UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-41504

Corebridge Financial, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**95-4715639**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2919 Allen Parkway, Woodson Tower, Houston, Texas	**77019**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 1-877-375-2422

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value $0.01 Per Share	CRBG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports),and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 1, 2023, there were 635,957,236 shares outstanding of the registrant's common stock.

COREBRIDGE FINANCIAL, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2023

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FORM 10-Q

Cautionary Statement Regarding Forward-Looking Information

This Quarterly Report on Form 10-Q ("Quarterly Report") may include statements, which, to the extent they are not statements of historical or present fact, constitute "forward looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "targets," "plans," "estimates," "anticipates" or other comparable terms. Forward-looking statements include, without limitation, all matters that are not historical facts. They appear in a number of places throughout this Quarterly Report and include, without limitation, statements regarding our intentions, beliefs, assumptions or current plans and expectations concerning, among other things, financial position and future financial condition; results of operations; expected operating and non-operating relationships; ability to meet debt service obligations and financing plans; product sales; distribution channels; retention of business; investment yields and spreads; investment portfolio and ability to manage asset-liability cash flows; financial goals and targets; prospects; growth strategies or expectations; laws and regulations; customer retention; the outcome (by judgment or settlement) and costs of legal, administrative or regulatory proceedings, investigations or inspections, including, without limitation, collective, representative or class action litigation; the impact of our separation from AIG; the impact of the ongoing COVID-19 pandemic; geopolitical events, including the ongoing conflict in Ukraine; and the impact of prevailing capital markets and economic conditions.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition, liquidity and cash flows, and the development of the markets in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition, liquidity and cash flows, and the development of the markets in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors, including, without limitation, the risks and uncertainties discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations " in our Registration Statement on Form S-1 filed on June 5, 2023 ("June 2023 Registration Statement") could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation:

- changes in interest rates and changes to credit spreads,
- the deterioration of economic conditions, an economic slowdown or recession, changes in market conditions, weakening in capital markets, volatility in equity markets, inflationary pressures, pressures on the commercial real estate market, stress and instability in the banking sector, geopolitical tensions, including the continued armed conflict between Ukraine and Russia;
- uncertainty related to the impact of COVID-19;
- the unpredictability of the amount and timing of insurance liability claims;
- unavailable, uneconomical or inadequate reinsurance or recaptures of reinsured liabilities;
- uncertainty and unpredictability related to our reinsurance agreements with Fortitude Re and its performance of its obligations under these agreements;
- our limited ability to access funds from our subsidiaries;
- our potential inability to refinance all or a portion of our indebtedness or to obtain additional financing;
- our inability to generate cash to meet our needs due to the illiquidity of some of our investments;
- the inaccuracy of the methodologies, estimations and assumptions underlying our valuation of investments and derivatives;
- a downgrade in our Insurer Financial Strength ("IFS") ratings or credit ratings;
- potential adverse impact to liquidity and other risks due to our participation in a securities lending program and a repurchase program;
- exposure to credit risk due to non-performance or defaults by our counterparties or our use of derivative instruments to hedge market risks associated with our liabilities;
- our ability to adequately assess risks and estimate losses related to the pricing of our products;
- the failure of third parties that we rely upon to provide and adequately perform certain business, operations, investment advisory, functional support and administrative services on our behalf;
- our inability to maintain the availability of critical technology systems and the confidentiality of our data;
- the ineffectiveness of our risk management policies and procedures;
- significant legal, governmental or regulatory proceedings;
- the ineffectiveness of our business strategy in accomplishing our objectives;

- the intense competition we face in each of our business lines and the technological changes that may present new and intensified challenges to our business;
- catastrophes, including those associated with climate change and pandemics;
- material changes to, or termination of, our investment advisory arrangements with AIG and Fortitude Re;
- changes in accounting principles and financial reporting requirements;
- our foreign operations, which may expose us to risks that may affect our operations;
- business or asset acquisitions and dispositions that may expose us to certain risks;
- our ability to compete effectively in a heavily regulated industry in light of new domestic or international laws and regulations or new interpretations of current laws and regulations;
- challenges associated with a variety of privacy and information security laws;
- impact on sales of our products and taxation of our operations due to changes in U.S. federal income or other tax laws or the interpretation of tax laws;
- our potential to be deemed an “investment company” under the Investment Company Act of 1940;
- differences between actual experience and the estimates used in the preparation of financial statements and modeled results used in various areas of our business;
- the ineffectiveness of our productivity improvement initiatives in yielding our expected expense reductions and improvements in operational and organizational efficiency;
- recognition of an impairment of our goodwill or the establishment of an additional valuation allowance against our deferred income tax assets as a result of our business lines underperforming or their estimated fair values declining;
- our inability to attract and retain key employees and highly skilled people needed to support our business;
- the impact of risks associated with our arrangements with Blackstone IM including risks related to limitations on our ability to terminate the Blackstone IM arrangements and related to our exclusive arrangements with Blackstone IM in relation to certain asset classes;
- the historical performance of AMG, Blackstone IM, BlackRock or any other external asset manager we retain not being indicative of the future results of our investment portfolio;
- challenges related to management of our investment portfolio due to increased regulation or scrutiny of investment advisers;
- our failure to replicate or replace functions, systems and infrastructure provided by AIG (including through shared service contracts) or our loss of benefits from AIG’s global contracts, and AIG’s failure to perform the services provided for in the Transition Services Agreement;
- the significant influence that AIG has over us and conflicts of interests arising due to such relationship;
- potentially higher U.S. federal income taxes due to our inability to file a single U.S. consolidated federal income tax return for five years following the IPO and our separation from AIG causing an “ownership change” for U.S. federal income tax purposes;
- risks associated with the Tax Matters Agreement with AIG and our potential liability for U.S. income taxes of the entire AIG Consolidated Tax Group for all taxable years or portions thereof in which we (or our subsidiaries) were members of such group;
- certain provisions in our Organizational Documents;
- challenges related to compliance with applicable laws incident to being a public company, which is expensive and time-consuming;
- volatility in or declines in the market price of our common stock;
- the impact of AIG selling a controlling interest in our company to an unknown third party in a private transaction, which could include potential conflicts of interest among such third party and other stockholders, and
- applicable insurance laws, which could make it difficult to effect a change of control of our company.

Other risks, uncertainties and factors, including those discussed in *“Risk Factors”* in the June 2023 Registration Statement, could cause our actual results to differ materially from those projected in any forward-looking statements we make. You should read carefully the factors described in *“Risk Factors’* in the June 2023 Registration Statement to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

You should read this Quarterly Report completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this Quarterly Report are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this Quarterly Report , and we do not undertake any obligation to update or revise any forward-looking statements to reflect the occurrence of events, unanticipated or otherwise, other than as may be required by law.

Corporate Information

We encourage investors and others to frequently visit our website (www.corebridgefinancial.com), including our Investor Relations web pages (investors.corebridgefinancial.com). We announce significant financial and other information to our investors and the public on the Investor Relations web pages, as well as in U.S. Securities and Exchange Commission ("SEC") filings, in news releases, public conference calls and webcasts, fact sheets and other documents and media. The information found on our website is not incorporated by reference into this Quarterly Report or in any other report or document we submit to the SEC, and any references to our website are intended to be inactive textual references only.

Part I – Financial Information

Item 1. | Financial Statements

Corebridge Financial, Inc.
Condensed Consolidated Balance Sheets *(unaudited)*

(in millions, except for share data)		June 30, 2023		December 31, 2022
Assets:				
Investments:				
Fixed maturity securities:				
Bonds available for sale, at fair value, net of allowance for credit losses of $90 in 2023 and $148 in 2022 (amortized cost: 2023 - $179,095; 2022 - $181,274)*	**$**	**156,908**	$	156,793
Other bond securities, at fair value (See Note 5)*		**4,240**		3,769
Equity securities, at fair value (See Note 5)*		**194**		170
Mortgage and other loans receivable, net of allowance for credit losses of $689 in 2023 and $600 in 2022*		**46,497**		44,566
Other invested assets (portion measured at fair value: 2023 - $7,958; 2022 - $7,879)*		**10,530**		10,418
Short-term investments, including restricted cash of $28 in 2023 and $69 in 2022 (portion measured at fair value: 2023 - $1,590; 2022 - $1,357)*		**4,066**		4,400
Total investments		**222,435**		220,116
Cash*		**751**		552
Accrued investment income*		**1,943**		1,813
Premiums and other receivables, net of allowance for credit losses and disputes of $1 in 2023 and $1 in 2022		**739**		916
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes of $0 in 2023 and $0 in 2022		**26,733**		26,844
Reinsurance assets - other, net of allowance for credit losses and disputes of $66 in 2023 and $84 in 2022		**2,578**		2,517
Deferred income taxes		**8,224**		8,831
Deferred policy acquisition costs and value of business acquired		**10,715**		10,563
Market risk benefit assets, at fair value		**954**		796
Other assets, including restricted cash of $9 in 2023 and $12 in 2022 (portion measured at fair value: 2023 - $456; 2022 - $299)*		**2,680**		2,521
Separate account assets, at fair value		**89,718**		84,853
Total assets	**$**	**367,470**	$	360,322
Liabilities:				
Future policy benefits for life and accident and health insurance contracts	**$**	**54,288**	$	50,518
Policyholder contract deposits (portion measured at fair value: 2023 - $6,913; 2022 - $5,464)		**159,644**		156,058
Market risk benefit liabilities, at fair value		**4,977**		4,736
Other policyholder funds		**2,891**		2,885
Fortitude Re funds withheld payable (portion measured at fair value: 2023 - $1,460; 2022 - $1,262)		**26,012**		26,551
Other liabilities (portion measured at fair value: 2023 - $152; 2022 - $97)*		**6,445**		9,076
Short-term debt		**1,500**		1,500
Long-term debt		**7,873**		7,868
Debt of consolidated investment entities (portion measured at fair value: 2023 - $0; 2022 - $6)*		**2,654**		5,958
Separate account liabilities		**89,718**		84,853
Total liabilities	**$**	**356,002**	$	350,003
Contingencies, commitments and guarantees (*See Note 14*)				
Corebridge Shareholders' equity:				
Common stock, $0.01 par value; 2,500,000,000 shares authorized; shares issued: 2023 - 648,144,926 and 2022 645,000,000		**6**		6
Treasury stock, at cost; 2023 - 12,187,690 shares and 2022 - 0 shares		**(202)**		—
Additional paid-in capital		**8,128**		8,030
Retained earnings		**17,811**		18,207
Accumulated other comprehensive loss		**(15,182)**		(16,863)
Total Corebridge Shareholders' equity		**10,561**		9,380
Non-redeemable noncontrolling interests		**907**		939
Total equity		**11,468**		10,319
Total liabilities and equity	**$**	**367,470**	$	360,322

* See *Note 8* for details of balances associated with variable interest entities.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Corebridge Financial, Inc.
Condensed Consolidated Statements of Income (Loss) *(unaudited)*

(in millions, except per common share data)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenues:				
Premiums	**$ 2,443**	$ 1,011	**$ 4,548**	$ 1,746
Policy fees	**694**	729	**1,392**	1,459
Net investment income:				
Net investment income - excluding Fortitude Re funds withheld assets	**2,444**	2,098	**4,745**	4,401
Net investment income - Fortitude Re funds withheld assets	**270**	182	**664**	460
Total net investment income	**2,714**	2,280	**5,409**	4,861
Net realized gains (losses):				
Net realized gains (losses) - excluding Fortitude Re funds withheld assets and embedded derivative	**(312)**	186	**(765)**	359
Net realized losses on Fortitude Re funds withheld assets	**(130)**	(60)	**(110)**	(183)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	**122**	2,394	**(903)**	5,231
Total net realized gains (losses)	**(320)**	2,520	**(1,778)**	5,407
Advisory fee income	**115**	117	**231**	248
Other income	**111**	133	**217**	309
Total revenues	**5,757**	6,790	**10,019**	14,030
Benefits and expenses:				
Policyholder benefits (includes remeasurement (gains) losses of $93 and $80 for the three months ended June 30, 2023 and 2022, and $157 and $227, for the six months ended June 30, 2023 and 2022,respectively)	**2,876**	1,429	**5,371**	2,597
Change in the fair value of market risk benefits, net	**(262)**	(45)	**(66)**	(278)
Interest credited to policyholder account balances	**1,078**	907	**2,104**	1,785
Amortization of deferred policy acquisition costs and value of business acquired	**258**	252	**514**	495
Non-deferrable insurance commissions	**153**	151	**289**	295
Advisory fee expenses	**64**	65	**129**	136
General operating expenses	**604**	577	**1,186**	1,163
Interest expense	**134**	127	**306**	208
Net (gain) loss on divestitures	**(59)**	1	**(56)**	3
Total benefits and expenses	**4,846**	3,464	**9,777**	6,404
Income before income tax expense (benefit)	**911**	3,326	**242**	7,626
Income tax expense (benefit)	**160**	652	**(56)**	1,511
Net income	**751**	2,674	**298**	6,115
Less:				
Net income (loss) attributable to noncontrolling interests	**(20)**	80	**(14)**	155
Net income attributable to Corebridge	**$ 771**	$ 2,594	**$ 312**	$ 5,960
Income (loss) per common share attributable to Corebridge common shareholders:				
Common stock - Basic	**$ 1.18**	$ 4.02	**$ 0.48**	$ 9.24
Common stock - Diluted	**$ 1.18**	$ 4.02	**$ 0.48**	$ 9.24
Weighted averages shares outstanding:				
Common stock - Basic	**650.7**	645.0	**650.8**	645.0
Common stock - Diluted	**652.2**	645.0	**652.5**	645.0

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Corebridge Financial, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss) *(unaudited)*

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net income (loss)	**$ 751**	$ 2,674	**$ 298**	$ 6,115
Other comprehensive income (loss), net of tax				
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken	**43**	49	**73**	(2)
Change in unrealized appreciation (depreciation) of all other investments	**(1,484)**	(12,419)	**1,648**	(25,795)
Change in fair value of market risk benefits attributable to changes in our own credit risk	**(189)**	581	**(115)**	1,363
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	**486**	1,765	**21**	3,997
Change in cash flow hedges	**(6)**	(8)	**(10)**	169
Change in foreign currency translation adjustments	**36**	(47)	**72**	(70)
Change in retirement plan liabilities	**—**	(1)	**2**	(1)
Other comprehensive income (loss)	**(1,114)**	(10,080)	**1,691**	(20,339)
Comprehensive income (loss)	**(363)**	(7,406)	**1,989**	(14,224)
Less:				
Comprehensive income attributable to noncontrolling interests	**(19)**	80	**(4)**	155
Comprehensive income (loss) attributable to Corebridge	**$ (344)**	$ (7,486)	**$ 1,993**	$ (14,379)

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Corebridge Financial, Inc.
Condensed Consolidated Statements of Equity

(in millions)	Common Stock	Common Stock Class A	Common Stock Class B	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Corebridge Shareholders' Equity	Non-Redeemable Noncontrolling Interests	Total Shareholders' Equity
Three Months Ended June 30, 2023										
Balance, beginning of period	$ 6	$ —	$ —	$ —	$ 8,024	$ 17,592	$ (14,067)	$ 11,555	$ 910	$ 12,465
Purchase of common stock	—	—	—	(202)	—	—	—	(202)	—	(202)
Net income attributable to Corebridge or noncontrolling interests	—	—	—	—	—	771	—	771	(20)	751
Dividends on common stock	—	—	—	—	—	(551)	—	(551)	—	(551)
Other comprehensive income, net of tax	—	—	—	—	—	—	(1,115)	(1,115)	1	(1,114)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	18	18
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(3)	(3)
Other	—	—	—	—	104	(1)	—	103	1	104
Balance, end of period	$ 6	$ —	$ —	$ (202)	$ 8,128	$ 17,811	$ (15,182)	$ 10,561	$ 907	$ 11,468
Six Months Ended June 30, 2023										
Balance, beginning of year	$ 6	$ —	$ —	$ —	$ 8,030	$ 18,207	$ (16,863)	$ 9,380	$ 939	$ 10,319
Purchase of common stock	—	—	—	(202)	—	—	—	(202)	—	(202)
Net income attributable to Corebridge or noncontrolling interests	—	—	—	—	—	312	—	312	(14)	298
Dividends on common stock	—	—	—	—	—	(700)	—	(700)	—	(700)
Other comprehensive income, net of tax	—	—	—	—	—	—	1,681	1,681	10	1,691
Changes in noncontrolling interests due to divestitures and acquisitions	—	—	—	—	—	—	—	—	(19)	(19)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	43	43
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(53)	(53)
Other	—	—	—	—	98	(8)	—	90	1	91
Balance, end of period	$ 6	$ —	$ —	$ (202)	$ 8,128	$ 17,811	$ (15,182)	$ 10,561	$ 907	$ 11,468

(in millions)		Common Stock	Common Stock Class A	Common Stock Class B	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Corebridge Shareholders' Equity	Non-Redeemable Noncontrolling Interests	Total Shareholders' Equity
Three Months Ended June 30, 2022											
Balance, beginning of period*	$	6 $	— $	— $	— $	8,034 $	14,014 $	(2,026) $	20,028 $	1,565 $	21,593
Net income attributable to Corebridge or noncontrolling interests		—	—	—	—	—	2,594	—	2,594	79	2,673
Dividends on common stock		—	—	—	—	—	(290)	—	(290)	—	(290)
Other comprehensive loss, net of tax		—	—	—	—	—	—	(10,080)	(10,080)	—	(10,080)
Contributions from noncontrolling interests		—	—	—	—	—	—	—	—	9	9
Distributions to noncontrolling interests		—	—	—	—	—	—	—	—	(438)	(438)
Other		—	—	—	—	(1)	—	—	(1)	(7)	(8)
Balance, end of period	$	6 $	— $	— $	— $	8,033 $	16,318 $	(12,106) $	12,251 $	1,208 $	13,459
Six Months Ended June 30, 2022											
Balance, beginning of period	$	— $	5 $	1 $	— $	8,054 $	10,937 $	8,233 $	27,230 $	1,759 $	28,989
Net income attributable to Corebridge or noncontrolling interests		—	—	—	—	—	5,960	—	5,960	155	6,115
Dividends on common stock		—	—	—	—	—	(580)	—	(580)	—	(580)
Other comprehensive loss, net of tax		—	—	—	—	—	—	(20,339)	(20,339)	—	(20,339)
Contributions from noncontrolling interests		—	—	—	—	—	—	—	—	23	23
Distributions to noncontrolling interests		—	—	—	—	—	—	—	—	(718)	(718)
Other		—	—	—	—	(21)	1	—	(20)	(11)	(31)
Reorganization transactions		6	(5)	(1)	—	—	—	—	—	—	—
Balance, end of period	$	6 $	— $	— $	— $	8,033 $	16,318 $	(12,106) $	12,251 $	1,208 $	13,459

** Balance, beginning of period has been updated to reflect the adoption of long-duration targets improvements. See Note 2.*

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Corebridge Financial, Inc.
Condensed Consolidated Statements of Cash Flows *(unaudited)*

	Six Months Ended June 30,	
(in millions)	**2023**	2022
Cash flows from operating activities:		
Net income (loss)	**$ 298**	$ 6,115
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash revenues, expenses, gains and losses included in income (loss):		
Net losses on sales of securities available for sale and other assets	**330**	367
Net (gain) loss on divestitures	**(56)**	3
Unrealized (gains) losses in earnings - net	**835**	(183)
Change in the fair value of market risk benefits in earnings, net	**(363)**	(541)
Equity in income from equity method investments, net of dividends or distributions	**(2)**	(120)
Depreciation and other amortization	**239**	323
Changes in operating assets and liabilities:		
Insurance liabilities	**399**	153
Premiums and other receivables and payables - net	**(124)**	(110)
Funds held relating to Fortitude Re Reinsurance contracts	**(83)**	(6,352)
Reinsurance assets and funds held under reinsurance treaties	**317**	735
Capitalization of deferred policy acquisition costs	**(628)**	(519)
Current and deferred income taxes - net	**178**	655
Other, net	**232**	9
Total adjustments	**1,274**	(5,580)
Net cash provided by operating activities	**1,572**	535
Cash flows from investing activities:		
Proceeds from (payments for)		
sales or distributions of:		
Available-for-sale securities	**5,534**	8,096
Other securities	**470**	303
Other invested assets	**563**	1,162
Divestitures, net	**32**	—
Maturities of fixed maturity securities available for sale	**4,040**	5,441
Principal payments received on mortgage and other loans receivable	**2,441**	2,880
Purchases of:		
Available-for-sale securities	**(7,947)**	(10,437)
Other securities	**(821)**	(1,818)
Other invested assets	**(552)**	(753)
Mortgage and other loans receivable	**(4,345)**	(7,250)
Acquisition of businesses, net of cash and restricted cash acquired	**(5)**	(107)
Net change in short-term investments	**20**	261
Net change in derivative assets and liabilities	**(458)**	203
Other, net	**138**	(436)
Net cash used in investing activities	**(890)**	(2,455)
Cash flows from financing activities:		
Proceeds from (payments for):		
Policyholder contract deposits	**15,920**	12,491
Policyholder contract withdrawals	**(12,801)**	(9,467)
Issuance of long-term debt	**—**	6,461
Issuance of short-term debt	**—**	12
Issuance of debt of consolidated investment entities	**146**	789
Repayments of short-term debt	**—**	(6,450)
Maturities and repayments of debt of consolidated investment entities	**(290)**	(917)
Dividends paid on common stock	**(700)**	(580)
Distributions to noncontrolling interests	**(54)**	(236)
Contributions from noncontrolling interests	**43**	23
Net change in securities lending and repurchase agreements	**(2,524)**	(223)
Repurchase of common stock	**(200)**	—
Other, net	**(70)**	(51)
Net cash provided by (used in) financing activities	**(530)**	1,852
Effect of exchange rate changes on cash and restricted cash	**3**	(4)
Net increase (decrease) in cash and restricted cash	**155**	(72)
Cash and restricted cash at beginning of year	**633**	601
Cash and restricted cash at end of year	**$ 788**	$ 529

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Corebridge Financial, Inc.
Condensed Consolidated Statements of Cash Flows *(unaudited) (continued)*

Supplementary Disclosure of Consolidated Cash Flow Information

(in millions)	Six Months Ended June 30, 2023	2022
Cash	$ 751	$ 457
Restricted cash included in short-term investments*	28	68
Restricted cash included in other assets*	9	4
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	$ 788	$ 529
Cash (received) paid during the period for:		
Interest	$ 305	$ 113
Taxes	(235)	856
Non-cash investing activities:		
Fixed maturity securities, designated available for sale, received in connection with pension risk transfer transactions	(2,818)	—
Fixed maturity securities, designated available for sale, transferred in connection with reinsurance transactions	439	204
Fixed maturity securities, designated fair value option, transferred in connection with reinsurance transactions	17	—
Equity securities distributed in lieu of cash to non-consolidated Corebridge affiliate	—	94
Other invested assets securities distributed in lieu of cash to non-consolidated Corebridge affiliate	—	413
Non-cash financing activities:		
Interest credited to policyholder contract deposits included in financing activities	2,145	1,762
Fee income debited to policyholder contract deposits included in financing activities	(1,044)	(844)
Non-cash capital contributions	16	—
Distribution in lieu of cash, in equity securities, to non-consolidated Corebridge affiliate	—	(94)
Distribution in lieu of cash, in Other invested assets securities, to non-consolidated Corebridge affiliate	—	(413)

* Primarily includes funds held for tax sharing payments to Corebridge Parent, security deposits.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

1. Overview and Basis of Presentation

Corebridge Financial, Inc. (“Corebridge Parent”) is a leading provider of retirement solutions and life insurance products in the United States. Our primary business operations consist of sales of individual and group annuities and life insurance products to individuals and institutional markets. Corebridge Parent common stock, par value $0.01 per share, is listed on the New York Stock Exchange (NYSE:CRBG). The terms “Corebridge,” “we,” “us,” “our” or the “Company” mean Corebridge Parent and its consolidated subsidiaries, unless the context refers to Corebridge Parent only. Subsidiaries of Corebridge Parent include: AGC Life Insurance Company (“AGC”), American General Life Insurance Company (“AGL”), The Variable Annuity Life Insurance Company (“VALIC”), The United States Life Insurance Company in the City of New York (“USL”), AIG Life of Bermuda, Ltd. (“AIG Bermuda”), AIG Life Ltd. (“AIG Life (United Kingdom)”), Laya Healthcare Ltd. (“Laya”) and SAFG Capital LLC and its subsidiaries.

These unaudited Condensed Consolidated Financial Statements present the results of operations, financial condition and cash flows of the Company. On September 19, 2022, we completed an initial public offering (the “IPO”) in which American International Group, Inc. (“AIG Parent”) sold 80,000,000 shares of Corebridge Parent common stock to the public. On June 12, 2023, AIG closed a secondary offering of 74,750,000 shares of Corebridge Parent common stock. As of June 30, 2023, AIG owns 65.3% of the outstanding common stock of Corebridge Parent. AIG Parent is a publicly traded entity, listed on the New York Stock Exchange (NYSE:AIG). The term “AIG” means AIG Parent and its consolidated subsidiaries, unless the context refers to AIG Parent only.

During the six months ended June 30, 2023, Corebridge repurchased approximately 12.2 million shares of Corebridge common stock, of which approximately 11.0 million shares were from AIG and 1.2 million shares were from Blackstone.

These financial statements include the results of Corebridge Parent, its controlled subsidiaries (generally through a greater than 50% ownership of voting rights and voting interests) and variable interest entities (“VIEs”) of which we are the primary beneficiary. Equity investments in entities that we do not consolidate, including corporate entities in which we have significant influence and partnership and partnership-like entities in which we have more than minor influence over the operating and financial policies, are accounted for under the equity method unless we have elected the fair value option.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (‘‘GAAP’’). All material intercompany accounts and transactions between consolidated entities have been eliminated.

The Company has recorded affiliated transactions with certain AIG subsidiaries that are not subsidiaries of Corebridge which have not been eliminated in the consolidated financial statements of the Company. The accompanying financial statements reflect all normal recurring adjustments, including eliminations of material intercompany accounts and transactions, necessary in the opinion of management for a fair statement of our financial position, results of operations and cash flows for the periods presented.

