be recorded as a tax benefit increasing net income or other comprehensive income. As of December 31, 2022, management recorded a partial valuation allowance of \$89 million reducing the deferred tax asset related to the unrealized losses on available-for-sale securities held by Global Atlantic. As of June 30, 2024, management recorded no change to the valuation allowance balance of \$89 million. Management intends to hold the majority of these securities until the recovery of the losses, which may be at maturity, as part of its asset liability cash-flow matching strategy and will continue to monitor its position and may make changes to the valuation allowance in future periods as circumstances change.

The Company's U.S. domiciled subsidiaries' federal income tax returns are routinely audited by the Internal Revenue Service, or "IRS," and when appropriate, provisions are made in the consolidated financial statements in anticipation of the results of these audits. The tax years under examination by the IRS vary by company; however, the earliest tax year that remains open is 2019.

In December 2019, the FASB issued new guidance to simplify the accounting for income taxes. This guidance eliminates the exceptions to the incremental approach, to accounting for basis differences when there are changes in ownership of foreign investments, and to interim period tax accounting for year-to-date losses that exceed anticipated losses and included, among other provisions, tax guidance related to franchise taxes. The guidance is effective for public business entities that meet the definition of an SEC filer for fiscal years beginning after December 15, 2020, including interim period within those fiscal years. The Company has been reporting franchise taxes as provided by ASU 2019-12 and therefore no material impact to financial statements.

On August 16, 2022, the Inflation Reduction Act (the "IRA") was signed into law. The IRA enacted a new 15% corporate minimum tax ("CAMT") on the "adjusted financial statement income" of certain large corporations, which became effective on January 1, 2023. In addition, the IRA enacted a 1% excise tax on corporate stock repurchases completed after December 31, 2022. As required under the authoritative guidance of ASC 740, Income Taxes, we reviewed the impact on income taxes due to the change in legislation and concluded there was no material impact to the financial statements as of June 30, 2024.

## Notes to the interim consolidated financial statements (unaudited)

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On December 27, 2023, the Government of Bermuda enacted the Bermuda Corporate Income Tax (“Bermuda CIT”). Commencing on January 1, 2025, the Bermuda CIT generally will impose a 15% corporate income tax on in-scope entities that are resident in Bermuda or have a Bermuda permanent establishment, without regard to any assurances that been given pursuant to the Exempted Undertakings Tax Protection Act 1966. As a result of the 2024 KKR Acquisition, the Company is now subject to the Bermuda CIT enacted in 2023. We reviewed the potential impact of the enactment and do not expect that the passage of the Bermuda CIT will have a material impact on income taxes for 2024.

## 14. Commitments and contingencies

### Commitments

The Company enters into lease contracts, the most significant being leases of office space for its operations and land leases for its consolidated solar and real estate subsidiaries. The Company reports these leases as right-to-use assets with a corresponding lease liability in other assets and other liabilities in the consolidated balance sheets, respectively. The lease liability represents the present value of the lease payments to be made over the lease term and is calculated using a discount rate equal to the Company’s incremental borrowing rates, which range from 1.3% to 7.8% depending on the term. As of June 30, 2024, the Company has a right-to-use asset of \$169 million (net of \$21 million in deferred rent and lease incentives) and a corresponding lease liability of \$190 million. As of December 31, 2023, the Company has a right-to-use asset of \$176 million (net of \$21 million in deferred rent and lease incentives) and a corresponding lease liability of \$197 million.

The Company has commitments to purchase or fund investments of \$4.6 billion and \$5.5 billion as of June 30, 2024 and December 31, 2023, respectively. These commitments include those related to mortgage loans, other lending facilities and investments in limited partnerships, joint ventures and LLCs. The commitment periods vary, with most extending for the next 3 years, but some extend longer. Some of these investment commitments may be subject to conditions that must be met prior to funding. For those commitments that represent a contractual obligation to extend credit, the Company has recorded a liability of \$22 million for current expected credit losses as of June 30, 2024.

In addition, the Company has entered into certain forward flow agreements to purchase loans. Our obligations under these agreements are subject to change, curtailment, and cancellation based on various provisions including repricing mechanics, due diligence reviews, and performance or pool quality, among other factors.

### Contingencies

#### Guarantees

In the ordinary course of business, Global Atlantic enters into contracts that contain a variety of representations, warranties and covenants, including indemnifications and guarantees related to the purchase or sale of assets and businesses. These various arrangements may have a variety of triggering events, such as the occurrence of specified business contingencies, or breaches of representations, warranties or covenants provided by Global Atlantic. These arrangements are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential obligation is subject to contractual limitations, while in other cases such limitations are not specified or are not applicable.

## Notes to the interim consolidated financial statements (unaudited)

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In connection with the Senior Notes due 2029, 2031, 2033 and 2054 issued by FinCo, the Company has agreed to fully and unconditionally guarantee the notes on a senior unsecured basis.

In connection with the \$750 million Subordinated Debentures due 2051 and \$600 million Subordinate Debentures due 2054 issued by FinCo, the Company has agreed to fully and unconditionally guarantee the notes on a subordinated, unsecured basis.

In connection with the 5-year \$1.0 billion RCF entered into by FinCo, the Company has agreed to jointly and severally guarantee, together with any subsidiary guarantors, payment and performance of FinCo's obligations under the RCF when due if not promptly paid by FinCo for the benefit of the lenders. The guarantees provided by the Company and any subsidiary guarantors are released when all commitments and obligations under the RCF have been paid in full or when the RCF commitments expire or are terminated upon the merger of certain subsidiary guarantors with or into FinCo in accordance with the terms set forth in the RCF. As of June 30, 2024, the Company was the only guarantor under the RCF.

In connection with a Tax Benefit Payment Agreement entered into between FinCo, as payor, and Goldman Sachs, as payee, in 2013, GAFLL and GAFG have agreed to guarantee the payment and performance of FinCo, for the benefit of Goldman Sachs. In connection with the KKR transaction, effective February 1, 2021, GAFLL merged with and into GAFG and is no longer a party to the agreement. See Note 16—"Related party transactions" for additional information on the Tax Benefit Payment Agreement.

In lieu of funding certain investments in loan facilities to third party borrowers in cash, the Company has arranged or participated in letters of credit issued by third-party banks on behalf of the borrowers in the amount of \$8 million, as of June 30, 2024, with expiration dates between November 2024 and May 2025. The Company has available lines of credit that would allow for additional letters of credit to be issued on behalf of certain borrowers, up to \$167 million, as of June 30, 2024. For accounting purposes, these letters of credit are considered guarantees of certain obligations of the borrowers. If a letter of credit were to be drawn, the Company would be obligated to repay the issuing third-party bank, and the Company would recognize a loan receivable from the borrowers on its balance sheet. The Company monitors the likelihood of these letters of credit being drawn, and any related contingent obligation. As of both June 30, 2024 and December 31, 2023, the expected credit loss on the contingent liability associated with these letters of credit was not material. See Note 16—"Related party transactions" for additional information on the letters of credit.

### Legal matters

The Company is currently and expects to become from time to time involved in litigation and regulatory actions. Litigation, including class actions, or regulatory actions could result in the payment of substantial settlements, increase costs, require changes to operations, divert management attention, cause reputational harm or make it more challenging to attract and retain customers, employees and agents at the Company. Such matters include pending examinations, including related to policy administration, and class action lawsuits, including related to safeguarding of customer data. Given the inherent difficulty of predicting the outcome of the Company's litigation and regulatory matters, particularly in cases or proceedings in which substantial or indeterminate damages or fines are sought, the Company cannot estimate losses or ranges of losses for cases or proceedings where there is only a reasonable possibility that a loss may be incurred.