We adopted the Financial Accounting Standards Board’s (the “FASB”) targeted improvements to the accounting for long-duration contracts (the “standard” or “LDTI”) on January 1, 2023 with a transition date of January 1, 2021 (“the transition date”). In accordance with the transition guidance in the standard, we updated our prior period Condensed Consolidated Financial Statements presented herein to reflect LDTI. For additional detail, see Note 2.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires the application of accounting policies that often involve a significant degree of judgment. Accounting policies that we believe are most dependent on the application of estimates and assumptions are considered our critical accounting estimates and are related to the determination of:

- fair value measurements of certain financial assets and liabilities;
- valuation of market risk benefits (“MRBs”) related to guaranteed benefit features of variable annuity products, fixed annuity products and fixed index annuity products;
- valuation of embedded derivative liabilities for fixed index annuity and index universal life products;
- valuation of future policy benefit liabilities and recognition of remeasurement gains and losses;
- reinsurance assets, including the allowance for credit losses;
- goodwill impairment;
- allowance for credit losses primarily on loans and available for sale fixed maturity securities; and
- income tax assets and liabilities, including recoverability of our net deferred tax asset and the predictability of future tax operating profitability of the character necessary to realize the net deferred tax asset.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our consolidated financial condition, results of operations and cash flows could be materially affected.

2. Summary of Significant Accounting Policies

There were no material changes to our significant accounting policies with the exception of the policies listed below which were impacted by the adoption of LDTI. *For additional information on our significant accounting policies not impacted by the adoption of LDTI, see Note 2 to the Consolidated Financial Statements in the June 2023 Registration Statement.*

The following list identifies our significant accounting policies presented in other Notes to these Condensed Consolidated Financial Statements, with a reference to the Note where a detailed description can be found:

Note 5. Investments

- Net realized gains (losses)

Note 7. Reinsurance

- Reinsurance assets – net of allowance

Note 10. Deferred Policy Acquisition Costs

- Deferred policy acquisition costs (“DAC”)
- Value of business acquired (“VOBA”)
- Deferred sales inducements (“DSI”)
- Amortization of deferred policy acquisition costs
- Non-deferrable insurance commissions

Note 11. Insurance Liabilities

- Future policy benefits
- Policyholder contract deposits
- Other policyholder funds

Note 12. Market Risk Benefits

OTHER SIGNIFICANT ACCOUNTING POLICIES

Insurance revenues include premiums and policy fees. All premiums and policy fees are presented net of reinsurance, as applicable. Premiums from long-duration life products, other than universal and variable life contracts, are recognized as revenues when due. Premiums from individual and group annuity contracts that are life contingent are recognized as revenues when due.

For limited payment contracts, premiums are due over a significantly shorter period than the period over which benefits are provided. Prior to the adoption of LDTI effective on January 1, 2021, the difference between the gross premium received and the net premium was deferred and recognized in premiums in a constant relationship to insurance in-force, or for annuities, the amount of expected future policy benefits. This Deferred Profit Liability (“DPL”) was recorded in the Condensed Consolidated Balance Sheets in Other policyholder funds. After January 1, 2021, the difference between the gross premium received and recorded as revenue and the net premium is deferred and recognized in Policyholder benefits in a constant relationship to insurance in-force, or for annuities, the amount of expected future policy benefits. This DPL is recorded in the Condensed Consolidated Balance Sheets in Future policy benefits for life and accident and health insurance contracts.

Premiums on short-duration accident and health policies are earned primarily on a pro rata basis over the term of the related coverage. The reserve for unearned premiums includes the portion of premiums written relating to the unexpired terms of coverage. This unearned revenue reserve (“URR”) is recorded in the Condensed Consolidated Balance Sheets in Other policyholder funds.

Prior to the adoption of LDTI effective on January 1, 2021, reinsurance premiums ceded under yearly renewable term (“YRT”) reinsurance agreements were recognized as a reduction in revenues over the period the reinsurance coverage was utilized in proportion to the risks to which the premiums relate, while premiums ceded under modified coinsurance (“modco”) treaties were recognized when due. After January 1, 2021, all reinsurance premiums ceded are recognized when due, following a ceded net premium ratio (“NPR”) methodology that also accrues a proportionate amount of estimated benefits.

Reinsurance premiums for assumed business are estimated based on information received from ceding companies and reinsurers. Any subsequent differences that arise regarding such estimates are recorded in the periods in which they are determined.

Amounts received as payment for investment-oriented contracts such as universal life, variable annuities, fixed annuities, and fixed index annuities, are reported as deposits to Policyholder contract deposits or Separate account liabilities, as applicable. Revenues from these contracts are recorded in policy fees and consist of policy charges for the cost of insurance, policy administration charges, surrender charges and amortization of URR. Policy fees are recognized as revenues in the period in which they are assessed against policyholders, unless the fees are designed to compensate Corebridge for services to be provided in the future. Prior to the adoption of LDTI effective on January 1, 2021, fees deferred as unearned revenue were amortized in relation to the incidence of estimated gross profits ("EGPs") to be realized over the estimated lives of the contracts. After January 1, 2021, fees deferred as unearned revenue are amortized on a constant level basis over the estimated lives of the contracts, consistent with the amortization of deferred acquisition costs. This URR is recorded in the Condensed Consolidated Balance Sheets in Other policyholder funds.

ADOPTION OF LONG DURATION TARGETED IMPROVEMENTS

Targeted Improvements to the Accounting for Long-Duration Contracts

In August 2018, the FASB issued an accounting standard update with the objective of making targeted improvements to the existing recognition, measurement, presentation and disclosure requirements for long-duration contracts issued by an insurance entity.

The Company adopted the standard on January 1, 2023 using the modified retrospective transition method relating to liabilities for traditional and limited payment contracts and deferred policy acquisition costs. The Company also adopted the standard in relation to MRBs on a full retrospective basis. As of the transition date, the impact of the adoption of the standard was a net decrease to beginning Accumulated other comprehensive income (loss) ("AOCI") of $2.3 billion and a net increase to beginning Shareholders' net investment of $1.2 billion primarily driven by (1) changes related to MRBs in our Individual Retirement and Group Retirement segments, including the impact of non-performance risk adjustments which reclassified the portion of the changes in fair value attributable to non-performance risk from Shareholders' net investment to AOCI, (2) changes to the discount rate used to measure the liability for future policy benefits which most significantly impacted our Life Insurance and Institutional Markets segments, and (3) the removal of balances recorded in AOCI related to changes in unrealized appreciation (depreciation) on investments. The condensed consolidated financial statements as of December 31, 2022 and for six months ended June 30, 2022 have been adjusted to reflect the effects of applying the standard.

The accounting for the Fortitude Reinsurance Company Ltd. ("Fortitude Re") reinsurance assets, including the discount rates, continued to be calculated using the same methodology and assumptions as the direct policies, and therefore have been recalculated on an LDTI basis. The accounting for reinsurance transactions between the Company and Fortitude Re structured as modco remained unchanged.

Market risk benefits: The standard requires the measurement of all MRBs (e.g., living benefit and death benefit guarantees associated with variable annuities) associated with deposit (or account balance) contracts at fair value at each reporting period. Changes in fair value compared to prior periods are recorded and presented separately within the income statement, with the exception of our own credit risk changes (non-performance adjustments), which are recognized in Other comprehensive income (loss) ("OCI"). MRBs impacted both Shareholders' net investment and AOCI upon transition.

The accounting for MRBs primarily impacted our Individual Retirement and Group Retirement segments. *For additional disclosures about MRBs, see Note 12.*

Discount rate assumption: The standard requires the discount rate assumption for the liability for future policy benefits to be updated at the end of each reporting period using an upper-medium grade (low credit risk) fixed income instrument yield that maximizes the use of observable market inputs. Upon transition, the Company had an adjustment to AOCI due to the fact that the market upper-medium grade (low credit risk) interest rates as of the transition date differed from reserve interest accretion rates.

Following adoption of the standard, the impact of changes to discount rates are recognized through OCI. Changes resulting from updating the discount rate each reporting period primarily impact term life insurance and other traditional life insurance products, as well as pension risk transfer ("PRT") and structured settlement products. *For additional information on the discount rate assumption under accounting for Long-Duration Contracts Standard, see Note 11.*

Removal of balances related to changes in unrealized appreciation (depreciation) on investments: Under the standard, the majority of balances recorded in AOCI related to changes in unrealized appreciation (depreciation) on investments were eliminated.

In addition to the above, the standard also:

- Requires the review and, if necessary, update of future policy benefit assumptions at least annually for traditional and limited pay long duration contracts, with the recognition and parenthetical presentation of any resulting re-measurement gain or loss in Policyholder benefits (except for discount rate changes as noted above) in the Condensed Consolidated Statements of Income (Loss). *For additional information, see Note 11.*
- Simplifies the amortization of DAC to a constant level basis over the expected term of the related contracts and no longer requires an impairment test. *For additional information, see Note 10.*

- Increases disclosures of disaggregated rollforwards of several balances, including but not limited to liabilities for future policy benefits, deferred acquisition costs, account balances, MRBs, separate account liabilities and information about significant inputs, judgments and methods used in measurement and changes thereto and impact of those changes.

The following table presents the impacts in connection with the adoption of LDTI, effective as of January 1, 2021, as well as cross references to the applicable notes herein for additional information:

(in millions)	Balance, Beginning of Year	Cumulative Effect Adjustment as of January 1, 2021	Updated Balances Post-Adoption of LDTI
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes[(a)]	$ 29,158	$ 7,666	$ 36,824
Reinsurance assets - other, net of allowance for credit losses and disputes[(a)]	2,707	433	3,140
Deferred income taxes	3,640	310	3,950
Deferred policy acquisition costs and value of business acquired[(b)]	7,363	3,137	10,500
Market risk benefit assets[(c)]	—	338	338
Other assets[(d)]	3,428	396	3,824
Total assets	410,155	12,280	422,435
Future policy benefits for life and accident and health insurance contracts[(e)]	54,660	10,522	65,182
Policyholder contract deposits[(e)]	154,892	(6,471)	148,421
Market risk benefit liabilities[(c)]	—	8,739	8,739
Other policyholder funds[(f)]	2,492	248	2,740
Other liabilities[(g)]	9,954	399	10,353
Total liabilities	370,323	13,437	383,760
Shareholders' net investment[(h)]	22,579	1,192	23,771
Accumulated other comprehensive income[(h)]	14,653	(2,349)	12,304
Total Corebridge Shareholders' net investment	37,232	(1,157)	36,075
Total equity	39,781	(1,157)	38,624
Total liabilities, redeemable noncontrolling interest and shareholder's net investment	410,155	12,280	422,435

(a) Refer to Note 7 for additional information on the transition impacts associated with LDTI.

(b) Refer to Note 10 for additional information on the transition impacts associated with LDTI.

(c) Refer to Note 12 for additional information on the transition impacts associated with LDTI.

(d) Other assets include deferred sales inducement assets. Refer to Note 10 for additional information on the transition impacts associated with LDTI.

(e) Refer to Note 11 for additional information on the transition impacts associated with LDTI.

(f) Other policyholder funds include URR. Refer to Note 11 for additional information on the transition impacts associated with LDTI.

(g) Other liabilities include deferred cost of reinsurance liabilities. Refer to Note 7 for additional information on the transition impacts associated with LDTI.

(h) Includes a correction of $158 million to increase shareholders' net investment and decrease AOCI.

The following table presents the impacts in connection with the adoption of LDTI, effective as of January 1, 2021, on our previously reported Condensed Consolidated Balance Sheet as of December 31, 2022:

December 31, 2022 *(in millions)*	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes	$ 27,794	$ (950)	$ 26,844
Reinsurance assets - other, net of allowance for credit losses and disputes	2,980	(463)	2,517
Deferred income taxes	9,162	(331)	8,831
Deferred policy acquisition costs and value of business acquired	13,179	(2,616)	10,563
Market risk benefit assets	—	796	796
Other assets	2,852	(331)	2,521
Total assets	364,217	(3,895)	360,322
Future policy benefits for life and accident and health insurance contracts	57,266	(6,748)	50,518
Policyholder contract deposits	158,966	(2,908)	156,058
Market risk benefit liabilities	—	4,736	4,736
Other policyholder funds	3,331	(446)	2,885
Other liabilities	8,775	301	9,076
Total liabilities	355,068	(5,065)	350,003
Retained earnings	16,121	2,086	18,207
Accumulated other comprehensive income	(15,947)	(916)	(16,863)
Total Corebridge Shareholders' equity	8,210	1,170	9,380
Total equity	9,149	1,170	10,319
Total liabilities, redeemable noncontrolling interest and equity	364,217	(3,895)	360,322

The following table presents the impacts in connection with the adoption of LDTI on our previously reported Condensed Consolidated Statement of Income (Loss) for the six months ended June 30, 2022*:

Six Months Ended June 30, 2022 *(in millions, except per common share data)*	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Revenues:			
Premiums	$ 1,741	$ 5	$ 1,746
Policy fees	1,506	(47)	1,459
Total net realized gains (losses)	7,004	(1,597)	5,407
Total revenues	15,669	(1,639)	14,030
Benefits and expenses:			
Policyholder benefits	2,942	(345)	2,597
Change in the fair value of market risk benefits, net	—	(278)	(278)
Interest credited to policyholder account balances	1,781	4	1,785
Amortization of deferred acquisition costs and value of business acquired	974	(479)	495
Non-deferrable insurance commissions	325	(30)	295
Total benefits and expenses	7,532	(1,128)	6,404
Income (loss) before income tax expense (benefit)	8,137	(511)	7,626
Income tax expense (benefit):	1,618	(107)	1,511
Net income (loss)	6,519	(404)	6,115
Net income (loss) attributable to Corebridge	6,364	(404)	5,960
Income (loss) per common share attributable to Corebridge common shareholders:			
Common stock - Basic	$ 9.87	$ (0.63)	$ 9.24
Common stock - Diluted	$ 9.87	$ (0.63)	$ 9.24

* The three months ended June 30, 2022 information has been excluded as it has not been previously reported.

The following table presents the impacts in connection with the adoption of LDTI on our previously reported Condensed Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2022*:

Six Months Ended June 30, 2022 *(in millions)*	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Net income	$ 6,519	$ (404)	$ 6,115
Other comprehensive income (loss), net of tax			
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken	1	(3)	(2)
Change in unrealized appreciation (depreciation) of all other investments	(21,063)	(4,732)	(25,795)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	1,363	1,363
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	—	3,997	3,997
Change in foreign currency translation adjustments	(72)	2	(70)
Other comprehensive income (loss)	(20,966)	627	(20,339)
Comprehensive income (loss)	(14,447)	223	(14,224)
Comprehensive income (loss) attributable to Corebridge	(14,602)	223	(14,379)

* The three months ended June 30, 2022 information has been excluded as it has not been previously reported.

The following table presents the impacts in connection with the adoption of LDTI on our previously reported Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2022:

Six Months Ended June 30, 2022 *(in millions)*	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Cash flows from operating activities:			
Net income	$ 6,519	$ (404)	$ 6,115
Adjustments to reconcile net income to net cash provided by operating activities:			
Noncash revenues, expenses, gains and losses included in income (loss):			
Unrealized gains in earnings - net	(2,089)	1,906	(183)
Change in the fair value of market risk benefits in earnings, net	—	(541)	(541)
Depreciation and other amortization	828	(505)	323
Changes in operating assets and liabilities:			
Insurance liabilities	850	(697)	153
Premiums and other receivables and payables - net	(90)	(20)	(110)
Reinsurance assets and funds held under reinsurance treaties	263	472	735
Capitalization of deferred policy acquisition costs	(488)	(31)	(519)
Current and deferred income taxes - net	762	(107)	655
Other, net	116	(107)	9
Total adjustments	(5,950)	370	(5,580)
Net cash provided by operating activities	569	(34)	535
Cash flows from financing activities:			
Policyholder contract deposits	$ 12,457	$ 34	$ 12,491
Net cash provided by financing activities	$ 1,818	$ 34	$ 1,852

ACCOUNTING STANDARDS ADOPTED DURING 2023

Troubled Debt Restructuring and Vintage Disclosures

In March 2022, the FASB issued an accounting standard update that eliminates the accounting guidance for troubled debt restructurings (“TDRs”) for creditors and amends the guidance on “vintage disclosures” to require disclosure of current-period gross write-offs by year of origination. The standard also updates the requirements for accounting for credit losses by adding enhanced disclosures for creditors related to loan refinancings and restructurings for borrowers experiencing financial difficulty. The Company adopted the standard prospectively as of January 1, 2023 and the standard did not have a material impact on our reported consolidated financial condition, results of operations, or cash flows. *For the updated required disclosures, see Note 6.*

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Fair Value Measurement

On June 30, 2022, the FASB issued an accounting standards update to address diversity in practice by clarifying that a contractual sale restriction should not be considered in the measurement of the fair value of an equity security. It also requires entities with investments in equity securities subject to contractual sale restrictions to disclose certain qualitative and quantitative information about such securities. The guidance is effective for public companies for fiscal years beginning after December 15, 2023 and interim period within those years, with early adoption permitted. For entities other than investment companies, the accounting standards update applies prospectively, with any adjustments resulting from adoption recognized in earnings on the date of adoption. We are assessing the impact of this standard.

3. Segment Information

We report our results of operations consistent with the manner in which our chief operating decision makers review the business to assess performance and allocate resources.

We report our results of operations as five reportable segments:

- **Individual Retirement** – consists of fixed annuities, fixed index annuities and variable annuities.
- **Group Retirement** – consists of record-keeping, plan administrative and compliance services, financial planning and advisory solutions offered in-plan, along with proprietary and limited non-proprietary annuities, advisory and brokerage products offered out-of-plan.
- **Life Insurance** – primary products in the United States include term life and universal life insurance. The International Life business issues individual and group life insurance in the United Kingdom, and distributes private medical insurance in Ireland.
- **Institutional Markets** – consists of stable value wrap (“SVW”) products, structured settlement and PRT annuities, guaranteed investment contracts (“GICs”) and Corporate Markets products that include corporate- and bank-owned life insurance (“COLI-BOLI”), private placement variable universal life and private placement variable annuity products.
- **Corporate and Other** – consists primarily of:
  - corporate expenses not attributable to our other segments;
  - interest expense on financial debt;
  - results of our consolidated investment entities;
  - institutional asset management business, which includes managing assets for non-consolidated affiliates; and
  - results of our legacy insurance lines ceded to Fortitude Re.

We evaluate segment performance based on adjusted revenues and adjusted pre-tax operating income (loss) (“APTOI”). Adjusted revenues are derived by excluding certain items from total revenues. APTOI is derived by excluding certain items from income from operations before income tax. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and adjustments that we believe to be common to the industry. Legal entities are attributed to each segment based upon the predominance of activity in that legal entity.

APTOI excludes the impact of the following items:

Fortitude-related adjustments:

The modco reinsurance agreements with Fortitude Re transfer the economics of the invested assets supporting the reinsurance agreements to Fortitude Re. Accordingly, the net investment income on Fortitude Re funds withheld assets and the net realized gains (losses) on Fortitude Re funds withheld assets are excluded from APTOI. Similarly, changes in the Fortitude Re funds withheld embedded derivative are also excluded from APTOI.

The ongoing results associated with the reinsurance agreement with Fortitude Re have been excluded from APTOI as these are not indicative of our ongoing business operations.

Investment-related adjustments:

APTOI excludes “Net realized gains (losses)”, including changes in the allowance for credit losses on available-for-sale securities and loans, as well as gains or losses from sales of securities, except for gains (losses) related to the disposition of real estate investments. Net realized gains (losses), except for gains (losses) related to the disposition of real estate investments, are excluded as the timing of sales on invested assets or changes in allowances depend largely on market credit cycles and can vary considerably across periods. In addition, changes in interest rates may create opportunistic scenarios to buy or sell invested assets. Our derivative results, including those used to economically hedge insurance liabilities or are recognized as embedded derivatives at fair value are also included in Net realized gains (losses) and are similarly excluded from APTOI except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedges or for asset replication. Earned income on such economic hedges is reclassified from Net realized gains and losses to specific APTOI line items based on the economic risk being hedged (e.g., Net investment income and Interest credited to policyholder account balances).

Market Risk Benefits adjustments:

Certain of our variable annuity, fixed annuity and fixed index annuity contracts contain guaranteed minimum withdrawal benefits (“GMWBs”) and/or guaranteed minimum death benefits (“GMDBs”) which are accounted for as MRBs. Changes in the fair value of these MRBs (excluding changes related to our own credit risk), including certain rider fees attributed to the MRBs, along with changes in the fair value of derivatives used to hedge MRBs are recorded through “Change in the fair value of MRBs, net” and are excluded from APTOI.

Changes in the fair value of securities used to economically hedge MRBs are excluded from APTOI.

Other adjustments:

Other adjustments represent all other adjustments that are excluded from APTOI and includes the net pre-tax operating income (losses) from noncontrolling interests related to consolidated investment entities. The excluded adjustments include, as applicable:

- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles;
- separation costs;
- non-operating litigation reserves and settlements;
- loss (gain) on extinguishment of debt, if any;
- losses from the impairment of goodwill, if any; and
- income and loss from divested or run-off business, if any.

The following table presents Corebridge's operations by segment:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate & Other	Eliminations	Total Corebridge	Adjustments	Total Consolidated
Three Months Ended June 30, 2023									
Premiums	$ 66	$ 4	$ 443	$ 1,911	$ 20	$ —	$ 2,444	$ (1)	$ 2,443
Policy fees	172	102	371	49	—	—	694	—	694
Net investment income[(a)]	1,224	504	327	407	19	(1)	2,480	234	2,714
Net realized gains (losses)[(a)(b)]	—	—	—	—	1	—	1	(321)	(320)
Advisory fee and other income	108	76	26	—	16	—	226	—	226
Total adjusted revenues	1,570	686	1,167	2,367	56	(1)	5,845	(88)	5,757
Policyholder benefits	71	6	721	2,081	(3)	—	2,876	—	2,876
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(262)	(262)
Interest credited to policyholder account balances	553	294	85	133	—	—	1,065	13	1,078
Amortization of deferred policy acquisition costs	138	20	98	2	—	—	258	—	258
Non-deferrable insurance commissions	94	33	21	4	1	—	153	—	153
Advisory fee expenses	36	29	(1)	—	—	—	64	—	64
General operating expenses	104	107	167	21	85	—	484	120	604
Interest expense	—	—	—	—	129	—	129	5	134
Net (gain) loss on divestitures	—	—	—	—	—	—	—	(59)	(59)
Total benefits and expenses	996	489	1,091	2,241	212	—	5,029	(183)	4,846
Noncontrolling interests	—	—	—	—	20	—	20		
Adjusted pre-tax operating income (loss)	$ 574	$ 197	$ 76	$ 126	$ (136)	$ (1)	$ 836		
Adjustments to:									
Total revenue							(88)		
Total expenses							(183)		
Noncontrolling interests							(20)		
Income before income tax (benefit)							$ 911		$ 911
Three Months Ended June 30, 2022									
Premiums	$ 60	$ 5	$ 440	$ 496	$ 21	$ —	$ 1,022	$ (11)	$ 1,011
Policy fees	186	104	390	49	—	—	729	—	729
Net investment income[(a)]	901	488	350	239	136	(5)	2,109	171	2,280
Net realized gains (losses)[(a)(b)]	—	—	—	—	—	—	—	2,520	2,520
Advisory fee and other income	115	73	30	—	32	(5)	245	5	250
Total adjusted revenues	1,262	670	1,210	784	189	(10)	4,105	2,685	6,790
Policyholder benefits	77	13	734	612	—	—	1,436	(7)	1,429
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(45)	(45)
Interest credited to policyholder account balances	466	286	87	71	—	—	910	(3)	907
Amortization of deferred policy acquisition costs	126	20	104	2	—	—	252	—	252
Non-deferrable insurance commissions	86	30	29	5	1	—	151	—	151
Advisory fee expenses	35	30	—	—	—	—	65	—	65
General operating expenses	107	112	159	18	96	(6)	486	91	577
Interest expense	—	—	—	—	128	(14)	114	13	127
Net (gain) loss on divestitures	—	—	—	—	—	—	—	1	1
Total benefits and expenses	897	491	1,113	708	225	(20)	3,414	50	3,464
Noncontrolling interests	—	—	—	—	(80)	—	(80)		
Adjusted pre-tax operating income (loss)	$ 365	$ 179	$ 97	$ 76	$ (116)	$ 10	$ 611		
Adjustments to:									
Total revenue							2,685		
Total expenses							50		
Noncontrolling interests							80		
Income before income tax (benefit)							$ 3,326		$ 3,326

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate & Other	Eliminations	Total Corebridge	Adjustments	Total Consolidated
Six Months Ended June 30, 2023									
Premiums	**$ 144**	**$ 10**	**$ 868**	**$ 3,486**	**$ 40**	**$ —**	**$ 4,548**	**$ —**	**$ 4,548**
Policy fees	**346**	**202**	**746**	**98**	**—**	**—**	**1,392**	**—**	**1,392**
Net investment income[(a)]	**2,352**	**1,004**	**644**	**739**	**87**	**(11)**	**4,815**	**594**	**5,409**
Net realized gains (losses)[(a)(b)]	**—**	**—**	**—**	**—**	**5**	**—**	**5**	**(1,783)**	**(1,778)**
Advisory fee and other income	**211**	**152**	**55**	**—**	**30**	**—**	**448**	**—**	**448**
Total adjusted revenues	**3,053**	**1,368**	**2,313**	**4,323**	**162**	**(11)**	**11,208**	**(1,189)**	**10,019**
Policyholder benefits	**136**	**15**	**1,429**	**3,799**	**(3)**	**—**	**5,376**	**(5)**	**5,371**
Change in the fair value of market risk benefits, net	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(66)**	**(66)**
Interest credited to policyholder account balances	**1,072**	**585**	**167**	**256**	**—**	**—**	**2,080**	**24**	**2,104**
Amortization of deferred policy acquisition costs	**275**	**41**	**194**	**4**	**—**	**—**	**514**	**—**	**514**
Non-deferrable insurance commissions	**180**	**61**	**38**	**9**	**1**	**—**	**289**	**—**	**289**
Advisory fee expenses	**70**	**58**	**1**	**—**	**—**	**—**	**129**	**—**	**129**
General operating expenses	**212**	**225**	**326**	**44**	**176**	**—**	**983**	**203**	**1,186**
Interest expense	**—**	**—**	**—**	**—**	**301**	**(10)**	**291**	**15**	**306**
Net (gain) loss on divestitures	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(56)**	**(56)**
Total benefits and expenses	**1,945**	**985**	**2,155**	**4,112**	**475**	**(10)**	**9,662**	**115**	**9,777**
Noncontrolling interests	**—**	**—**	**—**	**—**	**14**	**—**	**14**		
Adjusted pre-tax operating income (loss)	**$ 1,108**	**$ 383**	**$ 158**	**$ 211**	**$ (299)**	**$ (1)**	**$ 1,560**		
Adjustments to:									
Total revenue							**(1,189)**		
Total expenses							**115**		
Noncontrolling interests							**(14)**		
Income before income tax expense (benefit)							**$ 242**		**$ 242**
Six Months Ended June 30, 2022									
Premiums	$ 116	$ 13	$ 865	$ 734	$ 42	$ —	$ 1,770	$ (24)	$ 1,746
Policy fees	371	218	774	96	—	—	1,459	—	1,459
Net investment income(a)	1,884	1,015	706	503	322	(10)	4,420	441	4,861
Net realized gains (losses)(a)(b)	—	—	—	—	11	—	11	5,396	5,407
Advisory fee and other income	238	158	66	1	70	—	533	24	557
Total adjusted revenues	2,609	1,404	2,411	1,334	445	(10)	8,193	5,837	14,030
Policyholder benefits	143	23	1,478	962	—	—	2,606	(9)	2,597
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(278)	(278)
Interest credited to policyholder account balances	920	570	172	130	—	—	1,792	(7)	1,785
Amortization of deferred policy acquisition costs	245	39	208	3	—	—	495	—	495
Non-deferrable insurance commissions	178	58	47	11	1	—	295	—	295
Advisory fee expenses	72	64	—	—	—	—	136	—	136
General operating expenses	218	229	325	37	200	1	1,010	153	1,163
Interest expense	—	—	—	—	205	(21)	184	24	208
Net (gain) loss on divestitures	—	—	—	—	—	—	—	3	3
Total benefits and expenses	1,776	983	2,230	1,143	406	(20)	6,518	(114)	6,404
Noncontrolling interests	—	—	—	—	(155)	—	(155)		
Adjusted pre-tax operating income (loss)	$ 833	$ 421	$ 181	$ 191	$ (116)	$ 10	$ 1,520		
Adjustments to:									
Total revenue							5,837		
Total expenses							(114)		
Noncontrolling interests							155		
Income before income tax expense (benefit)							$ 7,626		$ 7,626

(a) Adjustments include Fortitude Re activity of $262 million and $2,516 million for the three months ended June 30, 2023 and 2022, respectively, and $(349) million and $5,508 million for the six months ended June 30, 2023 and 2022, respectively.