## Notes to the interim consolidated financial statements (unaudited)

Although the Company's ultimate legal and financial responsibility and our actual future expenditures to address regulatory, litigation and related matters cannot be estimated at this time and could prove to be materially different from the amount that we accrue or reserve for, the Company believes that certain liabilities are probable and can be reasonably estimated and accordingly has recorded a total reserve for all regulatory, litigation and related matters of approximately \$4 million and \$5 million as of June 30, 2024 and December 31, 2023, respectively.

### Financing arrangements

The Company has financing arrangements with unaffiliated third parties to support the reserves of its affiliated special purpose reinsurers. Total fees associated with these financing arrangements were \$5 million for both the three months ended June 30, 2024 and 2023, and \$10 million for both the six months ended June 30, 2024 and 2023, and are included in insurance expenses in the consolidated statements of income. As of both June 30, 2024 and December 31, 2023, the total capacity of the financing arrangements with third parties was \$2.3 billion.

Other than the matters disclosed above, there were no outstanding or unpaid balances from the financing arrangements with unaffiliated third parties as of both June 30, 2024 and December 31, 2023.

## 15. Reinsurance

The Company maintains a number of reinsurance treaties with third parties whereby the Company assumes annuity and life policies on a coinsurance, modified coinsurance or funds withheld basis. The Company also maintains other reinsurance treaties including the cession of certain annuity, life and health policies.

The effects of all reinsurance agreements on the consolidated balance sheets were as follows:

|                                 | June 30,<br>2024  | December 31,<br>2023 |
|---------------------------------|-------------------|----------------------|
| <b>(\$ in millions)</b>         |                   |                      |
| <b>Policy liabilities:</b>      |                   |                      |
| Direct                          | \$ 79,692         | \$ 75,715            |
| Assumed                         | 98,141            | 84,343               |
| <b>Total policy liabilities</b> | <b>177,833</b>    | <b>160,058</b>       |
| Ceded <sup>(1)</sup>            | (45,283)          | (35,774)             |
| <b>Net policy liabilities</b>   | <b>\$ 132,550</b> | <b>\$ 124,284</b>    |

(1) Reported within reinsurance recoverable within the consolidated balance sheets.

A key credit quality indicator is a counterparty's A.M. Best financial strength rating. A.M. Best ratings are an independent opinion of a reinsurer's ability to meet ongoing obligations to policyholders. The Company mitigates counterparty credit risk by requiring collateral and credit enhancements in various forms including engaging in funds withheld at interest and modified coinsurance transactions. The following shows the amortized cost basis of the Company's reinsurance recoverable and funds withheld receivable at interest by credit quality indicator and any associated credit enhancements the Company has obtained to mitigate counterparty credit risk:



# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

| A.M. Best Rating <sup>(1)</sup>            | As of June 30, 2024   |                                    |  | As of December 31, 2023   |                                    |  |
|--|---|------------------------------------|--|---|------------------------------------|--|
|  | Reinsurance recoverable and funds withheld receivable at interest | Credit enhancements <sup>(2)</sup> | Net reinsurance credit exposure <sup>(3)</sup> | Reinsurance recoverable and funds withheld receivable at interest | Credit enhancements <sup>(2)</sup> | Net reinsurance credit exposure <sup>(3)</sup> |
| <i>(\$ in millions)</i>                    |   |                                    |  |   |                                    |  |
| A++  | \$ 32   | \$ —                               | \$ 32  | \$ 39   | \$ —                               | \$ 39  |
| A+   | 1,712   | —                                  | 1,712  | 1,802   | —                                  | 1,802  |
| A  | 2,219   | —                                  | 2,219  | 2,213   | —                                  | 2,213  |
| A-   | 4,114   | 3,622                              | 492  | 4,430   | 3,815                              | 615  |
| B++  | 1   | —                                  | 1  | 1   | —                                  | 1  |
| B+   | —   | —                                  | —  | —   | —                                  | —  |
| B  | —   | —                                  | —  | —   | —                                  | —  |
| B-   | —   | —                                  | —  | —   | —                                  | —  |
| Not rated or private rating <sup>(4)</sup> | 40,018  | 40,322                             | —  | 30,859  | 30,210                             | 649  |
| <b>Total</b>                               | <b>\$ 48,096</b>  | <b>\$ 43,944</b>                   | <b>\$ 4,456</b>                                | <b>\$ 39,344</b>  | <b>\$ 34,025</b>                   | <b>\$ 5,319</b>                                |