(b) Net realized gains (losses) includes the gains (losses) related to the disposition of real estate investments.

4. Fair Value Measurements

FAIR VALUE MEASUREMENTS ON A RECURRING BASIS

Assets and liabilities recorded at fair value in the Condensed Consolidated Balance Sheets are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. We do not adjust the quoted price for such instruments.
- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, we must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation methodologies used for instruments carried at fair value. These methodologies are applied to assets and liabilities across the levels discussed above, and it is the observability of the inputs used that determines the appropriate level in the fair value hierarchy for the respective asset or liability.

VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

There were no changes to valuation methodologies of financial instruments measured at fair value with the exception of the valuation methodologies listed below which were impacted by the adoption of LDTI. *For additional information on valuation methodologies not impacted by the adoption of LDTI, see Note 4 to the Consolidated Financial Statements in the June 2023 Registration Statement.*

Market Risk Benefits and Embedded Derivatives within Policyholder Contract Deposits

Certain variable annuity, fixed annuity and fixed index annuity contracts contain MRBs related to guaranteed benefit features that we separate from the host contracts and account for at fair value, with certain changes recognized in earnings. MRBs are contracts or contract features that provide protection to policyholders from other-than-nominal capital market risks and expose the insurance entity to other-than-nominal capital market risks.

The fair value of MRBs contained in certain variable annuity, fixed annuity and fixed index annuity contracts is measured based on policyholder behavior and capital market assumptions related to projected cash flows over the expected lives of the contracts. These discounted cash flow projections primarily include benefits and related fees assessed, when applicable. In some instances, the projected cash flows from fees may exceed projected cash flows related to benefit payments and therefore, at a point in time, the carrying value of the MRBs may be in a net asset position. The projected cash flows incorporate best estimate assumptions for policyholder behavior (including mortality, lapses, withdrawals and benefit utilization), along with an explicit risk margin to reflect a market participant's estimates of projected cash flows and policyholder behavior. Estimates of future policyholder behavior assumptions are subjective and are based primarily on our historical experience.

Because of the dynamic and complex nature of the projected cash flows with respect to MRBs in our variable annuity, fixed annuity, and fixed index annuity contracts, risk neutral valuations are used, which are calibrated to observable interest rate and equity option prices. Estimating the underlying cash flows for these products involves judgments regarding the capital market assumptions related to expected market rates of return, market volatility, credit spreads, correlations of certain market variables, fund performance and discount rates. Additionally, estimating the underlying cash flows for these products also involves judgments regarding policyholder behavior. The portion of fees attributable to the fair value of expected benefit payments is included within the fair value measurement of these MRBs, and related fees are classified in change in the fair value of MRBs, net, as earned, consistent with other changes in the fair value of these MRBs. Any portion of the fees not attributed to the MRBs is excluded from the fair value measurement and classified in policy fees as earned.

Option pricing models are used to estimate the fair value of embedded derivatives in our fixed index annuity and life contracts, taking into account the capital market assumptions for future index growth rates, volatility of the index, future interest rates, and our ability to adjust the participation rate and the cap on fixed index credited rates in light of market conditions and policyholder behavior assumptions.

Projected cash flows are discounted using the interest rate swap curve (“swap curve”), which is viewed as being consistent with the credit spreads for highly-rated financial institutions (S&P AA-rated or above). A swap curve shows the fixed-rate leg of a non-complex swap against the floating rate (for example, SOFR or LIBOR) leg of a related tenor. We also incorporate our own risk of non-performance in the valuation of MRBs and embedded derivatives associated with variable annuity, fixed annuity, fixed index annuity and life contracts. The non-performance risk adjustment (“NPA”) reflects a market participant’s view of our claims-paying ability by incorporating an additional spread to the swap curve used to discount projected benefit cash flows. The non-performance risk adjustment is calculated by constructing forward rates based on a weighted average of observable corporate credit indices to approximate the claims-paying ability rating of our insurance operations companies. The corporate credit indices are observable for the first 30 years. For years 30 to 50, the yield is derived using market observable yields. Yields for years 50 to 100 are extrapolated using a flat forward approach, maintaining a constant forward spread through the period. MRBs are measured using a non-performance risk adjustment that is a locked-in estimate of our claims-paying ability at policy issue (“locked-in NPA”) as well as a non-performance risk adjustment that reflects an estimate of our current claims-paying ability (“current NPA”).

When MRBs are remeasured each period, both the interest rates and current non-performance risk adjustment are updated. Changes in the swap curve and the time value accretion of the at-issue non-performance risk adjustment are recorded to net income while the difference between the MRBs measured using the at-issue non-performance risk adjustment and the current non-performance risk adjustment is recorded to OCI. For embedded derivatives, changes in the interest rates and the period-over-period change in the non-performance risk adjustment are recorded to net income.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following table presents information about assets and liabilities measured at fair value on a recurring basis and indicates the level of the fair value measurement based on the observability of the inputs used:

June 30, 2023 *(in millions)*	Level 1	Level 2	Level 3	Counterparty Netting[a]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ —	$ 1,227	$ —	$ —	$ —	$ 1,227
Obligations of states, municipalities and political subdivisions	—	5,029	853	—	—	5,882
Non-U.S. governments	—	4,054	—	—	—	4,054
Corporate debt	—	100,290	1,303	—	—	101,593
RMBS[b]	—	6,892	5,753	—	—	12,645
CMBS	—	9,263	505	—	—	9,768
CLO[c]	—	8,054	1,708	—	—	9,762
ABS	—	850	11,127	—	—	11,977
Total bonds available for sale	—	135,659	21,249	—	—	156,908
Other bond securities:						
U.S. government and government sponsored entities	—	—	—	—	—	—
Obligations of states, municipalities and political subdivisions	—	52	3	—	—	55
Non-U.S. governments	—	19	—	—	—	19
Corporate debt	—	2,223	110	—	—	2,333
RMBS[d]	—	150	112	—	—	262
CMBS	—	225	26	—	—	251
CLO[e]	—	342	25	—	—	367
ABS	—	89	864	—	—	953
Total other bond securities	—	3,100	1,140	—	—	4,240
Equity securities	50	100	44	—	—	194
Other invested assets[f]	—	—	1,914	—	—	1,914
Derivative assets:						
Interest rate contracts	—	1,315	328	—	—	1,643
Foreign exchange contracts	—	1,152	—	—	—	1,152
Equity contracts	11	602	661	—	—	1,274
Credit contracts	—	—	—	—	—	—
Other contracts	—	—	15	—	—	15
Counterparty netting and cash collateral	—	—	—	(2,790)	(838)	(3,628)
Total derivative assets	11	3,069	1,004	(2,790)	(838)	456
Short-term investments	8	1,582	—	—	—	1,590
Market risk benefit assets	—	—	954	—	—	954
Separate account assets	86,579	3,139	—	—	—	89,718
Total	$ 86,648	$ 146,649	$ 26,305	$ (2,790)	$ (838)	$ 255,974
Liabilities:						
Policyholder contract deposits[g]	$ —	$ 100	$ 6,813	$ —	$ —	$ 6,913
Derivative liabilities:						
Interest rate contracts	—	2,281	—	—	—	2,281
Foreign exchange contracts	—	355	—	—	—	355
Equity contracts	23	304	22	—	—	349
Credit contracts	—	—	—	—	—	—
Other contracts	—	—	—	—	—	—
Counterparty netting and cash collateral	—	—	—	(2,790)	(43)	(2,833)
Total derivative liabilities	23	2,940	22	(2,790)	(43)	152
Fortitude Re funds withheld payable[h]	—	—	1,460	—	—	1,460
Market risk benefit liabilities	—	—	4,977	—	—	4,977
Debt of consolidated investment entities	—	—	—	—	—	—
Total	$ 23	$ 3,040	$ 13,272	$ (2,790)	$ (43)	$ 13,502

December 31, 2022 (in millions)	Level 1	Level 2	Level 3	Counterparty Netting[(a)]	Cash Collateral	Total
Assets:						
Bonds available for sale:						
U.S. government and government sponsored entities	$ —	$ 1,198	$ —	$ —	$ —	$ 1,198
Obligations of states, municipalities and political subdivisions	—	5,121	805	—	—	5,926
Non-U.S. governments	—	4,392	—	—	—	4,392
Corporate debt	—	102,724	1,968	—	—	104,692
RMBS[(b)]	—	6,274	5,670	—	—	11,944
CMBS	—	9,350	718	—	—	10,068
CLO[(c)]	—	6,516	1,670	—	—	8,186
ABS	—	792	9,595	—	—	10,387
Total bonds available for sale	—	136,367	20,426	—	—	156,793
Other bond securities:						
Obligations of states, municipalities and political subdivisions	—	37	—	—	—	37
Non-U.S. governments	—	22	—	—	—	22
Corporate debt	—	1,805	417	—	—	2,222
RMBS[(d)]	—	58	107	—	—	165
CMBS	—	204	28	—	—	232
CLO[(e)]	—	268	11	—	—	279
ABS	—	71	741	—	—	812
Total other bond securities	—	2,465	1,304	—	—	3,769
Equity securities	141	3	26	—	—	170
Other invested assets[(f)]	—	—	1,832	—	—	1,832
Derivative assets:						
Interest rate contracts	1	1,269	303	—	—	1,573
Foreign exchange contracts	—	1,247	—	—	—	1,247
Equity contracts	11	124	282	—	—	417
Credit contracts	—	—	—	—	—	—
Other contracts	—	1	14	—	—	15
Counterparty netting and cash collateral	—	—	—	(2,547)	(406)	(2,953)
Total derivative assets	12	2,641	599	(2,547)	(406)	299
Short-term investments	1	1,356	—	—	—	1,357
Market risk benefit assets	—	—	796	—	—	796
Separate account assets	81,655	3,198	—	—	—	84,853
Total	$ 81,809	$ 146,030	$ 24,983	$ (2,547)	$ (406)	$ 249,869
Liabilities:						
Policyholder contract deposits[(g)]	$ —	$ 97	$ 5,367	$ —	$ —	$ 5,464
Derivative liabilities:						
Interest rate contracts	—	2,676	—	—	—	2,676
Foreign exchange contracts	—	632	—	—	—	632
Equity contracts	2	10	15	—	—	27
Credit contracts	—	—	—	—	—	—
Other contracts	—	—	—	—	—	—
Counterparty netting and cash collateral	—	—	—	(2,547)	(691)	(3,238)
Total derivative liabilities	2	3,318	15	(2,547)	(691)	97
Fortitude Re funds withheld payable[(h)]	—	—	1,262	—	—	1,262
Market risk benefit liabilities	—	—	4,736	—	—	4,736
Debt of consolidated investment entities	—	—	6	—	—	6
Total	$ 2	$ 3,415	$ 11,386	$ (2,547)	$ (691)	$ 11,565

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

(b) Includes investments in residential-backed mortgage securities (“RMBS”) issued by related parties of $37 million and $2 million classified as Level 2 and Level 3, as of June 30, 2023 and December 31, 2022, respectively.

(c) Includes investments in collateralized loan obligations (“CLOs”) issued by related parties of $16 million as Level 3, as of June 30, 2023. There were no investments in CLOs issued by related parties as of December 31, 2022.

(d) Includes less than $1 million of investments in RMBS issued by related parties classified as Level 2 as of June 30, 2023 and December 31, 2022.

(e) There were no investments in CLOs issued by related parties as of June 30, 2023 and December 31, 2022.

(f) Excludes investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent), which totaled $6.0 billion and $6.0 billion as of June 30, 2023 and December 31, 2022, respectively.

(g) Excludes basis adjustments for fair value hedges.

(h) *As discussed in Note 7*, the Fortitude Re funds withheld payable is created through modco and funds withheld reinsurance arrangements where the investments supporting the reinsurance agreements are withheld by and continue to reside on Corebridge's balance sheet. This embedded derivative is valued as a total return swap with reference to the fair value of the invested assets held by Corebridge, which are primarily available-for-sale securities.

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The following tables present changes during the three and six months ended June 30, 2023 and 2022 in Level 3 assets and liabilities measured at fair value on a recurring basis, and the realized and unrealized gains (losses) related to the Level 3 assets and liabilities in the Condensed Consolidated Balance Sheets at June 30, 2023 and 2022:.

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers in	Gross Transfers out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Three Months Ended June 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 858	$ —	$ (4)	$ (1)	$ —	$ —	$ —	$ 853	$ —	$ (13)
Corporate debt	1,704	10	(2)	(41)	44	(412)	—	1,303	—	1
RMBS	5,687	75	133	(174)	32	—	—	5,753	—	131
CMBS	718	(7)	(37)	(40)	—	(129)	—	505	—	(46)
CLO	1,834	(54)	44	(66)	11	(62)	1	1,708	—	—
ABS	10,707	53	(103)	436	38	(4)	—	11,127	—	(118)
Total bonds available for sale	21,508	77	31	114	125	(607)	1	21,249	—	(45)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	1	—	—	2	—	—	—	3	—	—
Corporate debt	130	1	—	(20)	—	(1)	—	110	3	—
RMBS	114	2	—	(4)	—	—	—	112	1	—
CMBS	27	(1)	—	—	—	—	—	26	(1)	—
CLO	71	—	—	(47)	38	(37)	—	25	1	—
ABS	781	(6)	—	124	—	(35)	—	864	(13)	—
Total other bond securities	1,124	(4)	—	55	38	(73)	—	1,140	(9)	—
Equity securities	50	—	—	1	—	(7)	—	44	—	—
Other invested assets	1,852	(19)	2	79	—	—	—	1,914	(21)	—
Total[(a)]	$ 24,534	$ 54	$ 33	$ 249	$ 163	$ (687)	$ 1	$ 24,347	$ (30)	$ (45)

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive (Income) Loss	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers in	Gross Transfers out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Policyholder contract deposits	$ 6,064	$ 429	$ —	$ 320	$ —	$ —	$ —	$ 6,813	$ (308)	$ —
Derivative liabilities, net:										
Interest rate contracts	(344)	37	—	(21)	—	—	—	(328)	(23)	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(497)	7	—	(149)	—	—	—	(639)	5	—
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other contracts	(14)	(16)	—	15	—	—	—	(15)	16	—
Total derivative liabilities, net[(b)]	(855)	28	—	(155)	—	—	—	(982)	(2)	—
Fortitude Re funds withheld payable	1,774	(122)	—	(192)	—	—	—	1,460	213	—
Debt of consolidated investment entities	6	1	—	(7)	—	—	—	—	—	—
Total[(c)]	$ 6,989	$ 336	$ —	$ (34)	$ —	$ —	$ —	$ 7,291	$ (97)	$ —

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers in	Gross Transfers out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Three Months Ended June 30, 2022										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 1,059	$ (1)	$ (139)	$ (4)	$ 16	$ —	$ —	$ 931	$ —	$ (138)
Corporate debt	2,055	(8)	(55)	(201)	213	(168)	—	1,836	—	(45)
RMBS	6,512	66	(301)	(128)	—	(5)	—	6,144	—	(443)
CMBS	748	6	(39)	65	—	(14)	—	766	—	(46)
CLO	3,388	(17)	(112)	71	207	(739)	—	2,798	—	(119)
ABS	7,641	24	(375)	1,034	—	(20)	—	8,304	—	(413)
Total bonds available for sale	21,403	70	(1,021)	837	436	(946)	—	20,779	—	(1,204)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	—	—	—	—	—	—	—
Corporate debt	260	(5)	—	48	161	(3)	—	461	(4)	—
RMBS	115	(6)	—	10	—	—	—	119	(9)	—
CMBS	31	(2)	—	—	—	—	—	29	(2)	—
CLO	190	(14)	—	(6)	7	(47)	—	130	(152)	—
ABS	477	(25)	—	252	—	—	—	704	(33)	—
Total other bond securities	1,073	(52)	—	304	168	(50)	—	1,443	(200)	—
Equity securities	3	—	—	3	1	—	—	7	—	—
Other invested assets	1,840	133	(21)	(143)	—	(6)	—	1,803	153	—
Total[(a)]	$ 24,319	$ 151	$ (1,042)	$ 1,001	$ 605	$ (1,002)	$ —	$ 24,032	$ (47)	$ (1,204)

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive (Income) Loss	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers in	Gross Transfers out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Policyholder contract deposits	$ 5,035	$ (545)	$ —	$ 238	$ —	$ —	$ —	$ 4,728	$ 592	$ —
Derivative liabilities, net:										
Interest rate contracts	(3)	15	—	(149)	—	—	—	(137)	(15)	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(168)	83	—	(60)	—	—	—	(145)	(8)	—
Credit contracts	—	—	—	—	—	—	—	—	1	—
Other contracts	(15)	(14)	—	14	—	—	—	(15)	14	—
Total derivative liabilities, net[(b)]	(186)	84	—	(195)	—	—	—	(297)	(8)	—
Fortitude Re funds withheld payable	4,796	(2,394)	—	(53)	—	—	—	2,349	2,487	—
Debt of consolidated investment entities	5	2	—	(1)	—	—	—	6	1	—
Total[(c)]	$ 9,650	$ (2,853)	$ —	$ (11)	$ —	$ —	$ —	$ 6,786	$ 3,072	$ —

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Six Months Ended June 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 805	$ —	$ 51	$ (3)	$ —	$ —	$ —	$ 853	$ —	$ 27
Corporate debt	1,968	(92)	42	(27)	211	(783)	(16)	1,303	—	54
RMBS	5,670	156	93	(182)	32	(16)	—	5,753	—	65
CMBS	718	—	(41)	(40)	24	(156)	—	505	—	(71)
CLO	1,670	(45)	26	(45)	65	(154)	191	1,708	—	(47)
ABS	9,595	95	166	1,240	38	(7)	—	11,127	—	137
Total bonds available for sale	20,426	114	337	943	370	(1,116)	175	21,249	—	165
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	3	—	—	—	3	—	—
Corporate debt	417	1	—	(116)	—	(192)	—	110	2	—
RMBS	107	6	—	(1)	—	—	—	112	3	—
CMBS	28	(2)	—	—	—	—	—	26	(2)	—
CLO	11	9	—	(46)	39	(42)	54	25	1	—
ABS	741	20	—	138	—	(35)	—	864	5	—
Total other bond securities	1,304	34	—	(22)	39	(269)	54	1,140	9	—
Equity securities	26	—	—	25	—	(7)	—	44	—	—
Other invested assets	1,832	(63)	7	138	—	—	—	1,914	(63)	—
Total[(a)]	$ 23,588	$ 85	$ 344	$ 1,084	$ 409	$ (1,392)	$ 229	$ 24,347	$ (54)	$ 165

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive (Income) Loss	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Policyholder contract deposits	$ 5,367	$ 810	$ —	$ 636	$ —	$ —	$ —	$ 6,813	$ (676)	$ —
Derivative liabilities, net:										
Interest rate contracts	(303)	115	—	(140)	—	—	—	(328)	(52)	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(267)	(200)	—	(315)	—	—	143	(639)	189	—
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other contracts	(14)	(32)	—	31	—	—	—	(15)	32	—
Total derivative liabilities, net[(b)]	(584)	(117)	—	(424)	—	—	143	(982)	169	—
Fortitude Re funds withheld payable	1,262	903	—	(705)	—	—	—	1,460	(420)	—
Debt of consolidated investment entities	6	1	—	(7)	—	—	—	—	—	—
Total[(c)]	$ 6,051	$ 1,597	$ —	$ (500)	$ —	$ —	$ 143	$ 7,291	$ (927)	$ —

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized Gains (Losses) Included in Income	Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Six Months Ended June 30, 2022										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 1,395	$ 1	$ (421)	$ (60)	$ 16	$ —	$ —	$ 931	$ —	$ (408)
Corporate debt	1,907	(17)	(114)	17	304	(261)	—	1,836	—	(101)
RMBS	7,595	158	(705)	(493)	—	(411)	—	6,144	—	(843)
CMBS	1,072	13	(99)	75	—	(295)	—	766	—	(104)
CLO	3,038	(19)	(164)	82	1,032	(1,171)	—	2,798	—	(172)
ABS	7,400	40	(821)	1,705	—	(20)	—	8,304	—	(857)
Total bonds available for sale	22,407	176	(2,324)	1,326	1,352	(2,158)	—	20,779	—	(2,485)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	—	—	—	—	—	—	—
Corporate debt	134	(5)	—	125	222	(15)	—	461	(4)	—
RMBS	106	(9)	—	22	—	—	—	119	(15)	—
CMBS	33	(4)	—	—	—	—	—	29	(4)	—
CLO	149	(21)	—	(6)	57	(49)	—	130	(154)	—
ABS	205	(42)	—	541	—	—	—	704	(51)	—
Total other bond securities	627	(81)	—	682	279	(64)	—	1,443	(228)	—
Equity securities	2	—	—	4	1	—	—	7	—	—
Other invested assets	1,892	243	(26)	(171)	24	(159)	—	1,803	271	—
Total[(a)]	$ 24,928	$ 338	$ (2,350)	$ 1,841	$ 1,656	$ (2,381)	$ —	$ 24,032	$ 43	$ (2,485)

(in millions)	Fair Value Beginning of Period	Net Realized and Unrealized (Gains) Losses Included in Income	Other Comprehensive (Income) Loss	Purchases, Sales, Issuances and Settlements, Net	Gross Transfers In	Gross Transfers Out	Other	Fair Value End of Period	Changes in Unrealized Gains (Losses) Included in Income on Instruments Held at End of Period	Changes in Unrealized Gain (Losses) Included in Other Comprehensive Income (Loss) for Recurring Level 3 Instruments Held at End of Period
Liabilities:										
Policyholder contract deposits	$ 5,572	$ (1,203)	$ —	$ 359	$ —	$ —	$ —	$ 4,728	$ 1,437	$ —
Derivative liabilities, net:										
Interest rate contracts	—	14	—	(151)	—	—	—	(137)	(14)	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(457)	398	—	(86)	—	—	—	(145)	(246)	—
Credit contracts	(1)	1	—	—	—	—	—	—	—	—
Other contracts	(12)	(31)	—	28	—	—	—	(15)	31	—
Total derivative liabilities, net[(b)]	(470)	382	—	(209)	—	—	—	(297)	(229)	—
Fortitude Re funds withheld payable	7,974	(5,231)	—	(394)	—	—	—	2,349	5,503	—
Debt of consolidated investment entities	5	3	—	(2)	—	—	—	6	—	—
Total[(c)]	$ 13,081	$ (6,049)	$ —	$ (246)	$ —	$ —	$ —	$ 6,786	$ 6,711	$ —

(a) Excludes MRB assets of $954 million at June 30, 2023 and $642 million at June 30, 2022. *Refer to Note 12 for additional information.*

(b) Total Level 3 derivative exposures have been netted in these tables for presentation purposes only.

(c) Excludes MRB liabilities of $5.0 billion at June 30, 2023 and $5.3 billion at June 30, 2022. *Refer to Note 12 for additional information.*

Change in the fair value of market risk benefits, net and net realized and unrealized gains and losses included in income related to Level 3 assets and liabilities shown above are reported in the Condensed Consolidated Statements of Income (Loss) as follows:

(in millions)	Policy Fees	Net Investment Income	Net Realized and Unrealized Gains (Losses)	Interest Expense	Change in the Fair Value of Market Risk Benefits, net[(a)]	Total
Three Months Ended June 30, 2023						
Assets:						
Bonds available for sale	**$ —**	**$ 118**	**$ (41)**	**$ —**	**$ —**	**$ 77**
Other bond securities	**—**	**(4)**	**—**	**—**	**—**	**(4)**
Equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Other invested assets	**—**	**(21)**	**2**	**—**	**—**	**(19)**
Three Months Ended June 30, 2022						
Assets:						
Bonds available for sale	$ —	$ 106	$ (36)	$ —	$ —	$ 70
Other bond securities	—	(52)	—	—	—	(52)
Equity securities	—	—	—	—	—	—
Other invested assets	—	133	—	—	—	133
Six Months Ended June 30, 2023						
Assets:						
Bonds available for sale	**$ —**	**$ 150**	**$ (36)**	**$ —**	**$ —**	**$ 114**
Other bond securities	**—**	**34**	**—**	**—**	**—**	**34**
Equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Other invested assets	**—**	**(64)**	**1**	**—**	**—**	**(63)**
Six Months Ended June 30, 2022						
Assets:						
Bonds available for sale	$ —	$ 223	$ (47)	$ —	$ —	$ 176
Other bond securities	—	(81)	—	—	—	(81)
Equity securities	—	—	—	—	—	—
Other invested assets	—	243	—	—	—	243

(in millions)	Policy Fees	Net Investment Income	Net Realized and Unrealized Gains (Losses)	Interest Expense	Change in the Fair Value of Market Risk Benefits, net[a]	Total
Three Months Ended June 30, 2023						
Liabilities:						
Policyholder contract deposits[b]	**$ —**	**$ —**	**$ (429)**	**$ —**	**$ —**	**$ (429)**
Derivative liabilities, net	**15**	**—**	**3**	**—**	**(46)**	**(28)**
Fortitude Re funds withheld payable	**—**	**—**	**122**	**—**	**—**	**122**
Market risk benefit liabilities, net[c]	**—**	**—**	**3**	**—**	**884**	**887**
Debt of consolidated investment entities	**—**	**(1)**	**—**	**—**	**—**	**(1)**
Three Months Ended June 30, 2022						
Liabilities:						
Policyholder contract deposits[b]	$ —	$ —	$ 545	$ —	$ —	$ 545
Derivative liabilities, net	14	—	(154)	—	56	(84)
Fortitude Re funds withheld payable	—	—	2,394	—	—	2,394
Market risk benefit liabilities, net[c]	—	—	5	—	258	263
Debt of consolidated investment entities	—	—	—	2	—	2
Six Months Ended June 30, 2023						
Liabilities:						
Policyholder contract deposits[b]	**$ —**	**$ —**	**$ (810)**	**$ —**	**$ —**	**$ (810)**
Derivative liabilities, net	**31**	**—**	**231**	**—**	**(145)**	**117**
Fortitude Re funds withheld payable	**—**	**—**	**(903)**	**—**	**—**	**(903)**
Market risk benefit liabilities, net[c]	**—**	**—**	**3**	**—**	**797**	**800**
Debt of consolidated investment entities	**—**	**(1)**	**—**	**—**	**—**	**(1)**
Six Months Ended June 30, 2022						
Liabilities:						
Policyholder contract deposits[b]	$ —	$ —	$ 1,203	$ —	$ —	$ 1,203
Derivative liabilities, net	29	—	(498)	—	87	(382)
Fortitude Re funds withheld payable	—	—	5,231	—	—	5,231
Market risk benefit liabilities, net[c]	—	—	8	—	957	965
Debt of consolidated investment entities	—	—	—	3	—	3

(a) The portion of the fair value change attributable to our own credit risk is recognized in OCI.

(b) Primarily embedded derivatives.

(c) Market risk benefit assets and liabilities have been netted in these tables for presentation purposes only.

The following table presents the gross components of purchases, sales, issuances and settlements, net, shown above, for the three and six months ended June 30, 2023 and 2022 related to Level 3 assets and liabilities in the Condensed Consolidated Balance Sheets:

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Three Months Ended June 30, 2023				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ —	$ (1)	$ (1)
Corporate debt	2	—	(43)	(41)
RMBS	64	(42)	(196)	(174)
CMBS	—	(21)	(19)	(40)
CLO	72	—	(138)	(66)
ABS	345	—	91	436
Total bonds available for sale	483	(63)	(306)	114
Other bond securities:				
Obligations of states, municipalities and political subdivisions	2	—	—	2
Corporate debt	67	—	(87)	(20)
RMBS	—	—	(4)	(4)
CMBS	—	—	—	—
CLO	—	—	(47)	(47)
ABS	81	—	43	124
Total other bond securities	150	—	(95)	55
Equity securities	1	—	—	1
Other invested assets	81	—	(2)	79
Total assets*	$ 715	$ (63)	$ (403)	$ 249
Liabilities:				
Policyholder contract deposits	$ —	$ 402	$ (82)	$ 320
Derivative liabilities, net	(100)	—	(55)	(155)
Fortitude Re funds withheld payable	—	—	(192)	(192)
Debt of consolidated investment entities	—	—	(7)	(7)
Total liabilities	$ (100)	$ 402	$ (336)	$ (34)
Three Months Ended June 30, 2022				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ (4)	$ —	$ (4)
Corporate debt	4	—	(205)	(201)
RMBS	163	—	(291)	(128)
CMBS	56	—	9	65
CLO	119	—	(48)	71
ABS	1,125	—	(91)	1,034
Total bonds available for sale	1,467	(4)	(626)	837
Other bond securities:				
Obligations of states, municipalities and political subdivisions	—	—	—	—
Corporate debt	6	—	42	48
RMBS	13	—	(3)	10
CMBS	—	—	—	—
CLO	4	—	(10)	(6)
ABS	256	—	(4)	252
Total other bond securities	279	—	25	304
Equity securities	4	—	(1)	3
Other invested assets	270	—	(413)	(143)
Total assets*	$ 2,020	$ (4)	$ (1,015)	$ 1,001

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Liabilities:				
Policyholder contract deposits	$ —	$ 222	$ 16	$ 238
Derivative liabilities, net	(99)	—	(96)	(195)
Fortitude Re funds withheld payable	—	—	(53)	(53)
Debt of consolidated investment entities	—	—	(1)	(1)
Total liabilities	$ (99)	$ 222	$ (134)	$ (11)

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Six Months Ended June 30, 2023				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	**$ —**	**$ —**	**$ (3)**	**$ (3)**
Corporate debt	**30**	**—**	**(57)**	**(27)**
RMBS	**231**	**(42)**	**(371)**	**(182)**
CMBS	**9**	**(27)**	**(22)**	**(40)**
CLO	**82**	**—**	**(127)**	**(45)**
ABS	**1,203**	**—**	**37**	**1,240**
Total bonds available for sale	**1,555**	**(69)**	**(543)**	**943**
Other bond securities:				
Obligations of states, municipalities and political subdivisions	**3**	**—**	**—**	**3**
Corporate debt	**67**	**—**	**(183)**	**(116)**
RMBS	**6**	**—**	**(7)**	**(1)**
CMBS	**—**	**—**	**—**	**—**
CLO	**1**	**—**	**(47)**	**(46)**
ABS	**113**	**—**	**25**	**138**
Total other bond securities	**190**	**—**	**(212)**	**(22)**
Equity securities	**25**	**—**	**—**	**25**
Other invested assets	**151**	**—**	**(13)**	**138**
Total assets*	**$ 1,921**	**$ (69)**	**$ (768)**	**$ 1,084**
Liabilities:				
Policyholder contract deposits	**$ —**	**$ 728**	**$ (92)**	**$ 636**
Derivative liabilities, net	**(201)**	**—**	**(223)**	**(424)**
Fortitude Re funds withheld payable	**—**	**—**	**(705)**	**(705)**
Debt of consolidated investment entities	**—**	**—**	**(7)**	**(7)**
Total liabilities	**$ (201)**	**$ 728**	**$ (1,027)**	**$ (500)**

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Six Months Ended June 30, 2022				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ (59)	$ (1)	$ (60)
Corporate debt	4	—	13	17
RMBS	271	—	(764)	(493)
CMBS	98	—	(23)	75
CLO	172	—	(90)	82
ABS	1,949	—	(244)	1,705
Total bonds available for sale	2,494	(59)	(1,109)	1,326
Other bond securities:				
Obligations of states, municipalities and political subdivisions	—	—	—	—
Corporate debt	25	—	100	125
RMBS	30	—	(8)	22
CMBS	—	—	—	—
CLO	13	—	(19)	(6)
ABS	547	—	(6)	541
Total other bond securities	615	—	67	682
Equity securities	4	—	—	4
Other invested assets	509	—	(680)	(171)
Total assets*	$ 3,622	$ (59)	$ (1,722)	$ 1,841
Liabilities:				
Policyholder contract deposits	$ —	$ 417	$ (58)	$ 359
Derivative liabilities, net	(172)	—	(37)	(209)
Fortitude Re funds withheld payable	—	—	(394)	(394)
Debt of consolidated investment entities	—	—	(2)	(2)
Total liabilities	$ (172)	$ 417	$ (491)	$ (246)

* There were no issuances during the three and six months ended June 30, 2023 and 2022 for invested assets.

Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3 in the tables above. As a result, the unrealized gains (losses) on instruments held at June 30, 2023 and 2022 may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable inputs (e.g., changes in unobservable long-dated volatilities).

Transfers of Level 3 Assets and Liabilities

We record transfers of assets and liabilities into or out of Level 3 at their fair values as of the end of each reporting period, consistent with the date of the determination of fair value. The net realized and unrealized gains (losses) included in net income (loss) or OCI as shown in the table above excludes $0 million and $(28) million of net gains (losses) related to assets transferred into Level 3 during the three months ended June 30, 2023 and 2022, respectively, and $7 million and $(53) million of net gains (losses) related to assets transferred into Level 3 during the six months ended June 30, 2023 and 2022, respectively, and includes $(1) million and $(44) million of net gains (losses) related to assets transferred out of Level 3 during the three months ended June 30, 2023 and 2022, respectively, and $10 million and $(83) million of net gains (losses) related to assets transferred out of Level 3 during the six months ended June 30, 2023 and 2022, respectively.

Transfers of Level 3 Assets

During the three and six months ended June 30, 2023 and 2022, transfers into Level 3 assets primarily included certain investments in private placement corporate debt, commercial mortgage-backed securities (“CMBS”), RMBS, CLO, asset backed securities (“ABS”) and certain investments in municipal securities. Transfers of private placement corporate debt and certain ABS into Level 3 assets were primarily the result of limited market pricing information that required us to determine fair value for these securities based on inputs that are adjusted to better reflect our own assumptions regarding the characteristics of a specific security or associated market liquidity. The transfers of investments in CMBS, CLO and certain ABS into Level 3 assets were due to diminished market transparency and liquidity for individual security types.

During the three and six months ended June 30, 2023 and 2022, transfers out of Level 3 assets primarily included private placement and other corporate debt, CMBS, RMBS, CLO and ABS. Transfers of certain investments in municipal securities, corporate debt, RMBS, CMBS and CLO and ABS out of Level 3 assets were based on consideration of market liquidity as well as related transparency of pricing and associated observable inputs for these investments. Transfers of certain investments in private placement corporate debt and certain ABS out of Level 3 assets were primarily the result of using observable pricing information that reflects the fair value of those securities without the need for adjustment based on our own assumptions regarding the characteristics of a specific security or the current liquidity in the market.

Transfers of Level 3 Liabilities

There were no transfers of derivative or other liabilities into or out of Level 3 for the three and six months ended June 30, 2023. During the three and six months ended June 30, 2022, transfers of Level 3 liabilities primarily included certain equity derivatives.

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENTS

The table below presents information about the significant unobservable inputs used for recurring fair value measurements for certain Level 3 instruments, and includes only those instruments for which information about the inputs is reasonably available to us, such as data from independent third-party valuation service providers and from internal valuation models. Because input information from third parties with respect to certain Level 3 instruments (primarily CLO/ABS) may not be reasonably available to us, balances shown below may not equal total amounts reported for such Level 3 assets and liabilities:

(in millions)	Fair Value at June 30, 2023	Valuation Technique	Unobservable Input[a]	Range (Weighted Average)[b]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 831	Discounted cash flow	Yield	5.03%-5.46% (5.24%)
Corporate debt	$ 1,181	Discounted cash flow	Yield	5.61% - 7.62% (6.61%)
RMBS[c]	$ 3,639	Discounted cash flow	Prepayment Speed	4.70% - 10.06% (7.38%)
			Default Rate	0.82% - 2.66% (1.74%)
			Yield	4.37% - 8.73% (6.25%)
			Loss Severity	44.36% - 78.07% (61.22%)
CLO[c]	$ 1,438	Discounted cash flow	Yield	6.35% - 7.35% (6.83%)
ABS[c]	$ 8,833	Discounted cash flow	Yield	6.03% - 7.94% (6.99%)
CMBS	$ 485	Discounted cash flow	Yield	4.86% - 32.28% (14.08%)
Market risk benefit assets	$ 954	Discounted cash flow	Equity volatility	6.45%- 50.75%
			Base lapse rate	0.16% - 28.80%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	38.25% - 160.01%
			Utilization[h]	80.00% - 100.00%
			Equity / interest-rate correlation	0.00% - 30.00%
			NPA[g]	0.34% - 2.23%
Liabilities[d]:				
Market risk benefit liabilities				
Variable annuities guaranteed benefits	$ 2,044	Discounted cash flow	Equity volatility	6.45%- 50.75%
			Base lapse rate	0.16% - 28.80%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	38.25% -160.01%
			Utilization[h]	80.00% - 100.00%
			Equity / interest-rate correlation	0.00% - 30.00%
			NPA[g]	0.34% - 2.23%
Fixed annuities guaranteed benefits	$ 886	Discounted cash flow	Base lapse rate	0.20% - 15.75%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	40.26% - 168.43%
			Utilization[h]	90.00% - 97.50%
			NPA[g]	0.34% - 2.23%

(in millions)	Fair Value at June 30, 2023	Valuation Technique	Unobservable Input[a]	Range (Weighted Average)[b]
Fixed index annuities guaranteed benefits	$ 2,047	Discounted cash flow	Equity volatility	6.45% - 50.75%
			Base lapse rate	0.20% - 50.00%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	24.00% - 180.00%
			Utilization[h]	60.00% - 97.50%
			Option Budget	0.00% - 6.00%
			Equity / interest-rate correlation	0.00% - 30.00%
			NPA[g]	0.34% - 2.23%
Embedded derivatives within Policyholder contract deposits:				
Index credits on fixed index annuities[i]	$ 5,973	Discounted cash flow	Equity volatility	6.45% - 50.75%
			Base lapse rate	0.20% - 50.00%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	24.00% - 180.00%
			Utilization[h]	60.00% - 97.50%
			Option Budget	0.00% - 6.00%
			Equity / interest-rate correlation	0.00% - 30.00%
			NPA[g]	0.34% - 2.23%
Index Life	$ 840	Discounted cash flow	Base lapse rate	0.00% - 37.97%
			Mortality multiplier[e][f]	0.00%- 100.00%
			Equity Volatility	5.75% - 20.82%
			NPA[g]	0.34% - 2.23%

(in millions)	Fair Value at December 31, 2022	Valuation Technique	Unobservable Input[a]	Range (Weighted Average)[b]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 780	Discounted cash flow	Yield	5.33% - 5.92% (5.63%)
Corporate debt	$ 1,988	Discounted cash flow	Yield	4.90% - 9.54% (7.22%)
RMBS[c]	$ 3,725	Discounted cash flow	Constant prepayment rate	4.84% - 10.35% (7.60%)
			Loss severity	45.01% - 77.28% (61.14%)
			Constant default rate	0.79% - 2.67% (1.73%)
			Yield	5.95% - 7.72% (6.84%)
CLO[c]	$ 1,547	Discounted cash flow	Yield	7.13% - 7.59% (7.36%)
ABS[c]	$ 6,591	Discounted cash flow	Yield	6.01% - 7.96% (6.98%)
CMBS	$ 663	Discounted cash flow	Yield	4.72% - 10.21% (7.46%)
Market risk benefit assets	$ 796	Discounted cash flow	Equity volatility	6.45% - 50.75%
			Base lapse rate	0.16% - 28.80%
			Dynamic lapse multiplier[e]	20.00% - 186.18%
			Mortality multiplier[e][f]	38.25% - 160.01%
			Utilization[h]	80.00% - 100.00%
			Equity / interest-rate correlation	0.00% - 30.00%
			NPA[g]	0.00% - 2.03%

(in millions)		Fair Value at December 31, 2022	Valuation Technique	Unobservable Input[(a)]	Range (Weighted Average)[(b)]
Liabilities[(d)]:					
Market risk benefit liabilities					
Variable annuities guaranteed benefits	$	2,358	Discounted cash flow	Equity volatility	6.45%- 50.75%
				Base lapse rate	0.16%- 28.80%
				Dynamic lapse multiplier[(e)]	20.00%- 186.18%
				Mortality multiplier[(e)(f)]	38.25% - 160.01%
				Utilization[(h)]	80.00% - 100.00%
				Equity / interest-rate correlation	0.00% - 30.00%
				NPA[(g)]	0.00% - 2.03%
Fixed annuities guaranteed benefits	$	680	Discounted cash flow	Base lapse rate	0.20% - 15.75%
				Dynamic lapse multiplier[(e)]	20.00% - 186.16%
				Mortality multiplier[(e)(f)]	40.26% - 168.43%
				Utilization[(h)]	90.00% - 97.50%
				NPA[(g)]	0.00% - 2.03%
Fixed index annuities guaranteed benefits	$	1,698	Discounted cash flow	Equity volatility	6.45% - 50.75%
				Base lapse rate	0.20% -50.00%
				Dynamic lapse multiplier[(e)]	20.00%- 186.18%
				Mortality multiplier[(e)(f)]	24.00% - 180.00%
				Utilization[(h)]	60.00% - 97.50%
				Option Budget	0.00% - 5.00%
				Equity / interest-rate correlation	0.00% - 30.00%
				NPA[(g)]	0.00% - 2.03%
Embedded derivatives within Policyholder contract deposits:					
Index credits on fixed index annuities[(i)]	$	4,657	Discounted cash flow	Equity volatility	6.45% - 50.75%
				Base lapse rate	0.20% - 50.00%
				Dynamic lapse multiplier[(e)]	20.00% - 186.18%
				Mortality multiplier[(e)(f)]	24.00% - 180.00%
				Utilization[(h)]	60.00% - 97.50%
				Option Budget	0.00% - 5.00%
				Equity / interest-rate correlation	0.00% - 30.00%
				NPA[(g)]	0.00% - 2.03%
Index Life	$	710	Discounted cash flow	Base lapse rate	0.00% - 37.97%
				Mortality multiplier[(e)(f)]	0.00% - 100.00%
				Equity volatility	5.75% - 23.63%
				NPA[(g)]	0.00% - 2.03%

a) Represents discount rates, estimates and assumptions that we believe would be used by market participants when valuing these assets and liabilities.

b) The weighted averaging for fixed maturity securities is based on the estimated fair value of the securities. Because the valuation methodology for embedded derivatives within policyholder contract deposits and MRBs uses a range of inputs that vary at the contract level over the cash flow projection period, management believes that presenting a range, rather than weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.

c) Information received from third-party valuation service providers. The ranges of the unobservable inputs for constant prepayment rate, loss severity and constant default rate relate to each of the individual underlying mortgage loans that comprise the entire portfolio of securities in the RMBS and CLO securitization vehicles and not necessarily to the securitization vehicle bonds (tranches) purchased by us. The ranges of these inputs do not directly correlate to changes in the fair values of the tranches purchased by us because there are other factors relevant to the fair values of specific tranches owned by us, including, but not limited to, purchase price, position in the waterfall, senior versus subordinated position and attachment points.

d) The Fortitude Re funds withheld payable has been excluded from the above table. *As discussed in Note 7*, the Fortitude Re funds withheld payable is created through modco and funds withheld reinsurance arrangements where the investments supporting the reinsurance agreements are withheld by and continue to reside on Corebridge's balance sheet. This embedded derivative is valued as a total return swap with reference to the fair value of the invested assets held by Corebridge. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the invested assets supporting the reinsurance agreements that are held on Corebridge's balance sheet.

e) The ranges for these inputs vary due to the different GMWB product specification and policyholder characteristics across in-force policies. Policyholder characteristics that affect these ranges include age, policy duration, and gender.

f) Mortality inputs are shown as multipliers of the 2012 Individual Annuity Mortality Basic table.

g) The non-performance risk adjustment ("NPA") applied as a spread over risk-free curve for discounting.

ı) The partial withdrawal utilization unobservable input range shown applies only to policies with guaranteed minimum withdrawal benefit riders. The total embedded derivative liability at June 30, 2023 and December 31, 2022 was approximately $1.5 billion and $1.1 billion, respectively.

) The fixed index annuities embedded derivative associated with index credits related to the contracts with guaranteed product features included in policyholder contract deposits was $1.5 billion and $1.1 billion at June 30, 2023 and December 31, 2022, respectively.

The ranges of reported inputs for obligations of states, municipalities and political subdivisions, corporate debt, RMBS, CLO/ABS and CMBS valued using a discounted cash flow technique consist of one standard deviation in either direction from the value-weighted average. The preceding table does not give effect to our risk management practices that might offset risks inherent in these Level 3 assets and liabilities.

Interrelationships Between Unobservable Inputs

We consider unobservable inputs to be those for which market data is not available and that are developed using the best information available to us about the assumptions that market participants would use when pricing the asset or liability. Relevant inputs vary depending on the nature of the instrument being measured at fair value. The following paragraphs provide a general description of significant unobservable inputs along with interrelationships between and among the significant unobservable inputs and their impact on the fair value measurements. In practice, simultaneous changes in assumptions may not always have a linear effect on the inputs discussed below. Interrelationships may also exist between observable and unobservable inputs. Such relationships have not been included in the discussion below. For each of the individual relationships described below, the inverse relationship would also generally apply.

Fixed Maturity Securities

The significant unobservable input used in the fair value measurement of fixed maturity securities is yield. The yield is affected by the market movements in credit spreads and U.S. Treasury yields. The yield may be affected by other factors, including constant prepayment rates, loss severity and constant default rates. In general, increases in the yield would decrease the fair value of investments, and conversely, decreases in the yield would increase the fair value of investments.

MRBs and Embedded Derivatives within Policyholder Contract Deposits

For MRBs and embedded derivatives, the assumptions for unobservable inputs vary throughout the period over which cash flows are projected for valuation purposes. The following are applicable unobservable inputs:

- Long-term equity volatilities represent equity volatility beyond the period for which observable equity volatilities are available. Increases in assumed volatility will generally increase the fair value of both the projected cash flows from rider fees as well as the projected cash flows related to benefit payments. Therefore, the net change in the fair value of the liability may be either a decrease or an increase, depending on the relative changes in projected rider fees and projected benefit payments.
- Equity and interest rate correlation estimates the relationship between changes in equity returns and interest rates in the economic scenario generator used to value our MRBs. In general, a higher positive correlation assumes that equity markets and interest rates move in a more correlated fashion, which generally increases the fair value of the liability. Only our fixed index annuities with a GMWB rider are subject to the equity and interest correlation assumption. Other policies such as accumulation fixed index annuity and life products do not use a correlation assumption.
- Base lapse rate assumptions are determined by company experience and judgment and are adjusted at the contract level using a dynamic lapse function, which reduces the base lapse rate when the contract is in-the-money (when the contract holder's guaranteed value, as estimated by the company, is worth more than their underlying account value). Lapse rates are also generally assumed to be lower in periods when a surrender charge applies. Increases in assumed lapse rates will generally decrease the fair value of the liability as fewer policyholders would persist to collect guaranteed benefit amounts.
- Mortality rate assumptions, which vary by age and gender, are based on company experience and include a mortality improvement assumption. Increases in assumed mortality rates will decrease the fair value of the GMWB liability, while lower mortality rate assumptions will generally increase the fair value of the liability because guaranteed withdrawal payments will be made for a longer period of time and generally exceed any decrease in guaranteed death benefits.
- Utilization assumptions estimate the timing when policyholders with a GMWB will elect to utilize their benefit and begin taking withdrawals. The assumptions may vary by the type of guarantee, tax-qualified status, the contract's withdrawal history and the age of the policyholder. Utilization assumptions are based on company experience, which includes partial withdrawal behavior. Increases in assumed utilization rates will generally increase the fair value of the liability.

- Non-performance or “own credit” risk adjustment used in the valuation of MRBs and embedded derivatives, which reflects a market participant’s view of our claims-paying ability by incorporating a different spread (the NPA spread) to the curve used to discount projected benefit cash flows. When corporate credit spreads widen, the change in the NPA spread generally reduces the fair value of the MRBs and embedded derivatives, resulting in a gain in AOCI or Net realized gains (losses), respectively, and when corporate credit spreads narrow or tighten, the change in the NPA spread generally increases the fair value of the MRBs and embedded derivatives, resulting in a loss in AOCI or Net realized gains (losses), respectively.
- The projected cash flows incorporate best estimate assumptions for policyholder behavior (including mortality, lapses, withdrawals and benefit utilization), along with an explicit risk margin to reflect a market participant’s estimates of projected cash flows and policyholder behavior. Estimates of future policyholder behavior assumptions are subjective and based primarily on our historical experience.
- For embedded derivatives, option budgets estimate the expected long-term cost of options used to hedge exposures associated with index price changes. The level of option budgets determines future costs of the options, which impacts the growth in account value and the valuation of embedded derivatives.

Embedded Derivatives within Reinsurance Contracts

The fair value of embedded derivatives associated with funds withheld reinsurance contracts is determined based upon a total return swap technique with reference to the fair value of the investments held by Corebridge related to Corebridge’s funds withheld payable. The fair value of the underlying assets is generally based on market observable inputs using industry standard valuation techniques. The valuation also requires certain significant inputs, which are generally not observable, and accordingly, the valuation is considered Level 3 in the fair value hierarchy.

INVESTMENTS IN CERTAIN ENTITIES CARRIED AT FAIR VALUE USING NET ASSET VALUE PER SHARE

The following table includes information related to our investments in certain other invested assets, including private equity funds, hedge funds and other alternative investments that calculate net asset value per share (or its equivalent). For these investments, which are measured at fair value on a recurring basis, we use the net asset value per share to measure fair value.

		June 30, 2023		December 31, 2022	
(in millions)	Investment Category Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments
Investment Category					
Private equity funds:					
Leveraged buyout	Debt and/or equity investments made as part of a transaction in which assets of mature companies are acquired from the current shareholders, typically with the use of financial leverage	**$ 2,235**	**$ 1,554**	$ 2,014	$ 1,719
Real estate	Investments in real estate properties and infrastructure positions, including power plants and other energy generating facilities	**1,095**	**572**	1,082	549
Venture capital	Early-stage, high-potential, growth companies expected to generate a return through an eventual realization event, such as an initial public offering or sale of the company	**206**	**103**	212	118
Growth equity	Funds that make investments in established companies for the purpose of growing their businesses	**495**	**30**	510	40
Mezzanine	Funds that make investments in the junior debt and equity securities of leveraged companies	**435**	**87**	443	78
Other	Includes distressed funds that invest in securities of companies that are in default or under bankruptcy protection, as well as funds that have multi-strategy, and other strategies	**974**	**210**	902	284
Total private equity funds		**5,440**	**2,556**	5,163	2,788

		June 30, 2023		December 31, 2022	
(in millions)	Investment Category Includes	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments	Fair Value Using NAV Per Share (or its equivalent)	Unfunded Commitments
Hedge funds:					
Event-driven	Securities of companies undergoing material structural changes, including mergers, acquisitions and other reorganizations	5	—	5	—
Long-short	Securities that the manager believes are undervalued, with corresponding short positions to hedge market risk	273	—	335	—
Macro	Investments that take long and short positions in financial instruments based on a top-down view of certain economic and capital market conditions	186	—	366	—
Other	Includes investments held in funds that are less liquid, as well as other strategies which allow for broader allocation between public and private investments	140	—	178	—
Total hedge funds		604	—	884	—
Total		$ 6,044	$ 2,556	$ 6,047	$ 2,788

Private equity fund investments included above are not redeemable, because distributions from the funds will be received when underlying investments of the funds are liquidated. Private equity funds are generally expected to have 10-year lives at their inception, but these lives may be extended at the fund manager's discretion, typically in one-year or two-year increments.

The hedge fund investments included above, which are carried at fair value, are generally redeemable subject to the redemption notice periods. The majority of our hedge fund investments are redeemable monthly or quarterly.