(1) Ratings are periodically updated (at least annually) as A.M. Best issues new ratings.

(2) Credit enhancements primarily include funds withheld payable at interest.

(3) Includes credit loss allowance of \$24 million and \$21 million as of June 30, 2024 and December 31, 2023, respectively, held against reinsurance recoverable and funds withheld receivable at interest.

(4) Includes \$40.0 billion and \$30.8 billion as of June 30, 2024 and December 31, 2023, respectively, associated with cessions to co-investment vehicles (the "sponsored reinsurance vehicles") that participate in qualifying reinsurance transactions sourced by Global Atlantic.

As of June 30, 2024 and December 31, 2023, the Company had \$2.6 billion and \$2.7 billion of funds withheld receivable at interest, respectively, with six counterparties related to modified coinsurance and funds withheld contracts. The assets supporting the funds withheld receivable at interest balance are held in trusts for the benefit of the Company.



Notes to the interim consolidated financial statements (unaudited)

The effects of reinsurance on the consolidated statements of income were as follows:

|                         | Three months ended |               | Six months ended |                 |
|-------------------------|--------------------|---------------|------------------|-----------------|
|                         | June 30,           |               | June 30,         |                 |
|                         | 2024               | 2023          | 2024             | 2023            |
| <b>(\$ in millions)</b> |                    |               |                  |                 |
| <b>Premiums:</b>        |                    |               |                  |                 |
| Direct                  | \$ 130             | \$ 33         | \$ 165           | \$ 66           |
| Assumed                 | 1,622              | 1,135         | 10,732           | 1,754           |
| Ceded                   | (817)              | (542)         | (3,925)          | (720)           |
| <b>Net premiums</b>     | <b>\$ 935</b>      | <b>\$ 626</b> | <b>\$ 6,972</b>  | <b>\$ 1,100</b> |

|                         | Three months ended |               | Six months ended |               |
|-------------------------|--------------------|---------------|------------------|---------------|
|                         | June 30,           |               | June 30,         |               |
|                         | 2024               | 2023          | 2024             | 2023          |
| <b>(\$ in millions)</b> |                    |               |                  |               |
| <b>Policy fees:</b>     |                    |               |                  |               |
| Direct                  | \$ 230             | \$ 229        | \$ 456           | \$ 457        |
| Assumed                 | 265                | 105           | 439              | 210           |
| Ceded                   | (161)              | (19)          | (232)            | (38)          |
| <b>Net policy fees</b>  | <b>\$ 334</b>      | <b>\$ 315</b> | <b>\$ 663</b>    | <b>\$ 629</b> |

|                                       | Three months ended |                 | Six months ended |                 |
|---------------------------------------|--------------------|-----------------|------------------|-----------------|
|                                       | June 30,           |                 | June 30,         |                 |
|                                       | 2024               | 2023            | 2024             | 2023            |
| <b>(\$ in millions)</b>               |                    |                 |                  |                 |
| <b>Policy benefits and claims:</b>    |                    |                 |                  |                 |
| Direct                                | \$ 952             | \$ 786          | \$ 1,797         | \$ 1,734        |
| Assumed                               | 2,481              | 1,583           | 12,381           | 2,600           |
| Ceded                                 | (1,234)            | (633)           | (4,718)          | (1,071)         |
| <b>Net policy benefits and claims</b> | <b>\$ 2,199</b>    | <b>\$ 1,736</b> | <b>\$ 9,460</b>  | <b>\$ 3,263</b> |