FAIR VALUE OPTION

The following table presents the gains or losses recorded related to the eligible instruments for which we elected the fair value options:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Assets:				
Other bond securities[(a)]	$ 14	$ (183)	$ 129	$ (295)
Alternative investments[(b)]	80	(46)	81	197
Total assets	94	(229)	210	(98)
Liabilities:				
Policyholder contract deposits[(c)]	3	8	2	15
Debt of consolidated investment entities	—	(2)	—	(3)
Total liabilities	3	6	2	12
Total gain (loss)	$ 97	$ (223)	$ 212	$ (86)

(a) Includes certain securities supporting the funds withheld arrangements with Fortitude Re. *For additional information regarding the gains and losses for Other bond securities, see Note 5. For additional information regarding the funds withheld arrangements with Fortitude Re, see Note 7.*

(b) Includes certain hedge funds, private equity funds and other investment partnerships.

(c) Represents GICs.

We calculate the effect of these credit spread changes using discounted cash flow techniques that incorporate current market interest rates, our observable credit spreads on these liabilities and other factors that mitigate the risk of non-performance such as cash collateral posted.

We have elected the fair value option on certain debt securities issued by Corebridge or its affiliates. As of June 30, 2023, and December 31, 2022, the fair value was $0 million and $6 million, respectively. This relates to interest only notes issued by residential mortgage loan securitization structures for which the principal of the notes is a reference amount only and its repayment is not expected. The aforementioned principal reference amounts are $1 million and $655 million as of June 30, 2023 and December 31, 2022, respectively.

FAIR VALUE MEASUREMENTS ON A NON-RECURRING BASIS

The following table presents assets measured at fair value on a non-recurring basis at the time of impairment and the related impairment charges recorded during the periods presented:

	Assets at Fair Value				Impairment Charges			
	Non-Recurring Basis				Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	Level 1	Level 2	Level 3	Total	**2023**	2022	**2023**	2022
June 30, 2023								
Other investments	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	$ —	**$ —**	$ —
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	$ —	**$ —**	$ —
December 31, 2022								
Other investments	$ —	$ —	$ 12	$ 12				
Total	$ —	$ —	$ 12	$ 12				

* Mortgage and other loans receivable are carried at lower of cost or fair value.

In addition to the assets presented in the table above, at June 30, 2023, Corebridge had $36 million of loans held for sale which are carried at fair value, determined on an individual loan basis. There is no associated impairment charge.

FAIR VALUE INFORMATION ABOUT FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Information regarding the estimation of fair value for financial instruments not carried at fair value (excluding insurance contracts and lease contracts) is discussed below:

- **Mortgage and other loans receivable:** Fair values of loans on commercial real estate and other loans receivable are estimated for disclosure purposes using discounted cash flow calculations based on discount rates that we believe market participants would use in determining the price that they would pay for such assets. For certain loans, our current incremental lending rates for similar types of loans are used as the discount rates, because we believe this rate approximates the rates market participants would use. Fair values of residential mortgage loans are generally determined based on market prices, using market-based adjustments for credit and servicing as appropriate. The fair values of policy loans are generally estimated based on unpaid principal amount as of each reporting date. No consideration is given to credit risk because policy loans are effectively collateralized by the cash surrender value of the policies.
- **Other invested assets:** Certain of our subsidiaries are members of Federal Home Loan Banks (FHLBs) and such membership requires the members to own stock in these FHLBs. The carrying amounts of these stocks approximate fair values.
- **Cash and short-term investments:** The carrying amounts of these assets approximate fair values because of the relatively short period of time between origination and expected realization, and their limited exposure to credit risk.
- **Policyholder contract deposits associated with investment-type contracts:** Fair values for policyholder contract deposits associated with investment-type contracts not accounted for at fair value are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those of the contracts being valued. When no similar contracts are being offered, the discount rate is the appropriate swap rate (if available) or current risk-free interest rate consistent with the currency in which the cash flows are denominated. To determine fair value, other factors include current policyholder account values and related surrender charges and other assumptions include expectations about policyholder behavior and an appropriate risk margin.
- **Other liabilities:** The majority of the Other liabilities that are financial instruments not measured at fair value represent secured financing arrangements, including repurchase agreements. The carrying amounts of these liabilities approximate fair value because the financing arrangements are short-term and are secured by cash or other liquid collateral.
- **Fortitude Re funds withheld payable:** The funds withheld payable contains an embedded derivative and the changes in its fair value are recognized in earnings each period. The difference between the total Fortitude Re funds withheld payable and the embedded derivative represents the host contract.
- **Short-term and long-term debt and debt of consolidated investment entities:** Fair values of these obligations were determined by reference to quoted market prices, when available and appropriate, or discounted cash flow calculations based upon our current market observable implicit credit spread rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

- **Separate Account Liabilities—Investment Contracts:** Only the portion of separate account liabilities related to products that are investment contracts are reflected in the table below. Separate account liabilities are recorded at the amount credited to the contract holder, which reflects the change in fair value of the corresponding separate account assets, including contract holder deposits less withdrawals and fees; therefore, carrying value approximates fair value.

The following table presents the carrying amounts and estimated fair values of our financial instruments not measured at fair value and indicates the level in the fair value hierarchy of the estimated fair value measurement based on the observability of the inputs used:

	Estimated Fair Value				
(in millions)	Level 1	Level 2	Level 3	Total	Carrying Value
June 30, 2023					
Assets:					
Mortgage and other loans receivable	**$ —**	**$ 30**	**$ 43,006**	**$ 43,036**	**$ 46,461**
Other invested assets	**—**	**247**	**—**	**247**	**247**
Short-term investments	**—**	**2,476**	**—**	**2,476**	**2,476**
Cash	**751**	**—**	**—**	**751**	**751**
Other assets	**9**	**—**	**—**	**9**	**9**
Liabilities:					
Policyholder contract deposits associated with investment-type contracts	**—**	**106**	**136,027**	**136,133**	**139,239**
Fortitude Re funds withheld payable	**—**	**—**	**24,552**	**24,552**	**24,552**
Other liabilities	**—**	**532**	**—**	**532**	**532**
Short-term debt		**1,500**	**—**	**1,500**	**1,500**
Long-term debt	**—**	**7,142**	**—**	**7,142**	**7,873**
Debt of consolidated investment entities	**—**	**89**	**2,351**	**2,440**	**2,654**
Separate account liabilities - investment contracts	**—**	**85,761**	**—**	**85,761**	**85,761**
December 31, 2022					
Assets:					
Mortgage and other loans receivable	$ —	$ 31	$ 40,936	$ 40,967	$ 44,403
Other invested assets	—	222	—	222	222
Short-term investments	—	3,043	—	3,043	3,043
Cash	552	—	—	552	552
Other assets	4	8	—	12	12
Liabilities:					
Policyholder contract deposits associated with investment-type contracts	—	119	129,174	129,293	137,086
Fortitude Re funds withheld payable	—	—	25,289	25,289	25,289
Other liabilities	—	3,056	—	3,056	3,056
Short-term debt	—	1,500	—	1,500	1,500
Long-term debt	—	7,172	—	7,172	7,868
Debt of consolidated investment entities	—	3,055	2,488	5,543	5,952
Separate account liabilities - investment contracts	—	80,649	—	80,649	80,649

5. Investments

SECURITIES AVAILABLE FOR SALE

The following table presents the amortized cost or cost and fair value of our available-for-sale securities:

(in millions)	Amortized Cost or Costs[(a)]	Allowance for Credit Losses[(b)]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value[(a)]
June 30, 2023					
Bonds available for sale:					
U.S. government and government sponsored entities	**$ 1,415**	**$ —**	**$ 15**	**$ (203)**	**$ 1,227**
Obligations of states, municipalities and political subdivisions	**6,570**	**—**	**55**	**(743)**	**5,882**
Non-U.S. governments	**4,805**	**—**	**24**	**(775)**	**4,054**
Corporate debt	**119,237**	**(50)**	**712**	**(18,306)**	**101,593**
Mortgage-backed, asset-backed and collateralized:					
RMBS	**12,876**	**(20)**	**607**	**(818)**	**12,645**
CMBS	**10,982**	**(18)**	**10**	**(1,206)**	**9,768**
CLO	**10,035**	**(2)**	**43**	**(314)**	**9,762**
ABS	**13,175**	**—**	**45**	**(1,243)**	**11,977**
Total mortgage-backed, asset-backed and collateralized	**47,068**	**(40)**	**705**	**(3,581)**	**44,152**
Total bonds available for sale	**$ 179,095**	**$ (90)**	**$ 1,511**	**$ (23,608)**	**$ 156,908**
December 31, 2022					
Bonds available for sale:					
U.S. government and government sponsored entities	$ 1,405	$ —	$ 17	$ (224)	$ 1,198
Obligations of states, municipalities and political subdivisions	6,808	—	42	(924)	5,926
Non-U.S. governments	5,251	(5)	25	(879)	4,392
Corporate debt	124,068	(116)	729	(19,989)	104,692
Mortgage-backed, asset-backed and collateralized:					
RMBS	12,267	(27)	574	(870)	11,944
CMBS	11,176	—	7	(1,115)	10,068
CLO	8,547	—	15	(376)	8,186
ABS	11,752	—	15	(1,380)	10,387
Total mortgage-backed, asset-backed and collateralized	43,742	(27)	611	(3,741)	40,585
Total bonds available for sale	$ 181,274	$ (148)	$ 1,424	$ (25,757)	$ 156,793

(a) The table above includes available-for-sale securities issued by related parties. This includes RMBS which had a fair value of $39 million and $39 million, and an amortized cost of $42 million and $43 million as of June 30, 2023 and December 31, 2022, respectively. Additionally, this includes CLOs which had a fair value of $16 million and an amortized cost of $15 million as of June 30, 2023. There were no available-for-sale CLO securities issued by related parties as of December 31, 2022.

(b) Changes in the allowance for credit losses are recorded through Net realized gains (losses) and are not recognized in OCI.

Securities Available for Sale in a Loss Position for Which No Allowance for Credit Loss Has Been Recorded

The following table summarizes the fair value and gross unrealized losses on our available-for-sale securities, aggregated by major investment category and length of time that individual securities have been in a continuous unrealized loss position for which no allowance for credit loss has been recorded:

	Less Than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2023						
Bonds available for sale:						
U.S. government and government sponsored entities	**$ 787**	**$ 203**	**$ 1**	**$ —**	**$ 788**	**$ 203**
Obligations of states, municipalities and political subdivisions	**4,794**	**740**	**39**	**3**	**4,833**	**743**
Non-U.S. governments	**3,604**	**775**	**7**	**—**	**3,611**	**775**
Corporate debt	**65,796**	**13,365**	**23,764**	**4,932**	**89,560**	**18,297**
RMBS	**5,154**	**398**	**2,700**	**390**	**7,854**	**788**
CMBS	**5,345**	**637**	**3,701**	**566**	**9,046**	**1,203**
CLO	**3,881**	**143**	**3,873**	**171**	**7,754**	**314**
ABS	**4,452**	**391**	**5,719**	**852**	**10,171**	**1,243**
Total bonds available for sale	**$ 93,813**	**$ 16,652**	**$ 39,804**	**$ 6,914**	**$ 133,617**	**$ 23,566**
December 31, 2022						
Bonds available for sale:						
U.S. government and government sponsored entities	$ 761	$ 224	$ —	$ —	$ 761	$ 224
Obligations of states, municipalities and political subdivisions	5,076	924	—	—	5,076	924
Non-U.S. governments	3,932	868	—	—	3,932	868
Corporate debt	82,971	16,866	11,143	3,070	94,114	19,936
RMBS	6,227	653	903	171	7,130	824
CMBS	7,902	797	1,708	318	9,610	1,115
CLO	5,573	234	2,007	142	7,580	376
ABS	6,998	854	2,271	526	9,269	1,380
Total bonds available for sale	$ 119,440	$ 21,420	$ 18,032	$ 4,227	$ 137,472	$ 25,647

At June 30, 2023, we held 16,186 individual fixed maturity securities that were in an unrealized loss position and for which no allowance for credit losses has been recorded (including 4,404 individual fixed maturity securities that were in a continuous unrealized loss position for 12 months or more). At December 31, 2022, we held 16,516 individual fixed maturity securities that were in an unrealized loss position (including 1,923 individual fixed maturity securities were in a continuous unrealized loss position for 12 months or more). We did not recognize the unrealized losses in earnings on these fixed maturity securities at June 30, 2023 because it was determined that such losses were due to non-credit factors. Additionally, we neither intend to sell the securities nor do we believe that it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis. For fixed maturity securities with significant declines, we performed fundamental credit analyses on a security-by-security basis, which included consideration of credit enhancements, liquidity position, expected defaults, industry and sector analysis, forecasts and available market data.

Contractual Maturities of Fixed Maturity Securities Available for Sale

The following table presents the amortized cost and fair value of fixed maturity securities available for sale by contractual maturity:

	Total Fixed Maturity Securities Available for sale	
(in millions)	Amortized Cost, Net of Allowance	Fair Value
June 30, 2023		
Due in one year or less	**$ 2,085**	**$ 2,062**
Due after one year through five years	**21,333**	**20,410**
Due after five years through ten years	**24,977**	**22,501**
Due after ten years	**83,582**	**67,783**
Mortgage-backed, asset-backed and collateralized	**47,028**	**44,152**
Total	**$ 179,005**	**$ 156,908**

Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

The following table presents the gross realized gains and gross realized losses from sales or maturities of our available-for-sale securities:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
(in millions)	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses	Gross Realized Gains	Gross Realized Losses
Fixed maturity securities	**$ 38**	**$ (279)**	$ 29	$ (315)	**$ 84**	**$ (418)**	$ 93	$ (478)

For the three and six months ended June 30, 2023, the aggregate fair value of available for sale securities sold was $3.0 billion and $5.7 billion, respectively, which resulted in net realized gains (losses) of $(241) million and $(334) million, respectively. Included within the net realized gains (losses) are $(46) million and $(63) million of realized gains (losses) for the three and six months ended June 30, 2023, respectively, which relate to the Fortitude Re funds withheld assets held by Corebridge in support of Fortitude Re's reinsurance obligations to Corebridge (Fortitude Re funds withheld assets). These realized gains (losses) are included in net realized gains (losses) on Fortitude Re funds withheld assets.

For the three and six months ended June 30, 2022, the aggregate fair value of available-for-sale securities sold was $5.5 billion and $7.6 billion, respectively, which resulted in net realized gains (losses) of $(286) million and $(385) million, respectively. Included within the net realized gains (losses) are $(103) million and $(123) million of realized gains (losses) for the three and six months ended June 30, 2022, respectively, which relate to the Fortitude Re funds withheld assets held by Corebridge in support of Fortitude Re's reinsurance obligations to Corebridge (Fortitude Re funds withheld assets). These realized gains (losses) are included in net realized gains (losses) on Fortitude Re funds withheld assets.

OTHER SECURITIES MEASURED AT FAIR VALUE

The following table presents the fair value of fixed maturity securities measured at fair value, including securities in the modco agreement with Fortitude Re, based on our election of the fair value option and equity securities measured at fair value:

	June 30, 2023		December 31, 2022	
(in millions)	**Fair Value***	**Percent of Total**	Fair Value*	Percent of Total
Fixed maturity securities:				
U.S. government and government sponsored entities	**$ —**	**— %**	$ — — %	— %
Obligations of states, municipalities and political subdivisions	**55**	**1 %**	37	1 %
Non-U.S. governments	**19**	**— %**	22	1 %
Corporate debt	**2,333**	**53 %**	2,222	56 %
Mortgage-backed, asset-backed and collateralized:				
RMBS	**262**	**6 %**	165	4 %
CMBS	**251**	**6 %**	232	6 %
CLO	**367**	**8 %**	279	7 %
ABS	**953**	**22 %**	812	21 %
Total mortgage-backed, asset-backed and collateralized	**1,833**	**42 %**	1,488	38 %
Total fixed maturity securities	**4,240**	**96 %**	3,769	96 %
Equity securities	**194**	**4 %**	170	4 %
Total	**$ 4,434**	**100 %**	$ 3,939	100 %

OTHER INVESTED ASSETS

The following table summarizes the carrying amounts of other invested assets:

(in millions)	June 30, 2023	December 31, 2022
Alternative investments[(a)(b)]	$ 8,058	$ 8,014
Investment real estate [(c)]	1,878	1,831
All other investments [(d)]	594	573
Total [(e)]	$ 10,530	$ 10,418

(a) At June 30, 2023, included hedge funds of $604 million and private equity funds of $7.5 billion. At December 31, 2022, included hedge funds of $884 million and private equity funds of $7.1 billion.

(b) At June 30, 2023, approximately 61% of our hedge fund portfolio is available for redemption in 2023. The remaining 39% will be available for redemption between 2024 and 2028. At December 31, 2022, approximately 77% of our hedge fund portfolio is available for redemption in 2023. The remaining 23% will be available for redemption between 2024 and 2028.

(c) Net of accumulated depreciation of $626 million and $616 million as of June 30, 2023 and December 31, 2022, respectively. The accumulated depreciation related to the investment real estate held by affordable housing partnerships is $106 million and $124 million as of June 30, 2023 and December 31, 2022, respectively.

(d) Includes Corebridge's ownership interest in Fortitude Holdings, which is recorded using the measurement alternative for equity securities. Our investment in Fortitude Holdings totaled $156 million and $156 million at June 30, 2023 and December 31, 2022, respectively.

(e) Includes investments in related parties, which totaled $3 million and $6 million as of June 30, 2023 and December 31, 2022, respectively.

Other Invested Assets – Equity Method Investments

The following table presents the carrying amount and ownership percentage of equity method investments at June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
(in millions)	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Equity method investments	$ 3,265	Various	$ 3,185	Various

NET INVESTMENT INCOME

The following table presents the components of Net investment income:

Three Months Ended June 30,	2023			2022		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Available-for-sale fixed maturity securities, including short-term investments	$ 1,905	$ 208	$ 2,113	$ 1,652	$ 237	$ 1,889
Other bond securities	8	6	14	(34)	(149)	(183)
Equity securities	3	—	3	(20)	—	(20)
Interest on mortgage and other loans	564	49	613	397	46	443
Alternative investments*	80	13	93	186	56	242
Real estate	15	—	15	24	—	24
Other investments	8	—	8	14	—	14
Total investment income	2,583	276	2,859	2,219	190	2,409
Investment expenses	139	6	145	121	8	129
Net investment income	$ 2,444	$ 270	$ 2,714	$ 2,098	$ 182	$ 2,280

Six Months Ended June 30,	2023			2022		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Available-for-sale fixed maturity securities, including short-term investments	$ 3,801	$ 425	$ 4,226	$ 3,272	$ 505	$ 3,777
Other bond securities	18	111	129	(53)	(242)	(295)
Equity securities	32	—	32	(77)	—	(77)
Interest on mortgage and other loans	1,076	99	1,175	781	86	867
Alternative investments*	79	44	123	631	127	758
Real estate	19	—	19	21	—	21
Other investments	11	—	11	52	—	52
Total investment income	5,036	679	5,715	4,627	476	5,103
Investment expenses	291	15	306	226	16	242
Net investment income	$ 4,745	$ 664	$ 5,409	$ 4,401	$ 460	$ 4,861

* Included income from hedge funds and private equity funds. Hedge funds are recorded as of the balance sheet date. Private equity funds are generally reported on a one-quarter lag.

NET REALIZED GAINS AND LOSSES

Net realized gains and losses are determined by specific identification. The net realized gains and losses are generated primarily from the following sources:

- Sales or full redemptions of available for sale fixed maturity securities, real estate and other alternative investments.
- Reductions to the amortized cost basis of available for sale fixed maturity securities that have been written down due to our intent to sell them or it being more likely than not that we will be required to sell them.
- Changes in the allowance for credit losses on bonds available for sale, mortgage and other loans receivable, and loans commitments.
- Most changes in the fair value of free standing and embedded derivatives, including changes in the non-performance adjustment are included in Net realized gains (losses). However, changes in derivatives designated as hedging instruments when the fair value of the hedged item is not reported in Net realized gains (losses) are excluded from Net realized gains (losses). Additionally, in conjunction with the adoption of LDTI, changes in the fair value of free standing derivatives that hedge certain MRBs are excluded from Net realized gains (losses).
- Foreign exchange gains and losses resulting from foreign currency transactions.
- Changes in fair value of the embedded derivative related to the Fortitude Re funds withheld assets.

The following table presents the components of Net realized gains (losses):

Three Months Ended June 30,	2023			2022		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	$ (195)	$ (46)	$ (241)	$ (183)	$ (103)	$ (286)
Change in allowance for credit losses on fixed maturity securities	(26)	(2)	(28)	(21)	—	(21)
Change in allowance for credit losses on loans	(48)	(8)	(56)	13	6	19
Foreign exchange transactions, net of related hedges	(115)	2	(113)	398	32	430
Index-Linked interest credited embedded derivatives, net of related hedges	(141)	—	(141)	(20)	—	(20)
All other derivatives and hedge accounting*	258	(77)	181	(3)	4	1
Sales of alternative investments and real estate investments	3	(1)	2	2	2	4
Other	(48)	2	(46)	—	(1)	(1)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(312)	(130)	(442)	186	(60)	126
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	—	122	122	—	2,394	2,394
Net realized gains (losses)	$ (312)	$ (8)	$ (320)	$ 186	$ 2,334	$ 2,520

Six Months Ended June 30,	2023			2022		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Sales of fixed maturity securities	$ (271)	$ (63)	$ (334)	$ (262)	$ (123)	$ (385)
Change in allowance for credit losses on fixed maturity securities	(43)	(2)	(45)	(47)	(40)	(87)
Change in allowance for credit losses on loans	(82)	(27)	(109)	(13)	—	(13)
Foreign exchange transactions, net of related hedges	(104)	9	(95)	509	38	547
Index-Linked interest credited embedded derivatives, net of related hedges	(319)	—	(319)	185	—	185
All other derivatives and hedge accounting*	94	(29)	65	(15)	(62)	(77)
Sales of alternative investments and real estate investments	8	—	8	10	3	13
Other	(48)	2	(46)	(8)	1	(7)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(765)	(110)	(875)	359	(183)	176
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	—	(903)	(903)	—	5,231	5,231
Net realized gains (losses)	$ (765)	$ (1,013)	$ (1,778)	$ 359	$ 5,048	$ 5,407

* Derivative activity related to hedging MRBs is recorded in Change in the fair value of MRBs, net. *For additional disclosures about MRBs, see Note 12.*

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

The following table presents the increase (decrease) in unrealized appreciation (depreciation) of our available-for-sale securities:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Increase (decrease) in unrealized appreciation (depreciation) of investments:				
Fixed maturity securities	$ (1,783)	$ (15,402)	$ 2,236	$ (32,276)
Other investments	11	—	12	—
Total increase (decrease) in unrealized appreciation (depreciation) of investments	$ (1,772)	$ (15,402)	$ 2,248	$ (32,276)

The following table summarizes the unrealized gains and losses recognized in Net investment income during the reporting period on equity securities and other invested assets still held at the reporting date:

Three Months Ended June 30,	2023			2022		
(in millions)	Equities	Other Invested Assets	Total	Equities	Other Invested Assets	Total
Net gains (losses) recognized during the period on equity securities and other investments	$ 4	$ 123	$ 127	$ (20)	$ 47	$ 27
Less: Net gains (losses) recognized during the period on equity securities and other investments sold during the period	—	8	8	(2)	(13)	(15)
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	$ 4	$ 115	$ 119	$ (18)	$ 60	$ 42

Six Months Ended June 30,	2023			2022		
(in millions)	Equities	Other Invested Assets	Total	Equities	Other Invested Assets	Total
Net gains (losses) recognized during the period on equity securities and other investments	$ 33	$ 154	$ 187	$ (77)	$ 346	$ 269
Less: Net gains (losses) recognized during the period on equity securities and other investments sold during the period	33	9	42	(48)	(16)	(64)
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	$ —	$ 145	$ 145	$ (29)	$ 362	$ 333

EVALUATING INVESTMENTS FOR AN ALLOWANCE FOR CREDIT LOSSES

For a discussion of our policy for evaluating investments for an allowance for credit losses, see Note 5 to the Consolidated Financial Statements in the June 2023 Registration Statement.

Credit Impairments

The following table presents a rollforward of the changes in allowance for credit losses on available-for-sale fixed maturity securities by major investment category:

Three Months Ended June 30,	2023			2022		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
Balance, beginning of period	$ 27	$ 69	$ 96	$ 11	$ 130	$ 141
Additions:						
Securities for which allowance for credit losses were not previously recorded	13	16	29	1	2	3
Reductions:						
Securities sold during the period	1	(10)	(9)	(1)	(32)	(33)
Additional net increases or decreases to the allowance for credit losses on securities that had an allowance recorded in a previous period, for which there was no intent to sell before recovery, amortized cost basis	(1)	—	(1)	8	10	18
Write-offs charged against the allowance	—	(25)	(25)	—	(15)	(15)
Balance, end of period	$ 40	$ 50	$ 90	$ 19	$ 95	$ 114

Six Months Ended June 30,	2023			2022		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
Balance, beginning of period	$ 27	$ 121	$ 148	$ 8	$ 70	$ 78
Additions:						
Securities for which allowance for credit losses were not previously recorded	15	28	43	34	96	130
Reductions:						
Securities sold during the period	(1)	(27)	(28)	(1)	(34)	(35)
Additional net increases or decreases to the allowance for credit losses on securities that had an allowance recorded in a previous period, for which there was no intent to sell before recovery, amortized cost basis	(1)	3	2	(22)	(22)	(44)
Write-offs charged against the allowance	—	(75)	(75)	—	(15)	(15)
Balance, end of period	$ 40	$ 50	$ 90	$ 19	$ 95	$ 114

Purchased Credit Deteriorated/Impaired Securities

We purchase certain RMBS securities that have experienced more-than-insignificant deterioration in credit quality since origination. Subsequent to the adoption of the Financial Instruments Credit Losses Standard, these are referred to as purchased credit deteriorated (“PCD”) assets. At the time of purchase an allowance is recognized for these PCD assets by adding it to the purchase price to arrive at the initial amortized cost. There is no credit loss expense recognized upon acquisition of a PCD asset. When determining the initial allowance for credit losses, management considers the historical performance of underlying assets and available market information as well as bond-specific structural considerations, such as credit enhancement and the priority of payment structure of the security. In addition, the process of estimating future cash flows includes, but is not limited to, the following critical inputs:

- current delinquency rates;
- expected default rates and the timing of such defaults;
- loss severity and the timing of any recovery; and
- expected prepayment speeds.

Subsequent to the acquisition date, the PCD assets follow the same accounting as other structured securities that are not of high credit quality.

We did not purchase securities with more-than-insignificant credit deterioration since their origination during the six months ended June 30, 2023 and 2022.

PLEDGED INVESTMENTS

Secured Financing and Similar Arrangements

We enter into secured financing transactions whereby certain securities are sold under agreements to repurchase (repurchase agreements), in which we transfer securities in exchange for cash, with an agreement by us to repurchase the same or substantially similar securities. Our secured financing transactions also include those that involve the transfer of securities to financial institutions in exchange for cash (securities lending agreements). In all of these secured financing transactions, the securities transferred by us (pledged collateral) may be sold or repledged by the counterparties. These agreements are recorded at their contracted amounts plus accrued interest, other than those that are accounted for at fair value.

Pledged collateral levels are monitored daily and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral under these secured financing transactions, we may be required to transfer cash or additional securities as pledged collateral under these agreements. At the termination of the transactions, we and our counterparties are obligated to return the amounts borrowed and the securities transferred, respectively.

The following table presents the fair value of securities pledged to counterparties under secured financing transactions, including repurchase agreements:

(in millions)	**June 30, 2023**	December 31, 2022
Fixed maturity securities available for sale	**$ 542**	$ 2,968

At June 30, 2023 and December 31, 2022, amounts borrowed under repurchase agreements totaled $532 million and $3.1 billion, respectively.

The following table presents the fair value of securities pledged under our repurchase agreements by collateral type and by remaining contractual maturity:

	Remaining Contractual Maturity of the Repurchase Agreements					
(in millions)	Overnight and Continuous	Up to 30 Days	31 - 90 Days	91 - 364 Days	365 Days or Greater	Total
June 30, 2023						
Bonds available for sale:						
Non-U.S. governments	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Corporate debt	**27**	**515**	**—**	**—**	**—**	**542**
Total	**$ 27**	**$ 515**	**$ —**	**$ —**	**$ —**	**$ 542**
December 31, 2022						
Bonds available for sale:						
Non-U.S. governments	$ —	$ 21	$ —	$ —	$ —	$ 21
Corporate debt	—	2,370	577	—	—	2,947
Total	$ —	$ 2,391	$ 577	$ —	$ —	$ 2,968

There were no securities lending agreements at June 30, 2023 and December 31, 2022.

There were no reverse repurchase agreements at June 30, 2023 and December 31, 2022.

We do not currently offset any secured financing transactions. All such transactions are collateralized and margined daily consistent with market standards and subject to enforceable master netting arrangements with rights of set off.

Insurance – Statutory and Other Deposits

The total carrying value of cash and securities deposited by our insurance subsidiaries under requirements of regulatory authorities or other insurance-related arrangements, including certain annuity-related obligations and certain reinsurance treaties, was $6.4 billion and $3.5 billion at June 30, 2023 and December 31, 2022, respectively.

Other Pledges and Restrictions

Certain of our subsidiaries are members of Federal Home Loan Banks ("FHLBs") and such membership requires the members to own stock in these FHLBs. We owned an aggregate of $247 million and $222 million of stock in FHLBs at June 30, 2023 and December 31, 2022, respectively. In addition, our subsidiaries have pledged securities available for sale and residential loans associated with borrowings and funding agreements from FHLBs, with a fair value of $5.4 billion and $2.5 billion, respectively, at June 30, 2023 and $4.8 billion and $1.8 billion, respectively, at December 31, 2022.

Certain GICs recorded in policyholder contract deposits with a carrying value of $50 million and $56 million at June 30, 2023 and December 31, 2022, respectively, have provisions that require collateral to be posted or payments to be made by us upon a downgrade of our Insurer Financial Strength ("IFS") ratings. The actual amount of collateral required to be posted to the counterparties in the event of such downgrades and the aggregate amount of payments that we could be required to make depend on market conditions, the fair value of outstanding affected transactions and other factors prevailing at and after the time of the downgrade. The fair value of securities pledged as collateral with respect to these obligations was approximately $56 million and $63 million at June 30, 2023 and December 31, 2022, respectively. This collateral primarily consists of securities of the U.S. government and government-sponsored entities and generally cannot be repledged or resold by the counterparties.

As part of our collateralized reinsurance transactions, we pledge collateral to cedants as contractually required. The fair value of securities pledged as excess collateral with respect to these obligations was approximately $239 million and $144 million at June 30, 2023 and December 31, 2022, respectively. Additionally, assets supporting these transactions are held solely for the benefit of the cedants and insulated from obligations owed to our other policyholders and general creditors.

Reinsurance transactions between Corebridge and Fortitude Re were structured as modco with funds withheld.

For further discussion on the sale of Fortitude Holdings, see Note 7.

6. Lending Activities

The following table presents the composition of Mortgage and other loans receivable, net:

(in millions)		**June 30, 2023**		December 31, 2022
Commercial mortgages[(a)]	**$**	**33,845**	$	32,993
Residential mortgages		**7,456**		5,856
Life insurance policy loans		**1,754**		1,750
Commercial loans, other loans and notes receivable[(b)]		**4,131**		4,567
Total mortgage and other loans receivable		**47,186**		45,166
Allowance for credit losses[(c)]		**(689)**		(600)
Mortgage and other loans receivable, net	**$**	**46,497**	$	44,566

(a) Commercial mortgages primarily represent loans for apartments, offices and retail properties, with exposures in New York and California representing the largest geographic concentrations (aggregating approximately 19% and 10%, respectively, at June 30, 2023, and 20% and 11%, respectively, at December 31, 2022). The weighted average loan-to-value ratio for NY and CA was 61% and 53% at June 30, 2023, respectively, and 59% and 53% at December 31, 2022, respectively. The debt service coverage ratio for NY and CA was 2.0X and 2.1X at June 30, 2023, respectively, and 2.0X and 2.1X at December 31, 2022, respectively.

(b) Includes loans held for sale which are carried at lower cost or market, determined on an individual loan basis, and are collateralized primarily by apartments. As of June 30, 2023 and December 31, 2022, the net carrying value of these loans was $186 million and $170 million, respectively.

(c) Does not include allowance for credit losses of $74 million and $60 million at June 30, 2023 and December 31, 2022, respectively, in relation to off-balance-sheet commitments to fund commercial mortgage loans, which is recorded in Other liabilities.

Interest income is not accrued when payment of contractual principal and interest is not expected. Any cash received on impaired loans is generally recorded as a reduction of the current carrying amount of the loan. Accrual of interest income is generally resumed when delinquent contractual principal and interest are repaid or when a portion of the delinquent contractual payments are made, and the ongoing required contractual payments have been made for an appropriate period. As of June 30, 2023, $6 million and $633 million of residential mortgage loans and commercial mortgage loans, respectively, were placed on nonaccrual status. As of December 31, 2022, $3 million and $623 million of residential mortgage loans and commercial mortgage loans, respectively, were placed on nonaccrual status.

Accrued interest is presented separately and is included in Accrued investment income on the Condensed Consolidated Balance Sheets. As of June 30, 2023, accrued interest receivable was $19 million and $151 million associated with residential mortgage loans and commercial mortgage loans, respectively. As of December 31, 2022, accrued interest receivable was $15 million and $130 million associated with residential mortgage loans and commercial mortgage loans, respectively.

A significant majority of commercial mortgages in the portfolio are non-recourse loans and, accordingly, the only guarantees are for specific items that are exceptions to the non-recourse provisions. It is therefore extremely rare for us to have cause to enforce the provisions of a guarantee on a commercial real estate or mortgage loan.

Nonperforming loans are generally those loans where payment of contractual principal or interest is more than 90 days past due. Nonperforming mortgages were not significant for all periods presented.

CREDIT QUALITY OF COMMERCIAL MORTGAGES

The following table presents debt service coverage ratios* for commercial mortgages by year of vintage:

June 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
>1.2X	**$ 1,178**	**$ 5,407**	**$ 2,131**	**$ 1,147**	**$ 5,036**	**$ 12,698**	**$ 27,597**
1.00 - 1.20X	**54**	**1,070**	**941**	**757**	**179**	**1,485**	**4,486**
<1.00X	**47**	**40**	**—**	**23**	**—**	**1,652**	**1,762**
Total commercial mortgages	**$ 1,279**	**$ 6,517**	**$ 3,072**	**$ 1,927**	**$ 5,215**	**$ 15,835**	**$ 33,845**
December 31, 2022 *(in millions)*	2022	2021	2020	2019	2018	Prior	Total
>1.2X	$ 5,382	$ 2,043	$ 1,521	$ 4,832	$ 3,505	$ 9,948	$ 27,231
1.00 - 1.20X	859	734	388	343	470	1,088	3,882
<1.00X	37	—	23	52	707	1,061	1,880
Total commercial mortgages	$ 6,278	$ 2,777	$ 1,932	$ 5,227	$ 4,682	$ 12,097	$ 32,993

* The debt service coverage ratio compares a property's net operating income to its debt service payments, including principal and interest. Our weighted average debt service coverage ratio was 1.9X at June 30, 2023 and 1.9X at December 31, 2022. The debt service coverage ratios are updated when additional information becomes available.

The following table presents loan-to-value ratios* for commercial mortgages by year of vintage:

June 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
Less than 65%	**$ 916**	**$ 5,005**	**$ 2,265**	**$ 1,699**	**$ 3,763**	**$ 11,414**	**$ 25,062**
65% to 75%	**296**	**1,163**	**527**	**76**	**1,402**	**2,608**	**6,072**
76% to 80%	**—**	**349**	**43**	**—**	**—**	**346**	**738**
Greater than 80%	**67**	**—**	**237**	**152**	**50**	**1,467**	**1,973**
Total commercial mortgages	**$ 1,279**	**$ 6,517**	**$ 3,072**	**$ 1,927**	**$ 5,215**	**$ 15,835**	**$ 33,845**
December 31, 2022 *(in millions)*	2022	2021	2020	2019	2018	Prior	Total
Less than 65%	$ 5,270	$ 2,061	$ 1,515	$ 3,752	$ 2,666	$ 9,205	$ 24,469
65% to 75%	973	435	391	1,425	1,356	1,184	5,764
76% to 80%	35	43	—	—	70	218	366
Greater than 80%	—	238	26	50	590	1,490	2,394
Total commercial mortgages	$ 6,278	$ 2,777	$ 1,932	$ 5,227	$ 4,682	$ 12,097	$ 32,993

* The loan-to-value ratio compares the current unpaid principal balance of the loan to the estimated fair value of the underlying property collateralizing the loan. Our weighted average loan-to-value ratio was 58% at June 30, 2023, and 59% at December 31, 2022. The loan-to-value ratios reflect the latest obtained valuations of the collateral properties. We update the valuations of collateral properties by obtaining independent appraisals, generally at least once per year.

The following table presents the credit quality performance indicators for commercial mortgages:

(dollars in millions)	Number of Loans	Class: Apartments	Offices	Retail	Industrial	Hotel	Others	Total[c]	Percent of Total
June 30, 2023									
Credit Quality Performance Indicator:									
In good standing	**604**	**$ 13,919**	**$ 8,479**	**$ 3,514**	**$ 5,652**	**$ 1,808**	**$ 316**	**$ 33,688**	**100%**
90 days or less delinquent	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—%**
>90 days delinquent or in process of foreclosure[a]	**3**	**—**	**157**	**—**	**—**	**—**	**—**	**157**	**—%**
Total[b]	**607**	**$ 13,919**	**$ 8,636**	**$ 3,514**	**$ 5,652**	**$ 1,808**	**$ 316**	**$ 33,845**	**100%**
Allowance for credit losses		**$ 87**	**$ 374**	**$ 62**	**$ 70**	**$ 22**	**$ 6**	**$ 621**	**2 %**
December 31, 2022									
Credit Quality Performance Indicator:									
In good standing	599	$ 13,226	$ 8,470	$ 3,192	$ 5,417	$ 1,749	$ 290	$ 32,344	98%
Restructured	9	—	329	94	—	59	—	482	1%
90 days or less delinquent	—	—	—	—	—	—	—	—	—%
>90 days delinquent or in process of foreclosure[a]	3	—	167	—	—	—	—	167	1%
Total[b]	611	$ 13,226	$ 8,966	$ 3,286	$ 5,417	$ 1,808	$ 290	$ 32,993	100%
Allowance for credit losses		$ 89	$ 294	$ 54	$ 65	$ 23	$ 6	$ 531	2 %

(a) Includes $156 million and $156 million of Office loans supporting the Fortitude Re funds withheld arrangements, greater than 90 days delinquent or in process of foreclosure, at June 30, 2023 and December 31, 2022, respectively.

(b) Does not reflect allowance for credit losses.

(c) Our commercial mortgage loan portfolio is current as to payments of principal and interest, for both periods presented. There were no significant amounts of nonperforming commercial mortgages (defined as those loans where payment of contractual principal or interest is more than 90 days past due) during any of the periods presented.

The following table presents credit quality performance indicators for residential mortgages by year of vintage:

June 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
FICO*:							
780 and greater	**$ 285**	**$ 492**	**$ 2,314**	**$ 637**	**$ 240**	**$ 513**	**$ 4,481**
720 - 779	**664**	**564**	**538**	**169**	**79**	**199**	**2,213**
660 - 719	**170**	**249**	**88**	**38**	**25**	**98**	**668**
600 - 659	**2**	**21**	**7**	**7**	**6**	**38**	**81**
Less than 600	**—**	**—**	**1**	**1**	**2**	**9**	**13**
Total residential mortgages	**$ 1,121**	**$ 1,326**	**$ 2,948**	**$ 852**	**$ 352**	**$ 857**	**$ 7,456**

December 31, 2022 *(in millions)*	2022	2021	2020	2019	2018	Prior	Total
FICO*:							
780 and greater	$ 294	$ 2,141	$ 652	$ 229	$ 76	$ 437	$ 3,829
720 - 779	536	711	167	75	32	134	1,655
660 - 719	163	79	28	16	9	47	342
600 - 659	2	4	2	1	2	13	24
Less than 600	—	—	—	1	—	5	6
Total residential mortgages	$ 995	$ 2,935	$ 849	$ 322	$ 119	$ 636	$ 5,856

* Fair Isaac Corporation (“FICO”) is the credit quality indicator used to evaluate consumer credit risk for residential mortgage loan borrowers and has been updated within the last twelve months.

The following table presents a rollforward of the changes in the allowance for credit losses on Mortgage and other loans receivable:*

Three Months Ended June 30,	2023			2022		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other Loans	Total
Allowance, beginning of period	**$ 586**	**$ 73**	**$ 659**	$ 413	$ 75	$ 488
Loans charged off	**(4)**	**—**	**(4)**	1	—	1
Net charge-offs	**(4)**	**—**	**(4)**	1	—	1
Addition to (release of) allowance for loan losses	**39**	**(5)**	**34**	—	(5)	(5)
Allowance, end of period	**$ 621**	**$ 68**	**$ 689**	$ 414	$ 70	$ 484

Six Months Ended June 30,	2023			2022		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other Loans	Total
Allowance, beginning of period	**$ 531**	**$ 69**	**$ 600**	$ 423	$ 73	$ 496
Loans charged off	**(4)**	**—**	**(4)**	(4)	—	(4)
Net charge-offs	**(4)**	**—**	**(4)**	(4)	—	(4)
Addition to (release of) allowance for loan losses	**94**	**(1)**	**93**	(5)	(3)	(8)
Allowance, end of period	**$ 621**	**$ 68**	**$ 689**	$ 414	$ 70	$ 484

* Does not include allowance for credit losses of $74 million and $78 million, respectively, at June 30, 2023 and 2022 in relation to the off-balance-sheet commitments to fund commercial mortgage loans, which is recorded in Other liabilities in the Condensed Consolidated Balance Sheets.

Our expectations and models used to estimate the allowance for losses on commercial and residential mortgage loans are regularly updated to reflect the current economic environment.

LOAN MODIFICATIONS

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. We use a probability of default/loss given default model to determine the allowance for credit losses for our commercial and residential mortgage loans. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses utilizing the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification.

When modifications are executed, they often will be in the form of principal forgiveness, term extensions, interest rate reductions, or some combination of any of these concessions. When principal is forgiven, the amortized cost basis of the asset is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of the amortized cost basis and a corresponding adjustment to the allowance for credit losses.

We assess whether a borrower is experiencing financial difficulty based on a variety of factors, including the borrower’s current default on any of its outstanding debt, the probability of a default on any of its debt in the foreseeable future without the modification, the insufficiency of the borrower’s forecasted cash flows to service any of its outstanding debt (including both principal and interest), and the borrower’s inability to access alternative third party financing at an interest rate that would be reflective of current market conditions for a non-troubled debtor.

During the six-month period ended June 30, 2023, Corebridge did not modify any loans to borrowers experiencing financial difficulty.

There were no loans that had defaulted during the six-month period ended June 30, 2023, that had been previously modified with borrowers experiencing financial difficulties.

Prior to January 1, 2023, we were required to assess loan modifications to determine if they were a TDR. A TDR was a modification of a loan with a borrower that was experiencing financial difficulty and the modification involved us granting a concession to the troubled borrower. Concessions previously granted included extended maturity dates, interest rate changes, principal or interest forgiveness, payment deferrals and easing of loan covenants.

During the six-month period ended June 30, 2022, loans with a carrying value of $77 million were modified as troubled debt restructurings. Effective January 1, 2023, we are no longer required to assess whether loan modifications are TDRs.

7. Reinsurance

In the ordinary course of business, our insurance companies may use ceded reinsurance to limit potential losses, provide additional capacity for growth, minimize exposure to significant risks or to provide greater diversification of our businesses. We may also use assumed reinsurance to diversify our business. Our reinsurance is principally under YRT treaties, along with a large modco treaty reinsuring the majority of our legacy business to a former affiliate, Fortitude Re. Reinsurance premiums ceded are recognized when due, along with corresponding benefits. Amounts recoverable from reinsurers are presented as a component of Reinsurance assets.

Reinsurance assets include the balances due from reinsurance and insurance companies under the terms of our reinsurance agreements for ceded future policy benefits for life and accident and health insurance contracts and benefits paid and unpaid. We remain liable to the extent that our reinsurers do not meet their obligations under the reinsurance contracts, and as such, we regularly evaluate the financial condition of our reinsurers and monitor concentration of our credit risk. The estimation of the allowance for credit losses and disputes requires judgment for which key inputs typically include historical trends regarding uncollectible balances, disputes and credit events as well as specific reviews of balances in dispute or subject to credit impairment. Changes in the allowance for credit losses and disputes on reinsurance assets are reflected in Policyholder benefits within the Consolidated Statements of Income (Loss).

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

Prior to January 1, 2021, assumptions used in estimating reinsurance recoverables related to coinsurance or modco contracts were consistent with those used in estimating the related liabilities and reflected locked-in assumptions, absent a loss recognition event. Amounts recoverable on YRT treaties were recognized when claims were incurred on the reinsured policies.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

Reinsurance recoverables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts. The reinsurance recoverables for coinsurance and modco contracts, along with amounts recoverable on YRT treaties are determined based on updated NPRs, reflecting updated actuarial assumptions using locked-in upper-medium investment instrument yield discount rates with changes recognized as remeasurement gains and losses reported in income. In addition, reinsurance recoverables are remeasured at the balance sheet date using current upper-medium grade discount rates with changes reported in OCI. For reinsurance agreements that reinsure existing, or non-contemporaneous (in-force) traditional and limited payment long-duration insurance contracts, the reinsurance recoverable is measured using the upper-medium grade fixed-income instrument yield discount rate assumption related to the effective date of the reinsurance contract. Therefore, for non-contemporaneous reinsurance agreements executed after January 1, 2021, the locked-in rate to accrete interest into the income statement related to the reinsurance recoverable would be different from the locked-in rate used for accreting interest on the direct reserve for future policy benefits. Certain reinsured guaranteed benefits previously reported as reinsurance recoverables are classified as Market risk benefit assets in the Condensed Consolidated Balance Sheets and are measured at fair value.

The following table presents the transition rollforward for reinsurance recoverables:

(in millions)	Individual Retirement	Life Insurance	Institutional Markets	Total
Pre-adoption, December 31, 2020 for Reinsurance assets - other, net of allowance for credit losses and disputes[(a)]	$ 309	$ 2,370	$ 43	$ 2,722
Reclassification of Cost of Reinsurance[(b)]	—	416	—	416
Reclassification to Market risk benefits	(35)	—	—	(35)
Change in cash flow assumptions and effect of net premiums exceeding gross premiums	—	(52)	—	(52)
Change due to the current upper-medium grade discount rate	—	99	5	104
Post-adoption January 1, 2021 for Reinsurance assets - other, net of allowance for credit losses and disputes	$ 274	$ 2,833	$ 48	$ 3,155

(a) Excludes $(15) million of Reinsurance assets - other, net of allowance for credit losses and disputes in Other Operations.

(b) Cost of reinsurance is reported in Other liabilities in the Condensed Consolidated Balance sheets.

(in millions)		Corporate and Other
Pre-adoption, December 31, 2020 for Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes	$	29,158
Change in cash flow assumptions and effect of net premiums exceeding gross premiums		55
Change due to the current upper-medium grade discount rate		7,611
Post-adoption January 1, 2021 for Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes	$	36,824

The remeasurement of the reinsurance recoverable using the current upper-medium grade discount rate is offset in AOCI.

FORTITUDE RE

In February 2018, AGL, VALIC and USL entered into a modco agreement with Fortitude Re, then a wholly owned AIG subsidiary and registered Class 4 and Class E reinsurer in Bermuda. Fortitude Holdings was formed by AIG to act as a holding company for Fortitude Re.

These reinsurance transactions between Corebridge and Fortitude Re were structured as modco arrangements. In the modco, the investments supporting the reinsurance agreements, and which reflect the majority of the consideration that would be paid to the reinsurer for entering into the transaction, are withheld by, and therefore continue to reside on the balance sheet of, the ceding company (i.e., Corebridge), thereby creating an obligation for the ceding company to pay the reinsurer (i.e., Fortitude Re) at a later date. Additionally, as Corebridge maintains ownership of these investments, Corebridge will maintain its existing accounting for these assets (e.g., the changes in fair value of available-for-sale securities will be recognized within OCI)). Corebridge has established a funds withheld payable to Fortitude Re while simultaneously establishing a reinsurance asset representing liabilities for the insurance coverage that Fortitude Re has assumed. The funds withheld payable contains an embedded derivative and changes in fair value of the embedded derivative related to the funds withheld payable are recognized in earnings through realized gains (losses). This embedded derivative is considered a total return swap with contractual returns that are attributable to various assets and liabilities associated with these reinsurance agreements.

There is a diverse pool of assets supporting the funds withheld arrangements with Fortitude Re. The following summarizes the composition of the pool of assets:

	June 30, 2023				December 31, 2022				
(in millions)		Carrying Value		Fair Value		Carrying Value		Fair Value	Corresponding Accounting Policy
Fixed maturity securities - available for sale	$	15,411	$	15,411	$	16,339	$	16,339	Fair value through other comprehensive income
Fixed maturity securities - fair value option		3,883		3,883		3,485		3,485	Fair value through net investment income
Commercial mortgage loans		3,553		3,306		3,490		3,241	Amortized cost
Real estate investments		126		301		133		348	Amortized cost
Private equity funds/hedge funds		1,940		1,940		1,893		1,893	Fair value through net investment income
Policy loans		340		340		355		355	Amortized cost
Short-term Investments		245		245		69		69	Fair value through net investment income
Funds withheld investment assets		25,498		25,426		25,764		25,730	
Derivative assets, net[(a)]		58		58		90		90	Fair value through realized gains (losses)
Other[(b)]		531		528		731		731	Amortized cost
Total	$	26,087	$	26,012	$	26,585	$	26,551	

(a) The derivative assets and liabilities have been presented net of cash collateral. The derivative assets supporting the Fortitude Re funds withheld arrangements had a fair market value of $189 million and $189 million as of June 30, 2023 and December 31, 2022, respectively. These derivative assets and liabilities are fully collateralized either by cash or securities.

(b) Primarily comprised of Cash and Accrued investment income.

The impact of the funds withheld arrangements with Fortitude Re was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Net investment income - Fortitude Re funds withheld assets	$ 270	$ 182	$ 664	$ 460
Net realized losses on Fortitude Re funds withheld assets:				
Net realized losses Fortitude Re funds withheld assets	(130)	(60)	(110)	(183)
Net realized gains (losses) Fortitude Re funds withheld embedded derivatives	122	2,394	(903)	5,231
Net realized gains (losses) on Fortitude Re funds withheld assets	(8)	2,334	(1,013)	5,048
Income (loss) before income tax benefit (expense)	262	2,516	(349)	5,508
Income tax benefit (expense)*	(55)	(529)	73	(1,157)
Net income (loss)	207	1,987	(276)	4,351
Change in unrealized appreciation (depreciation) of the invested assets supporting the Fortitude Re modco arrangement classified as available for sale*	(165)	(1,875)	286	(4,151)
Comprehensive income	$ 42	$ 112	$ 10	$ 200

* The income tax expense (benefit) and the tax impact in OCI was computed using the U.S. statutory tax rate of 21%.

Various assets supporting the Fortitude Re funds withheld arrangements are reported at amortized cost, and as such, changes in the fair value of these assets are not reflected in the financial statements. However, changes in the fair value of these assets are included in the embedded derivative in the Fortitude Re funds withheld arrangement and the appreciation (depreciation) of the assets is the primary driver of the comprehensive income reflected above.

REINSURANCE – CREDIT LOSSES

The estimation of reinsurance recoverables involves a significant amount of judgment. Reinsurance assets include reinsurance recoverables on future policy benefits and policyholder contract deposits that are estimated as part of our insurance liability valuation process and, consequently, are subject to similar judgments and uncertainties as the estimation of gross benefit liabilities.

We assess the collectability of reinsurance recoverable balances in each reporting period, through either historical trends of disputes and credit events or financial analysis of the credit quality of the reinsurer. We record adjustments to reflect the results of these assessments through an allowance for credit losses and disputes on uncollectible reinsurance that reduces the carrying amount of reinsurance and other assets on the Condensed Consolidated Balance Sheets (collectively, the reinsurance recoverable balances). This estimate requires significant judgment for which key considerations include:

- paid and unpaid amounts recoverable;
- whether the balance is in dispute or subject to legal collection;
- the relative financial health of the reinsurer as classified by the Obligor Risk Ratings ("ORRs") we assign to each reinsurer based upon our financial reviews; insurers that are financially troubled (i.e., in run-off, have voluntarily or involuntarily been placed in receivership, are insolvent, are in the process of liquidation or otherwise subject to formal or informal regulatory restriction) are assigned ORRs that will generate a significant allowance; and
- whether collateral and collateral arrangements exist.

An estimate of the reinsurance recoverable's lifetime expected credit losses is established utilizing a probability of default and loss given default method, which reflects the reinsurer's ORR. The allowance for credit losses excludes disputed amounts. An allowance for disputes is established for a reinsurance recoverable using the losses incurred model for contingencies.

The total reinsurance recoverables as of June 30, 2023 were $29.3 billion. As of that date, utilizing Corebridge's ORRs, (i) approximately 100% of the reinsurance recoverables were investment grade, (ii) less than 1% were non-investment grade reinsurance recoverables and (iii) none of the reinsurance recoverables were related to entities that were not rated by Corebridge.