The Company holds collateral for and provides collateral to our reinsurance clients. The Company held \$46.7 billion and \$36.7 billion of collateral in the form of funds withheld payable at interest on behalf of our reinsurers as of June 30, 2024 and December 31, 2023, respectively. As of both June 30, 2024 and December 31, 2023, reinsurers held collateral of \$1.2 billion on behalf of the Company. A significant portion of the collateral that the Company provides to its reinsurance clients is provided in the form of assets held in a trust for the benefit of the counterparty. As of June 30, 2024 and December 31, 2023, these trusts held in excess of the \$97.4 billion and \$81.8 billion of assets they are required to hold in order to support reserves of \$93.4 billion and \$79.4 billion, respectively. Of the cash held in trust, the Company classified \$164 million and \$91 million as restricted as of June 30, 2024 and December 31, 2023, respectively.

## 16. Related party transactions

The Company has investment management service agreements with KKR. KKR provides investment management services across the Company. The Company recorded expenses for these agreements of \$127 million and \$111 million for the three months ended June 30, 2024 and 2023, respectively, and \$239 million and \$219 million for the six months ended June 30, 2024 and 2023, respectively, and related payables due to KKR of \$152 million and \$115 million as of June 30, 2024 and December 31, 2023, respectively.

## Notes to the interim consolidated financial statements (unaudited)

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The Company has agreements to lease office space from KKR. The Company recorded expenses for these agreements of \$2 million for both the three months ended June 30, 2024 and 2023, and \$4 million for both the six months ended June 30, 2024 and 2023, and had \$3 million and \$6 million payable due to KKR as of June 30, 2024 and December 31, 2023, respectively.

In January 2024, Global Atlantic acquired a non-controlling limited partnership interest in two investment funds from its ultimate parent company KKR, the Diversified Core Infrastructure Fund (“DCIF”) and the KKR Property Partners Americas Fund (“KPPA”), for \$555 million and \$353 million, respectively. In addition, Global Atlantic, as lender, entered into a \$1 billion credit agreement with a KKR affiliate.

The Company also enters into agreements with certain KKR portfolio companies that are affiliated companies for investment management or other services. Related to such agreements, the Company recognized \$1 million and \$2 million of expense for the three and six months ended June 30, 2024, and less than \$1 million payable due as of that date.

In 2022, the Company and Panamint Capital, or “Panamint,” a utility-scale renewable energy developer, entered into a series of agreements whereby the Company invested in a minority equity position in Panamint and agreed to provide financing to its operations. In addition, the Company has the option to purchase projects sourced by Panamint and finance related redevelopment work. The agreements with Panamint enable the Company to exercise significant influence over the operating and financial policies of Panamint. The Company reported a fixed maturity investment of \$12 million and \$7 million, respectively, and no equity method investment as of June 30, 2024 and an equity method investment of \$1 million in Panamint as of December 31, 2023, respectively.

The Company has controlling interests in projects sourced by Panamint that we consolidate. Panamint is operating and will redevelop the projects, in exchange for certain fees and a minority equity stake in the projects. The amount of these purchases of controlling interests totaled \$123 million. These project investments are reported in Other investments.

In 2022, the Company acquired controlling interests in Drawbridge, a \$1.6 billion portfolio of commercial real estate, a portion of which had previously been held by KKR owned fund investments.

On December 13, 2021, the Company acquired an equity interest in Avenue One Holdings (“Avenue One”) that enables the Company to exercise significant influence. Avenue One provides services related to certain real estate investments held by the Company, including sourcing, renovating and managing properties. The Company paid \$4 million and \$8 million during the three months ended June 30, 2024 and 2023, respectively, and \$7 million and \$17 million during the six months ended June 30, 2024 and 2023, respectively, to Avenue One for the sourcing, renovation and management of properties. Amounts related to sourcing and renovating properties are recognized in the cost of the real estate on the balance sheet, and the management fees are recognized in net investment income. As of both June 30, 2024 and December 31, 2023, there was a \$1 million payable outstanding to Avenue One under the related services agreement.