Reinsurance Recoverable Allowance

The following table presents a rollforward of the reinsurance recoverable allowance:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Balance, beginning of period	$ 74	$ 105	$ 84	$ 101
Current period provision for expected credit losses and disputes	(8)	2	(18)	6
Write-offs charged against the allowance for credit losses and disputes	—	—	—	—
Other changes	—	—	—	—
Balance, end of period	$ 66	$ 107	$ 66	$ 107

There were no material recoveries of credit losses previously written off for the three and six months ended June 30, 2023 or 2022.

Past-Due Status

We consider a reinsurance asset to be past due when it is 90 days past due and record an allowance for disputes when there is reasonable uncertainty of the collectability of a disputed amount during the reporting period. Past-due balances were not significant for any of the periods presented.

For further discussion of arbitration proceedings against us, see Note 14.

8. Variable Interest Entities

A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains and losses of the entity. Consolidation of a VIE by its primary beneficiary is not based on majority voting interest but is based on other criteria discussed below.

We enter into various arrangements with VIEs in the normal course of business and consolidate the VIEs when we determine we are the primary beneficiary. This analysis includes a review of the VIE's capital structure, related contractual relationships and terms, nature of the VIE's operations and purpose, nature of the VIE's interests issued and our involvement with the entity. When assessing the need to consolidate a VIE, we evaluate the design of the VIE as well as the related risks to which the entity was designed to expose the variable interest holders.

The primary beneficiary is the entity that has both (i) the power to direct the activities of the VIE that most significantly affect the entity's economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE. While also considering these factors, the consolidation conclusion depends on the breadth of our decision-making ability and our ability to influence activities that significantly affect the economic performance of the VIE.

BALANCE SHEET CLASSIFICATION AND EXPOSURE TO LOSS

Creditors or beneficial interest holders of VIEs for which the Company is the primary beneficiary generally have recourse only to the assets and cash flows of the VIEs and do not have recourse to the Company. The following table presents the total assets and total liabilities associated with our variable interests in consolidated VIEs, as classified in the Condensed Consolidated Balance Sheets:

(in millions)	Real Estate and Investment Entities[(c)]	Securitization and Repackaging Vehicles[(d)]	Total
June 30, 2023			
Assets:			
Bonds available for sale	$ —	$ 92	$ 92
Other bond securities	—	—	—
Equity securities	34	—	34
Mortgage and other loans receivable	—	2,010	2,010
Other invested assets			
Alternative investments[(a)]	2,860	—	2,860
Investment real estate	1,784	—	1,784
Short-term investments	292	7	299
Cash	99	—	99
Accrued investment income	—	14	14
Other assets	130	(2)	128
Total assets[(b)]	$ 5,199	$ 2,121	$ 7,320
Liabilities:			
Debt of consolidated investment entities	$ 1,433	$ 1,223	$ 2,656
Other liabilities	102	—	102
Total liabilities	$ 1,535	$ 1,223	$ 2,758
December 31, 2022			
Assets:			
Bonds available for sale	$ —	$ 3,571	$ 3,571
Other bond securities	—	—	—
Equity securities	51	—	51
Mortgage and other loans receivable	—	2,088	2,088
Other invested assets			
Alternative investments[(a)]	2,842	—	2,842
Investment real estate	1,731	—	1,731
Short-term investments	191	265	456
Cash	71	—	71
Accrued investment income	—	7	7
Other assets	102	68	170
Total assets[(b)]	$ 4,988	$ 5,999	$ 10,987
Liabilities:			
Debt of consolidated investment entities	$ 1,382	$ 4,576	$ 5,958
Other liabilities	85	47	132
Total liabilities	$ 1,467	$ 4,623	$ 6,090

(a) Composed primarily of investments in real estate joint ventures at June 30, 2023 and December 31, 2022.

(b) The assets of each VIE can be used only to settle specific obligations of that VIE.

(c) Off-balance-sheet exposure primarily consisting of commitments by insurance operations and affiliates into real estate and investment entities. At June 30, 2023 and December 31, 2022, together, the Company and AIG affiliates have commitments to internal parties of $2.0 billion and $2.1 billion and commitments to external parties of $0.5 billion and $0.6 billion, respectively. At June 30, 2023, $1.3 billion out of the internal commitments was from subsidiaries of Corebridge entities and $0.7 billion was from other AIG affiliates. At December 31, 2022, $1.4 billion out of the internal commitments was from subsidiaries of Corebridge entities, and $0.7 billion was from other AIG affiliates.

(d) During the three months ended March 31, 2023, Corebridge deconsolidated certain consolidated investment entities, as part of the sale of AIG Credit Management, LLC with $3.6 billion assets and $3.2 billion in liabilities, resulting in a pre-tax loss of $3 million.

The following table presents the revenue, net income (loss) attributable to noncontrolling interests and net income (loss) attributable to Corebridge associated with our variable interests in consolidated VIEs, as classified in the Condensed Consolidated Income Statements:

(in millions)	Real Estate and Investment Entities	Securitization and Repackaging Vehicles	Affordable Housing Partnerships	Total
Three Months Ended June 30, 2023				
Total revenue	**$ 16**	**$ 18**	**$ —**	**$ 34**
Net income attributable to noncontrolling interests	**(20)**	**—**	**—**	**(20)**
Net income (loss) attributable to Corebridge	**19**	**9**	**—**	**28**
Three Months Ended June 30, 2022				
Total revenue	$ 188	$ 51	$ —	$ 239
Net income attributable to noncontrolling interests	79	2	—	81
Net income (loss) attributable to Corebridge	95	10	—	105
Six Months Ended June 30, 2023				
Total revenue	**$ 69**	**$ 77**	**$ —**	**$ 146**
Net income attributable to noncontrolling interests	**(14)**	**—**	**—**	**(14)**
Net income (loss) attributable to Corebridge	**52**	**54**	**—**	**106**
Six Months Ended June 30, 2022				
Total revenue	$ 388	$ 113	$ —	$ 501
Net income attributable to noncontrolling interests	154	2	—	156
Net income (loss) attributable to Corebridge	209	41	—	250

We calculate our maximum exposure to loss to be (i) the amount invested in the debt or equity of the VIE, (ii) the notional amount of VIE assets or liabilities where we have also provided credit protection to the VIE with the VIE as the referenced obligation and (iii) other commitments and guarantees to the VIE.

The following table presents total assets of unconsolidated VIEs in which we hold a variable interest, as well as our maximum exposure to loss associated with these VIEs:

		Maximum Exposure to Loss		
(in millions)	Total VIE Assets	On-Balance Sheet[(b)]	Off-Balance Sheet [(c)]	Total
June 30, 2023				
Real estate and investment entities[(a)]	**$ 385,451**	**$ 5,715**	**$ 2,855**	**$ 8,570**
Total	**$ 385,451**	**$ 5,715**	**$ 2,855**	**$ 8,570**
December 31, 2022				
Real estate and investment entities[(a)]	$ 376,055	$ 5,575	$ 2,784	$ 8,359
Total	$ 376,055	$ 5,575	$ 2,784	$ 8,359

(a) Composed primarily of hedge funds and private equity funds.

(b) At June 30, 2023 and December 31, 2022, $5.7 billion and $5.6 billion, respectively, of our total unconsolidated VIE assets were recorded as other invested assets.

(c) These amounts represent our unfunded commitments to invest in private equity funds and hedge funds.

Additionally, from time to time, AIG designed internal securitizations and a series of VIEs, which are not consolidated by Corebridge, that securitized certain secured loans, bank loans and RMLs. The notes held by Corebridge and their related fair values are included in the available-for-sale disclosures that are reported in *Notes 4 and 5.* As of June 30, 2023, the total VIE assets of these securitizations are $2.9 billion, of which Corebridge's maximum exposure to loss including unfunded commitments is $2.3 billion. As of December 31, 2022, the total VIE assets of these securitizations are $3.2 billion, of which Corebridge's maximum exposure to loss is $1.5 billion.

9. Derivatives and Hedge Accounting

We use derivatives and other financial instruments as part of our financial risk management programs and as part of our investment operations. Interest rate derivatives (such as interest rate futures, swaps and options), equity derivatives (such as equity futures, swaps and options) and fixed maturity securities are used to economically mitigate interest rate risk, equity risk and credit spread exposure associated with MRBs and embedded derivatives contained in insurance contract liabilities. Interest rate derivatives are used to manage interest rate risk associated with fixed maturity securities as well as other interest rate sensitive assets and liabilities. Equity derivatives are used to economically mitigate financial risk associated with embedded derivatives and MRBs in certain insurance liabilities. In addition, equity derivatives are used to economically hedge certain investments. Foreign exchange derivatives (principally foreign exchange forwards and swaps) are used to economically mitigate risk associated with foreign denominated investments, net capital exposures and foreign currency transactions. We use credit derivatives to manage our credit exposures. The derivatives are effective economic hedges of the exposures that they are meant to offset. In addition to hedging activities, we also enter into derivative instruments with respect to investment operations, which may include, among other things, CDSs and purchases of investments with embedded derivatives, such as equity linked notes and convertible bonds.

Interest rate, currency and equity swaps, credit contracts, swaptions, options and forward transactions are accounted for as derivatives, recorded on a trade-date basis and carried at fair value. Unrealized gains and losses are generally reflected in income, except in certain situations in which hedge accounting is applied and unrealized gains and losses are reflected in AOCI. Aggregate asset or liability positions are netted on the Condensed Consolidated Balance Sheets only to the extent permitted by qualifying master netting arrangements in place with each respective counterparty. Cash collateral posted with counterparties in conjunction with transactions supported by qualifying master netting arrangements is reported as a reduction of the corresponding net derivative liability, while cash collateral received in conjunction with transactions supported by qualifying master netting arrangements is reported as a reduction of the corresponding net derivative asset.

Derivatives, with the exception of embedded derivatives, are reported at fair value in the Condensed Consolidated Balance Sheets in Other assets and Other liabilities. Embedded derivatives are generally presented with the host contract in the Condensed Consolidated Balance Sheets. A bifurcated embedded derivative is measured at fair value and accounted for in the same manner as a freestanding derivative contract. The corresponding host contract is accounted for according to the accounting guidance applicable for that instrument.

For additional information on embedded derivatives and MRBs, see Notes 4, 11 and 12.

The following table presents the notional amounts of our derivatives and the fair value of derivative assets and liabilities in the Condensed Consolidated Balance Sheets:

	June 30, 2023				December 31, 2022			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives designated as hedging instruments:[a]								
Interest rate contracts	$ 617	$ 210	$ 1,433	$ 38	$ 155	$ 202	$ 1,798	$ 77
Foreign exchange contracts	5,135	534	1,600	34	3,535	575	3,354	176
Derivatives not designated as hedging instruments:[a]								
Interest rate contracts	28,937	1,433	24,381	2,243	27,656	1,371	21,553	2,599
Foreign exchange contracts	6,176	618	7,219	321	4,630	672	6,673	456
Equity contracts	29,178	1,274	15,485	349	26,041	417	9,962	27
Other contracts[b]	46,017	15	—	—	47,128	15	48	—
Total derivatives, gross	$ 116,060	$ 4,084	$ 50,118	$ 2,985	$ 109,145	$ 3,252	$ 43,388	$ 3,335
Counterparty netting[c]		(2,790)		(2,790)		(2,547)		(2,547)
Cash collateral[d]		(838)		(43)		(406)		(691)
Total derivatives on Condensed Consolidated Balance Sheets[e]		$ 456		$ 152		$ 299		$ 97

(a) Fair value amounts are shown before the effects of counterparty netting adjustments and offsetting cash collateral.

(b) Consists primarily of stable value wraps and contracts with multiple underlying exposures.

(c) Represents netting of derivative exposures covered by a qualifying master netting agreement.

(d) Represents cash collateral posted and received that is eligible for netting.

(e) Freestanding derivatives only, excludes embedded derivatives. Derivative instrument assets and liabilities are recorded in Other assets and Other liabilities, respectively. The fair value of assets related to bifurcated embedded derivatives were both zero at June 30, 2023 and December 31, 2022. The fair value of liabilities related to bifurcated embedded derivatives was $8.3 billion and $6.7 billion at June 30, 2023 and December 31, 2022, respectively. A bifurcated embedded derivative is generally presented with the host contract in the Condensed Consolidated Balance Sheets. Embedded derivatives are primarily related to guarantee features in fixed index annuities and index universal life contracts, which include equity and interest rate components and the funds withheld arrangement with Fortitude Re. For additional information, *see Note 7.*

The following table presents the gross notional amounts of our derivatives and the fair value of derivative assets and liabilities with related parties and third parties:

	June 30, 2023				December 31, 2022			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Total derivatives with related parties	$ 62,164	$ 3,727	$ 44,954	$ 2,743	$ 60,633	$ 3,177	$ 42,109	$ 3,154
Total derivatives with third parties	53,896	357	5,164	242	48,512	75	1,279	181
Total derivatives, gross	$ 116,060	$ 4,084	$ 50,118	$ 2,985	$ 109,145	$ 3,252	$ 43,388	$ 3,335

As of June 30, 2023 and December 31, 2022, the following amounts were recorded on the Condensed Consolidated Balance Sheets related to the carrying amount of the hedged assets (liabilities) and cumulative basis adjustments included in the carrying amount for fair value hedges:

	June 30, 2023		December 31, 2022	
(in millions)	Carrying Amount of the Hedged Assets (Liabilities)	Cumulative Amount of Fair Value Hedging Adjustments Included In the Carrying Amount of the Hedged Assets Liabilities	Carrying Amount of the Hedged Assets (Liabilities)	Cumulative Amount of Fair Value Hedging Adjustments Included In the Carrying Amount of the Hedged Assets Liabilities
Balance sheet line item in which hedged item is recorded:				
Fixed maturities, available for sale, at fair value	$ 6,434	$ —	$ 6,520	$ —
Commercial mortgage and other loans[(a)]	—	(25)	—	(25)
Policyholder contract deposits[(b)]	(3,706)	17	(2,218)	68

(a) This relates to hedge accounting that has been discontinued, but the respective loans are still held. The cumulative adjustment is being amortized into earnings over the remaining life of the loan.

(b) This relates to fair value hedges on GICs.

COLLATERAL

We engage in derivative transactions that are not subject to a clearing requirement directly with related parties and unaffiliated third parties, in most cases under International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreements. Many of the ISDA Master Agreements also include Credit Support Annex provisions, which provide for collateral postings that may vary based on criteria such as ratings and threshold levels. We attempt to reduce our risk with certain counterparties by entering into agreements that enable collateral to be obtained from a counterparty on an up-front or contingent basis. We minimize the risk that counterparties might be unable to fulfill their contractual obligations by monitoring counterparty credit exposure and collateral value and generally requiring additional collateral to be posted upon the occurrence of certain events or circumstances.

Collateral posted by us to third parties for derivative transactions was $237 million and $255 million at June 30, 2023 and December 31, 2022, respectively. Collateral posted by us to related parties for derivative transactions was $688 million and $1.5 billion at June 30, 2023 and December 31, 2022, respectively. In the case of collateral posted under derivative transactions that are not subject to clearing, this collateral can generally be repledged or resold by the counterparties. Collateral provided to us from third parties for derivative transactions was $285 million and $40 million at June 30, 2023 and December 31, 2022, respectively. Collateral provided to us from related parties for derivative transactions was $799 million and $380 million at June 30, 2023 and December 31, 2022, respectively. In the case of collateral provided to us under derivative transactions that are not subject to clearing, we generally can repledge or resell collateral.

OFFSETTING

We have elected to present all derivative receivables and derivative payables, and the related cash collateral received and paid, on a net basis on our Condensed Consolidated Balance Sheets when a legally enforceable ISDA Master Agreement exists between us and our derivative counterparty. An ISDA Master Agreement is an agreement governing multiple derivative transactions between two counterparties. The ISDA Master Agreement generally provides for the net settlement of all, or a specified group, of these derivative transactions, as well as transferred collateral, through a single payment, and in a single currency, as applicable. The net settlement provisions apply in the event of a default on, or affecting any, one derivative transaction or a termination event affecting all, or a specified group of, derivative transactions governed by the ISDA Master Agreement.

HEDGE ACCOUNTING

We designated certain derivatives entered into with related parties as fair value hedges of available-for-sale securities held by our insurance subsidiaries. The fair value hedges include foreign currency forwards and cross-currency swaps designated as hedges of the change in fair value of foreign currency denominated available-for-sale securities attributable to changes in foreign exchange rates. We also designated certain interest rate swaps entered into with both third parties and related parties as fair value hedges of fixed rate GICs and commercial mortgage loans attributable to changes in benchmark interest rates.

During 2022, we designated certain interest rate swaps entered into with related parties as cash flow hedges of forecasted coupon payments associated with anticipated long-term debt issuances. For the year ended December 31, 2022, we recognized derivative gains of $223 million in AOCI and reclassified $21 million into interest expense. For the three and six months ended June 30, 2023, $7 million and $14 million has been reclassified into interest expense. There are no additional derivative gains or losses recognized in AOCI for this period. The remaining amount in AOCI, of $188 million, will be reclassified into interest expense over the life of the hedging relationship, which can extend up to 30 years. We expect $28 million to be reclassified into interest expense over the next 12 months. There are no amounts excluded from the assessment of hedge effectiveness that are recognized in earnings.

We use cross-currency swaps as hedging instruments in net investment hedge relationships to mitigate the foreign exchange risk associated with our non-U.S. dollar functional currency foreign subsidiaries. For net investment hedge relationships that use derivatives as hedging instruments, we assess hedge effectiveness and measure hedge ineffectiveness using changes in forward rates. We recognized gains (losses) for the three and six months ended June 30, 2023 of $(1) million and $(2) million, respectively, and for the three and six months ended June 30, 2022 of $7 million and $9 million, respectively, included in Change in foreign currency translation adjustment in OCI related to the net investment hedge relationships. The gains (losses) recognized primarily include transactions with related parties. A qualitative methodology is utilized to assess hedge effectiveness for net investment hedges, while regression analysis is employed for all other hedges.

The following table presents the gain (loss) recognized in earnings on our derivative instruments in fair value hedging relationships in the Condensed Consolidated Statements of Income (Loss):

	Gains/(Losses) Recognized in Earnings for:			
(in millions)	Hedging Derivatives[(a)(c)]	Excluded Components[(b)(c)]	Hedged Items	Net Impact
Three Months Ended June 30, 2023				
Interest rate contracts:				
Realized gains (losses)	**$ —**	**$ —**	**$ —**	**$ —**
Interest credited to policyholder account balances	**(43)**	**—**	**37**	**(6)**
Net investment income	**—**	**—**	**1**	**1**
Foreign exchange contracts:				
Realized gains (losses)	**(79)**	**30**	**79**	**30**
Three Months Ended June 30, 2022				
Interest rate contracts:				
Realized gains (losses)	$ —	$ —	$ —	$ —
Interest credited to policyholder account balances	(33)	—	34	1
Net investment income	—	—	—	—
Foreign exchange contracts:				
Realized gains (losses)	384	68	(384)	68

	Gains/(Losses) Recognized in Earnings for:			
(in millions)	Hedging Derivatives[(a)(c)]	Excluded Components[(b)(c)]	Hedged Items	Net Impact
Six Months Ended June 30, 2023				
Interest rate contracts:				
Realized gains (losses)	**$ —**	**$ —**	**$ —**	**$ —**
Interest credited to policyholder account balances	**43**	**—**	**(51)**	**(8)**
Net investment income	**—**	**—**	**1**	**1**
Foreign exchange contracts:				
Realized gains (losses)	**(162)**	**109**	**162**	**109**
Six Months Ended June 30, 2022				
Interest rate contracts:				
Realized gains (losses)	$ —	$ —	$ —	$ —
Interest credited to policyholder account balances	(90)	—	93	3
Net investment income	1	—	(1)	—
Foreign exchange contracts:				
Realized gains (losses)	531	76	(531)	76

(a) Gains and losses on derivative instruments designated and qualifying in fair value hedges that are included in the assessment of hedge effectiveness.

(b) Gains and losses on derivative instruments designated and qualifying in fair value hedges that are excluded from the assessment of hedge effectiveness and recognized in earnings on a mark-to-market basis.

(c) Primarily consists of gains and losses with related parties.

DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The following table presents the effect of derivative instruments not designated as hedging instruments in the Condensed Consolidated Statements of Income (Loss):

	Gains (Losses) Recognized in Earnings			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
By Derivative Type:				
Interest rate contracts	**$ (148)**	$ (868)	**$ (116)**	$ (1,682)
Foreign exchange contracts	**(123)**	678	**(190)**	904
Equity contracts	**(131)**	76	**(48)**	(120)
Credit contracts	**—**	—	**—**	(1)
Other contracts	**152**	15	**25**	32
Embedded derivatives within policyholder contract deposits	**(435)**	556	**(819)**	1,217
Fortitude Re funds withheld embedded derivative	**122**	2,394	**(903)**	5,231
Total[(a)]	**$ (563)**	$ 2,851	**$ (2,051)**	$ 5,581
By Classification:				
Policy fees	**$ 16**	$ 14	**$ 32**	$ 29
Net investment income	**—**	2	**(2)**	(2)
Net realized gains - excluding Fortitude Re funds withheld assets	**9**	616	**(405)**	1,023
Net realized gains (losses) on Fortitude Re funds withheld assets	**(85)**	44	**(42)**	(8)
Net realized gains on Fortitude Re funds withheld embedded derivatives	**122**	2,394	**(903)**	5,231
Policyholder benefits	**(3)**	(7)	**—**	(14)
Change in the Fair value of market risk benefits[(b)]	**(622)**	(212)	**(731)**	(678)
Total[(b)]	**$ (563)**	$ 2,851	**$ (2,051)**	$ 5,581

(a) Includes gains (losses) with related parties of $(246) million and $(423) million for the three months ended June 30, 2023 and 2022, respectively, and $(240) million and $(1.5) billion for the six months ended June 30, 2023 and 2022, respectively.

(b) This represents activity related to derivatives that economically hedged changes in fair value of certain MRBs.

In addition to embedded derivatives within policyholder contract deposits, certain guaranteed benefits within insurance contracts are classified as MRBs. The change in the fair value of these benefits is disclosed in Note 12. The change in the fair value of MRBs and the derivative instruments that hedge those risks are recognized in "Change in the fair value of MRBs, net" in the Condensed Consolidated Statements of Income (Loss).

HYBRID SECURITIES WITH EMBEDDED CREDIT DERIVATIVES

We invest in hybrid securities (such as credit-linked notes) with the intent of generating income, and not specifically to acquire exposure to embedded derivative risk. As is the case with our other investments in RMBS, CMBS, CLOs, ABS and CDOs, our investments in these hybrid securities are exposed to losses only up to the amount of our initial investment in the hybrid security. Other than our initial investment in the hybrid securities, we have no further obligation to make payments on the embedded credit derivatives in the related hybrid securities.

We elect to account for our investments in these hybrid securities with embedded written credit derivatives at fair value, with changes in fair value recognized in Net investment income. Our investments in these hybrid securities are reported as Other bond securities in the Condensed Consolidated Balance Sheets. The fair values of these hybrid securities were both zero at June 30, 2023 and December 31, 2022. These securities have par amounts of $25 million and $25 million at June 30, 2023 and December 31, 2022, respectively, and have remaining stated maturity dates that extend to 2052.

10. Deferred Policy Acquisition Costs

DAC represent those costs that are incremental and directly related to the successful acquisition of new or renewal of existing insurance contracts. We defer incremental costs that result directly from, and are essential to, the acquisition or renewal of an insurance contract. Such DAC generally include agent or broker commissions and bonuses, and medical fees that would not have been incurred if the insurance contract had not been acquired or renewed. Each cost is analyzed to assess whether it is fully deferrable. We partially defer costs, including certain commissions, when we do not believe that the entire cost is directly related to the acquisition or renewal of insurance contracts. Commissions that are not deferred to DAC are recorded in Non-deferrable insurance commissions in the Condensed Consolidated Statements of Income (Loss).

We also defer a portion of employee total compensation and payroll-related fringe benefits directly related to time spent performing specific acquisition or renewal activities, including costs associated with the time spent on underwriting, policy issuance and processing, and sales force contract selling. The amounts deferred are derived based on successful efforts for each distribution channel and/or cost center from which the cost originates.

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

Long-duration insurance contracts: Policy acquisition costs for participating life, traditional life and accident and health insurance products were generally deferred and amortized, with interest, over the premium paying period. The assumptions used to calculate the benefit liabilities and DAC for these traditional products were set when a policy was issued and did not change with changes in actual experience, unless a loss recognition event occurred. These "locked-in" assumptions included mortality, morbidity, persistency, maintenance expenses and investment returns, and included margins for adverse deviation to reflect uncertainty given that actual experience might deviate from these assumptions. A loss recognition event occurred when there was a shortfall between the carrying amount of future policy benefit liabilities, net of DAC, and what the future policy benefit liabilities, net of DAC, would be when applying updated current assumptions. When we determined a loss recognition event had occurred, we first reduced any DAC related to that block of business through amortization of acquisition expense, and after DAC was depleted, we recorded additional liabilities through a charge to Policyholder benefits. Groupings for loss recognition testing were consistent with our manner of acquiring, servicing and measuring the profitability of the business and applied by product groupings. We performed separate loss recognition tests for traditional life products, payout annuities and long-term care products. Our policy was to perform loss recognition testing net of reinsurance. Once loss recognition had been recorded for a block of business, the old assumption set was replaced, and the assumption set used for the loss recognition would then be subject to the lock-in principle.

Investment-oriented contracts: Certain policy acquisition costs and policy issuance costs related to investment-oriented contracts, for example universal life, variable and fixed annuities, and fixed index annuities, were deferred and amortized, with interest, in relation to the incidence of EGPs to be realized over the estimated lives of the contracts. EGPs were affected by a number of factors, including levels of current and expected interest rates, net investment income and spreads, net realized gains and losses, fees, surrender rates, mortality experience, policyholder behavior experience and equity market returns and volatility. In each reporting period, current period amortization expense was adjusted to reflect actual gross profits. If the assumptions used for estimating gross profit changed significantly, DAC was recalculated using the new assumptions, including actuarial assumptions such as mortality, lapse, benefit utilization, and premium persistency, and any resulting adjustment was included in income. If the new assumptions indicated that future EGPs were higher than previously estimated, DAC was increased resulting in a decrease in amortization expense and increase in income in the current period; if future EGPs were lower than previously estimated, DAC was decreased resulting in an increase in amortization expense and decrease in income in the current period. Updating such assumptions may result in acceleration of amortization in some products and deceleration of amortization in other products. DAC was grouped consistent with the manner in which the insurance contracts were acquired, serviced and measured for profitability and was reviewed for recoverability based on the current and projected future profitability of the underlying insurance contracts.