The Company has provided financing to a related party, Parasol Renewable Energy Holdings, LLC, in which the Company owns a 20% equity share. The financing is used to fund the development of renewable energy projects. The loan used to fund the projects was paid off in December 2022. The Company reported an equity investment of \$23 million and \$33 million as of June 30, 2024 and December 31, 2023, respectively.

# Global Atlantic Limited (Delaware) and subsidiaries

## Notes to the interim consolidated financial statements (unaudited)

The Company held related party investments in its portfolio as of June 30, 2024 and December 31, 2023 as follows:

| Type                                   | Balance sheet classification      | As of June 30, 2024  |                  |                            |
|--|-----------------------------------|----------------------|------------------|----------------------------|
|  |                                   | Asset carrying value | Accrued interest | Total balance sheet amount |
| <b>(\$ in millions)</b>                |                                   |                      |                  |                            |
| KKR-issued investments                 | AFS fixed maturity securities     | \$ 3,757             | \$ 91            | \$ 3,848                   |
| KKR-issued investments                 | Trading fixed maturity securities | 709                  | 12               | 721                        |
| KKR-issued investments                 | Other investments                 | 939                  | —                | 939                        |
| <b>Total related party investments</b> |                                   | <b>\$ 5,405</b>      | <b>\$ 103</b>    | <b>\$ 5,508</b>            |

| Type                                   | Balance sheet classification      | As of December 31, 2023 |                  |                            |
|--|-----------------------------------|-------------------------|------------------|----------------------------|
|  |                                   | Asset carrying value    | Accrued interest | Total balance sheet amount |
| <b>(\$ in millions)</b>                |                                   |                         |                  |                            |
| KKR-issued investments                 | AFS fixed maturity securities     | \$ 2,702                | \$ 44            | \$ 2,746                   |
| KKR-issued investments                 | Trading fixed maturity securities | 592                     | 10               | 602                        |
| KKR-issued investments                 | Other investments                 | 1                       | —                | 1                          |
| <b>Total related party investments</b> |                                   | <b>\$ 3,295</b>         | <b>\$ 54</b>     | <b>\$ 3,349</b>            |

The Company earned net investment income and net investment-related losses from related party investments, and from investments managed by related parties, as follows:

|  | Three months ended |                | Six months ended |                 |
|--|--------------------|----------------|------------------|-----------------|
|  | June 30, 2024      | June 30, 2023  | June 30, 2024    | June 30, 2023   |
| <b>(\$ in millions)</b>                            |                    |                |                  |                 |
| <b>Net investment losses</b>                       |                    |                |                  |                 |
| KKR investment management fee                      | (127)              | (111)          | \$ (239)         | \$ (219)        |
| KKR debt securities                                | 77                 | 44             | 153              | 88              |
| Other investments                                  | 4                  | 1              | (2)              | 2               |
| Avenue One management fees                         | (1)                | —              | (2)              | —               |
| <b>Total net investment losses</b>                 | <b>\$ (47)</b>     | <b>\$ (66)</b> | <b>\$ (90)</b>   | <b>\$ (129)</b> |
| <b>Net investment-related gains (losses)</b>       |                    |                |                  |                 |
| Other investments                                  | —                  | (3)            | \$ —             | \$ (38)         |
| KKR securities                                     | —                  | (5)            | 13               | 4               |
| <b>Total net investment-related gains (losses)</b> | <b>\$ —</b>        | <b>\$ (8)</b>  | <b>\$ 13</b>     | <b>\$ (34)</b>  |

## 17. Subsequent events

The Company evaluated all events and transactions through August 9, 2024, the date the accompanying consolidated financial statements were available to be issued, that would merit recognition or disclosures in the consolidated financial statements, and determined there were none.