To estimate future EGPs for variable life and annuity products, a long-term annual asset growth assumption was applied to determine the future growth in assets and related asset-based fees. In determining the asset growth rate, the effect of short-term fluctuations in the equity markets was partially mitigated through the use of a "reversion to the mean" methodology for variable annuities, whereby short-term asset growth above or below long-term annual rate assumptions impacted the growth assumption applied to the five-year period subsequent to the current balance sheet date. The reversion to the mean methodology allowed us to maintain our long-term growth assumptions, while also giving consideration to the effect of actual investment performance. When actual performance significantly deviated from the annual long-term growth assumption, as evidenced by growth assumptions in the five-year reversion to the mean period falling below a certain rate (floor) or rising above a certain rate (cap) for a sustained period, judgment was applied to revise or "unlock" the growth rate assumptions to be used for both the five-year reversion to the mean period as well as the long-term annual growth assumption applied to subsequent periods.

Value of Business Acquired ("VOBA") is determined at the time of acquisition and is reported in the Condensed Consolidated Balance Sheets with DAC. This value is based on the present value of future pre-tax profits discounted at yields applicable at the time of purchase. VOBA was amortized, consistent with DAC, i.e., over the premium paying period or in relation to the EGPs.

Unrealized Appreciation (Depreciation) of Investments: DAC related to investment-oriented contracts was also adjusted to reflect the effect of unrealized gains or losses on fixed maturity securities available for sale on EGPs, with related changes recognized through OCI. The adjustment was made at each balance sheet date, as if the securities had been sold at their stated aggregate fair value and the proceeds reinvested at current yields. Similarly, for long-duration traditional insurance contracts, if the assets supporting the liabilities were in a net unrealized gain position at the balance sheet date, loss recognition testing assumptions were updated to exclude such gains from future cash flows by reflecting the impact of reinvestment rates on future yields. If a future loss was anticipated under this basis, any additional shortfall indicated by loss recognition tests was recognized as a reduction in AOCI. Similar to other loss recognition on long-duration insurance contracts, such shortfall is first reflected as a reduction in DAC and secondly as an increase in liabilities for Future policy benefits. The change in these adjustments, net of tax, was included with the change in net unrealized appreciation of investments that is credited or charged directly to OCI.

Internal Replacements of Long-duration and Investment-oriented Products: For some products, policyholders can elect to modify product benefits, features, rights or coverages by exchanging a contract for a new contract or by amendment, endorsement, or rider to a contract, or by the election of a feature or coverage within a contract. These transactions are known as internal replacements. If the modification does not substantially change the contract, we do not change the accounting and amortization of existing DAC and related actuarial balances. If an internal replacement represents a substantial change, the original contract is considered to be extinguished and any related DAC or other policy balances are charged or credited to income, and any new deferrable costs associated with the replacement contract are deferred.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

DAC for all contracts, except for those with limited to no exposure to policyholder behavior risk, (i.e., certain investment contracts), is grouped and amortized on a constant level basis (i.e., approximating straight line amortization with adjustments for expected terminations) over the expected term of the related contracts using assumptions consistent with those used in estimating the related liability for future policy benefits, or any other related balances, for those corresponding contracts, as applicable. Capitalized expenses are only included in DAC amortization as expenses are incurred. For amortization purposes, contracts are grouped into annual cohorts by issue year and product and to segregate reinsured and non-reinsured contracts. For life insurance contracts, amortization is based on insurance in-force, while initial deposits are used for deferred annuity contracts, structured settlements and pension risk transfer products. Changes in future assumptions (e.g., expected duration of contracts or amount of coverage expected to be in force) are applied by adjusting the amortization rate prospectively. The Company has elected to implicitly account for actual experience, whether favorable or unfavorable, in its amortization expense each period. DAC is capped at the amount of expenses capitalized as the DAC balance does not accrue interest. DAC is not subject to recoverability testing.

VOBA: VOBA is determined at the time of acquisition and is reported in the Condensed Consolidated Balance Sheets with DAC. This value is based on the present value of future pre-tax profits discounted at yields applicable at the time of purchase. VOBA is amortized, consistent with DAC, i.e., over the life of the business on a constant level basis.

Internal Replacements of Long-duration and Investment-oriented Products: the accounting of internal replacements has generally not been impacted by the adoption of LDTI.

The following table presents the transition rollforward for deferred policy acquisition costs for long-duration contracts:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Pre-adoption December 31, 2020 DAC balance	$ 2,426	$ 560	$ 4,229	$ 26	$ 7,241
Adjustments for the removal of related balances in Accumulated other comprehensive income originating from unrealized gains (losses)	2,050	533	544	7	3,134
Post-adoption January 1, 2021 DAC balance	$ 4,476	$ 1,093	$ 4,773	$ 33	$ 10,375

Prior to the adoption of LDTI, DAC for investment-oriented products included the effect of unrealized gains or losses on fixed maturity securities classified as available for sale. At the transition date, these adjustments were removed with a corresponding offset in AOCI. As the available for sale portfolio was in an unrealized gain position as of the transition date, the adjustment for removal of related balances in AOCI originating from unrealized gains (losses) balances were reducing DAC.

The following table presents the transition rollforward for value of business acquired for long-duration contracts:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Total
Pre-adoption December 31, 2020 VOBA balance	$ 3	$ 1	$ 118	$ 122
Adjustments for the removal of related balances in accumulated other comprehensive income originating from unrealized gains (losses)	—	—	3	3
Post-adoption January 1, 2021 VOBA balance	$ 3	$ 1	$ 121	$ 125

Prior to the adoption of LDTI, VOBA for investment-oriented products included the effect of unrealized gains or losses on fixed maturity securities classified as available for sale. At the transition date, these adjustments were removed with a corresponding offset in AOCI. As the available for sale portfolio was in an unrealized gain position as of the transition date, the adjustment for removal of related balances in AOCI originating from unrealized gains (losses) balances were reducing VOBA.

The following table presents a rollforward of deferred policy acquisition costs related to long-duration contracts for the six months ended June 30, 2023 and 2022:

Six Months Ended June 30, 2023 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Balance, beginning of year	**$ 4,643**	**$ 1,060**	**$ 4,718**	**$ 51**	**$ 10,472**
Capitalization	**358**	**37**	**221**	**10**	**626**
Amortization expense	**(274)**	**(41)**	**(189)**	**(4)**	**(508)**
Other, including foreign exchange	**—**	**—**	**33**	**—**	**33**
Balance, end of period	**$ 4,727**	**$ 1,056**	**$ 4,783**	**$ 57**	**$ 10,623**
Value of Business Acquired	**2**	**—**	**90**	**—**	**92**
Deferred policy acquisition costs and value of business acquired	**$ 4,729**	**$ 1,056**	**$ 4,873**	**$ 57**	**$ 10,715**

Six Months Ended June 30, 2022 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Balance, beginning of year	$ 4,604	$ 1,078	$ 4,765	$ 38	$ 10,485
Capitalization	280	29	203	6	518
Amortization expense	(245)	(39)	(203)	(3)	(490)
Other, including foreign exchange	2	—	(58)	—	(56)
Balance, end of period	$ 4,641	$ 1,068	$ 4,707	$ 41	$ 10,457
Value of Business Acquired	2	1	95	—	98
Deferred policy acquisition costs and value of business acquired	$ 4,643	$ 1,069	$ 4,802	$ 41	$ 10,555

The following table presents a rollforward of value of business acquired for the six months ended June 30, 2023 and 2022:

Six Months Ended June 30,	2023				2022			
(in millions)	Individual Retirement	Group Retirement	Life Insurance	Total	Individual Retirement	Group Retirement	Life Insurance	Total
Balance, beginning of year	$ 3	$ 1	$ 87	$ 91	$ 3	$ 1	$ 109	$ 113
Amortization expense	(1)	—	(5)	(6)	—	—	(5)	(5)
Other, including foreign exchange	—	(1)	8	7	(1)	—	(9)	(10)
Balance, end of period	$ 2	$ —	$ 90	$ 92	$ 2	$ 1	$ 95	$ 98

DEFERRED SALES INDUCEMENTS

We offer deferred sales inducements ("DSI") which include enhanced crediting rates or bonus payments to contract holders (bonus interest) on certain annuity and investment contract products. To qualify for such accounting treatment, the bonus interest must be explicitly identified in the contract at inception. We must also demonstrate that such amounts are incremental to amounts we credit on similar contracts without bonus interest and are higher than the contracts' expected ongoing crediting rates for periods after the bonus period. DSI is reported in Other assets, while amortization related to DSI is recorded in Interest credited to policyholder account balances.

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

DSI amounts were deferred and amortized over the life of the contract in relation to the incidence of EGPs to be realized over the estimated lives of the contracts. DSI was adjusted for the effect on EGPs of unrealized gains and losses on available-for-sale securities, with related changes recognized through Other comprehensive income.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

DSI amounts are deferred and amortized on a constant level basis over the life of the contract consistent with DAC. Changes in future assumptions (e.g., expected duration of contracts) are applied by adjusting the amortization rate prospectively rather than through a retrospective catch up adjustment. The Company has elected to implicitly account for actual experience, whether favorable or unfavorable, in its amortization expense each period, consistent with DAC.

The following table presents the transition rollforward for deferred sales inducement assets for long-duration contracts:

(in millions)	Individual Retirement	Group Retirement	Total
Pre-adoption December 31, 2020 deferred sales inducement assets balance	$ 194	$ 91	$ 285
Adjustments for the removal of related balances in Accumulated other comprehensive income originating from unrealized gains (losses)	282	114	396
Post-adoption January 1, 2021 deferred sales inducement asset balance	$ 476	$ 205	$ 681

Prior to the adoption of LDTI, deferred sales inducements for investment-oriented products included the effect of unrealized gains or losses on fixed maturity securities classified as available-for-sale. At the transition date, these adjustments were removed with a corresponding offset in AOCI. As the available for sale portfolio was in an unrealized gain position as of the transition date, the adjustment for removal of related balances in AOCI originating from unrealized gains (losses) balances were reducing DSI.

The following table presents a rollforward of deferred sales inducement assets related to long-duration contracts for the six months ended June 30, 2023 and 2022:

Six Months Ended June 30,	2023			2022		
(in millions)	Individual Retirement	Group Retirement	Total	Individual Retirement	Group Retirement	Total
Balance, beginning of year	$ 381	$ 177	$ 558	$ 428	$ 191	$ 619
Capitalization	4	1	5	4	—	4
Amortization expense	(27)	(7)	(34)	(26)	(7)	(33)
Balance, end of period	$ 358	$ 171	$ 529	$ 406	$ 184	$ 590
Other reconciling items*			2,151			2,467
Other assets, including restricted cash			$ 2,680			$ 3,057

* Other reconciling items include prepaid expenses, goodwill, intangible assets and any similar items.

11. Insurance Liabilities

FUTURE POLICY BENEFITS

Future policy benefits primarily include reserves for traditional life and annuity payout contracts, which represent an estimate of the present value of future benefits less the present value of future net premiums. Included in Future policy benefits are liabilities for annuities issued in structured settlement arrangements whereby a claimant receives life contingent payments over their lifetime. Also included are pension risk transfer arrangements whereby an upfront premium is received in exchange for guaranteed retirement benefits. All payments under these arrangements are fixed and determinable with respect to their amounts and dates.

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

Future policy benefits for traditional and limited pay contracts were reserved using actuarial assumptions locked-in at contract issuance. These assumptions were only updated when a loss recognition event occurred. Also included in Future policy benefits, were reserves for contracts in loss recognition, including the adjustment to reflect the effect of unrealized gains on fixed maturity securities available for sale with related changes recognized through Other comprehensive income.

Future policy benefits also included certain guaranteed benefits of annuity products that were not considered embedded derivatives.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

For traditional and limited pay long-duration products, benefit reserves are accrued and benefit expense is recognized using a NPR methodology for each annual cohort of business. This NPR method incorporates periodic retrospective revisions to the NPR to reflect updated actuarial assumptions and variances in actual versus expected experience. The Future policy benefit liability is accrued by multiplying the gross premium recognized in each period by the NPR. The net premium is equal to the portion of the gross premium required to provide for all benefits and certain expenses and may not exceed 100%. Benefits in excess of premiums are expensed immediately through Policyholder benefits. In addition, periodic revisions to the NPR below 100% may result in reclassification between the benefit reserves and deferred profit liability for limited pay contracts.

Insurance contracts are aggregated into annual cohorts for the purposes of determining the Liability for future policy benefits (“LFPB”), but are not aggregated across segments. These annual cohorts may be further segregated based on product characteristics, or to distinguish business reinsured from non-reinsured business or products issued in different functional currencies. The assumptions used to calculate the future policy benefits include discount rates, persistency and recognized morbidity and mortality tables modified to reflect the Company's experience.

The current discount rate assumption for the liability for future policy benefits is derived from market observable yields on upper-medium-grade fixed income instruments. The Company uses an external index as the source of the yields on these instruments for the first 30 years. For years 30 to 50, the yield is derived using market observable yields. Yields for years 50 to 100 are extrapolated using a flat forward approach, maintaining a constant forward spread through the period. The current discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date, with the resulting change in the discount rate reflected in OCI.

The method for constructing and applying the locked-in discount rate assumptions on newly issued business is determined based on factors such as product characteristics and the expected timing of cash flows. This discount rate assumption is derived from market observable yields on upper-medium-grade fixed income instruments. Similar to the current discount rate assumption, the Company may employ conversion and interpolation methodologies when necessary. The applicable interest accretion is reflected in Policyholder benefits in the Condensed Consolidated Statements of Income (Loss).

The following table presents the transition rollforward of the liability for future policy benefits for nonparticipating contracts:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Pre-adoption December 31, 2020 liability for future policy benefits balance	$ 1,309	$ 282	$ 11,129	$ 11,029	$ 22,206	$ 45,955
Adjustments for the reclassification to the deferred profit liability	(65)	(8)	—	(766)	(859)	(1,698)
Change in cash flow assumptions and effect of net premiums exceeding gross premiums	(14)	2	16	4	55	63
Effect of the remeasurement of the liability at a current single A rate	156	63	2,977	1,655	7,611	12,462
Adjustment for the removal of loss recognition balances related to unrealized gain or loss on securities and other	(63)	(60)	4	(292)	—	(411)
Post-adoption January 1, 2021 liability for future policy benefits balance	$ 1,323	$ 279	$ 14,126	$ 11,630	$ 29,013	$ 56,371

Adjustments for the reclassification between the liability for future policy benefits and deferred profit liability represent changes in the NPRs that are less than 100% at transition for certain limited pay cohorts, resulting in a reclassification between the two liabilities, with no impact on Retained earnings.

Adjustments for changes in cash flow assumptions represents revised NPRs in excess of 100% for certain cohorts at transition, with an offset to Retained earnings.

The effect of the remeasurement at the current single A rate is reported at the transition date and each subsequent balance sheet date, with an offset in AOCI.

Prior to adoption, loss recognition for traditional products was adjusted for the effect of unrealized gains on fixed maturity securities available for sale. At the transition date, these adjustments were removed with a corresponding offset in AOCI.

The following tables present the balances and changes in the liability for future policy benefits and a reconciliation of the net liability for future policy benefits to the liability for future policy benefits in the Condensed Consolidated Balance Sheets:

Six Months Ended June 30, 2023 *(in millions, except for liability durations)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Present value of expected net premiums						
Balance, beginning of year	$ —	$ —	$ 11,654	$ —	$ 991	$ 12,645
Effect of changes in discount rate assumptions (AOCI)	—	—	1,872	—	66	1,938
Beginning balance at original discount rate	—	—	13,526	—	1,057	14,583
Effect of changes in cash flow assumptions	—	—	—	—	—	—
Effect of actual variances from expected experience	—	—	10	—	6	16
Adjusted beginning of year balance	—	—	13,536	—	1,063	14,599
Issuances	—	—	666	—	—	666
Interest accrual	—	—	214	—	23	237
Net premium collected	—	—	(719)	—	(59)	(778)
Foreign exchange impact	—	—	206	—	—	206
Other	—	—	10	—	—	10
Ending balance at original discount rate	—	—	13,913	—	1,027	14,940
Effect of changes in discount rate assumptions (AOCI)	—	—	(1,904)	—	(61)	(1,965)
Balance, end of period	$ —	$ —	$ 12,009	$ —	$ 966	$ 12,975
Present value of expected future policy benefits						
Balance, beginning of year	$ 1,223	$ 211	$ 21,179	$ 12,464	$ 20,429	$ 55,506
Effect of changes in discount rate assumptions (AOCI)	167	2	3,424	2,634	1,083	7,310
Beginning balance at original discount rate	1,390	213	24,603	15,098	21,512	62,816
Effect of changes in cash flow assumptions[(a)]	—	—	—	—	—	—
Effect of actual variances from expected experience[(a)]	(1)	—	36	17	(8)	44
Adjusted beginning of year balance	1,389	213	24,639	15,115	21,504	62,860
Issuances	120	6	656	3,301	3	4,086
Interest accrual	25	5	450	301	513	1,294
Benefit payments	(65)	(13)	(943)	(521)	(739)	(2,281)
Foreign exchange impact	—	—	236	308	—	544
Other	—	—	5	—	(6)	(1)
Ending balance at original discount rate	1,469	211	25,043	18,504	21,275	66,502
Effect of changes in discount rate assumptions (AOCI)	(158)	(1)	(3,386)	(2,752)	(822)	(7,119)
Balance, end of period	$ 1,311	$ 210	$ 21,657	$ 15,752	$ 20,453	$ 59,383
Net liability for future policy benefits, end of period	1,311	210	9,648	15,752	19,487	46,408
Liability for future policy benefits for certain participating contracts	—	—	13	—	1,316	1,329
Liability for universal life policies with secondary guarantees and similar features[(b)]	—	—	3,402	—	56	3,458
Deferred profit liability	86	10	17	1,468	869	2,450
Other reconciling items[(c)]	35	3	513	—	92	643
Future policy benefits for life and accident and health insurance contracts	1,432	223	13,593	17,220	21,820	54,288
Less: Reinsurance recoverable:	(4)	—	(1,148)	(39)	(21,820)	(23,011)
Net liability for future policy benefits after reinsurance recoverable	$ 1,428	$ 223	$ 12,445	$ 17,181	$ —	$ 31,277
Weighted average liability duration of the liability for future policy benefits[(d)]	7.8	6.9	12.5	11.6	11.5	

Six Months Ended June 30, 2022 *(in millions, except for liability durations)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Present value of expected net premiums						
Balance, beginning of year	$ —	$ —	$ 14,369	$ —	$ 1,274	$ 15,643
Effect of changes in discount rate assumptions (AOCI)	—	—	(706)	—	(150)	(856)
Beginning balance at original discount rate	—	—	13,663	—	1,124	14,787
Effect of changes in cash flow assumptions	—	—	—	—	—	—
Effect of actual variances from expected experience	—	—	(8)	—	4	(4)
Adjusted beginning of year balance	—	—	13,655	—	1,128	14,783
Issuances	—	—	728	—	—	728
Interest accrual	—	—	199	—	25	224
Net premium collected	—	—	(710)	—	(62)	(772)
Foreign exchange impact	—	—	(479)	—	—	(479)
Other	—	—	—	—	—	—
Ending balance at original discount rate	—	—	13,393	—	1,091	14,484
Effect of changes in discount rate assumptions (AOCI)	—	—	(1,174)	—	(16)	(1,190)
Balance, end of period	$ —	$ —	$ 12,219	$ —	$ 1,075	$ 13,294
Present value of expected future policy benefits						
Balance, beginning of year	$ 1,373	$ 264	$ 27,442	$ 13,890	$ 27,674	$ 70,643
Effect of changes in discount rate assumptions (AOCI)	(95)	(46)	(2,717)	(870)	(5,673)	(9,401)
Beginning balance at original discount rate	1,278	218	24,725	13,020	22,001	61,242
Effect of changes in cash flow assumptions[(a)]	—	—	—	—	—	—
Effect of actual variances from expected experience[(a)]	(7)	(1)	(6)	(5)	(18)	(37)
Adjusted beginning of year balance	1,271	217	24,719	13,015	21,983	61,205
Issuances	102	7	726	708	5	1,548
Interest accrual	20	4	439	215	615	1,293
Benefit payments	(56)	(13)	(905)	(390)	(746)	(2,110)
Foreign exchange impact	—	—	(610)	(318)	—	(928)
Other	—	—	(1)	—	(98)	(99)
Ending balance at original discount rate	1,337	215	24,368	13,230	21,759	60,909
Effect of changes in discount rate assumptions (AOCI)	(109)	10	(1,868)	(1,712)	451	(3,228)
Balance, end of period	$ 1,228	$ 225	$ 22,500	$ 11,518	$ 22,210	$ 57,681
Net liability for future policy benefits, end of year	1,228	225	10,281	11,518	21,135	44,387
Liability for future policy benefits for certain participating contracts	—	—	14	—	1,359	1,373
Liability for universal life policies with secondary guarantees and similar features[(b)]	—	—	3,608	—	55	3,663
Deferred profit liability	87	12	13	1,184	903	2,199
Other reconciling items[(c)]	29	—	507	—	111	647
Future policy benefits for life and accident and health insurance contracts	1,344	237	14,423	12,702	23,563	52,269
Less: Reinsurance recoverable:	(4)	—	(1,253)	(43)	(23,547)	(24,847)
Net liability for future policy benefits after reinsurance recoverable	$ 1,340	$ 237	$ 13,170	$ 12,659	$ 16	$ 27,422
Weighted average liability duration of the liability for future policy benefits[(d)]	7.7	7.2	12.7	11.1	12.0	

(a) Effect of changes in cash flow assumptions and variances from actual experience are partially offset by changes in the deferred profit liability.

(b) Additional details can be found in the table that presents the balances and changes in the liability for universal life policies with secondary guarantees and similar features.

(c) Other reconciling items primarily include the Accident and Health as well as Group Benefits (short-duration) contracts.

(d) The weighted average liability durations are calculated as the modified duration using projected future net liability cashflows that are aggregated at the segment level, utilizing the segment level weighted average interest rates and current discount rate, which can be found in the table below.

For the six months ended June 30, 2023 and 2022 in the traditional term life insurance block, capping of net premium ratios at 100% causes our reserves to be higher by $32 million and $13 million, respectively, with a charge to net income. The discount rate was updated based on market observable information. Relative to prior period, the increase in upper-medium-grade fixed income yields resulted in a decrease in the liability for future policy benefits.

The following table presents the amount of undiscounted expected future benefit payments and undiscounted and discounted expected gross premiums for future policy benefits for nonparticipating contracts:

(in millions)		Six Months Ended June 30, 2023	2022
Individual Retirement	Undiscounted expected future benefits and expense	**$ 2,115**	$ 1,835
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Group Retirement	Undiscounted expected future benefits and expense	**$ 316**	$ 328
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Life Insurance	Undiscounted expected future benefits and expense	**$ 39,848**	$ 38,406
	Undiscounted expected future gross premiums	**$ 29,792**	$ 28,810
	Discounted expected future gross premiums (at current discount rate)	**$ 19,207**	$ 19,704
Institutional Markets	Undiscounted expected future benefits and expense	**$ 33,474**	$ 21,092
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Corporate and Other *	Undiscounted expected future benefits and expense	**$ 43,791**	$ 45,258
	Undiscounted expected future gross premiums	**$ 2,179**	$ 2,346
	Discounted expected future gross premiums (at current discount rate)	**$ 1,435**	$ 1,602

* Represents activity ceded to Fortitude Re.

The following table presents the amount of revenue and interest recognized in the Condensed Consolidated Statement of Income (Loss) for future policy benefits for nonparticipating contracts:

	Gross Premiums Six Months Ended June 30,		Interest Accretion Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement	**$ 136**	$ 108	**$ 25**	$ 20
Group Retirement	**10**	13	**5**	4
Life Insurance	**1,175**	1,168	**236**	240
Institutional Markets	**3,500**	747	**301**	215
Corporate and Other	**107**	113	**490**	590
Total	**$ 4,928**	$ 2,149	**$ 1,057**	$ 1,069

The following table presents the weighted-average interest rate for future policy benefits for nonparticipating contracts:

June 30, 2023	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other
Weighted-average interest rate, original discount rate	**3.73 %**	**5.14 %**	**4.09 %**	**3.95 %**	**4.88 %**
Weighted-average interest rate, current discount rate	**5.27 %**	**5.26 %**	**5.27 %**	**5.34 %**	**5.25 %**
June 30, 2022					
Weighted-average interest rate, original discount rate	3.37 %	5.20 %	4.15 %	3.30 %	4.84 %
Weighted-average interest rate, current discount rate	4.61 %	4.58 %	4.62 %	4.52 %	4.72 %

The weighted average interest rates are calculated using projected future net liability cash flows that are aggregated to the segment level, and are represented as an annual rate.

Deferred Profit Liability: Corebridge issues certain annuity and life insurance contracts where premiums are paid up-front or for a shorter period than benefits will be paid (i.e., limited pay contracts). A DPL is required to be established to avoid recognition of gains when these contracts are issued. DPLs are amortized over the life of the contracts to align the revenue recognized with the related benefit expenses. The DPL is amortized in a constant relationship to the amount of discounted insurance in force for life insurance or expected future benefit payments for annuity contracts over the term of the contract.

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

Limited pay contracts were subject to a lock-in concept and assumptions derived at policy issue were not subsequently updated unless a loss recognition event occurred. The net premiums were recorded as revenue. The difference between the gross premium received and the net premium was deferred and recognized in premiums in a constant relationship to insurance in-force, or for annuities, the amount of expected future policy benefits. This unearned revenue (deferred profit) was recorded in the Condensed Consolidated Balance Sheets in Other policyholder funds.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

The difference between the gross premium received and recorded as revenue and the net premium is deferred and recognized in Policyholder benefits in a constant relationship to insurance in-force, or for annuities, the amount of expected future policy benefits. This deferred profit liability accretes interest and is recorded in the Condensed Consolidated Balance Sheets in Future policy benefits. Cash flow assumptions included in the measurement of the DPL are the same as those utilized in the respective LFPBs and are reviewed at least annually. The cash flow estimates for DPLs are updated on a retrospective catch-up basis at the same time as the cash flow estimates for the related LFPBs. The updated LFPB cash flows are used to recalculate the DPL at the inception of the applicable related LFPB cohort. The difference between the recalculated DPL at the beginning of the current reporting period and the carrying amount of the DPL at the current reporting period is recognized as a gain or loss in Policyholder benefits in the Condensed Consolidated Statements of Income (Loss).

The following table presents the transition rollforward for deferred profit liability for long-duration contracts:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Pre-adoption December 31, 2020 deferred profit liability balance	$ 2	$ —	$ 5	$ 64	$ —	$ 71
Adjustments for the reclassification from/(to) the liability for the future policy benefits	65	8	—	766	859	1,698
Post-adoption January 1, 2021 deferred profit liability balance	$ 67	$ 8	$ 5	$ 830	$ 859	$ 1,769

Adjustments for the reclassification between the liability for future policy benefits and deferred profit liability represent changes in the NPRs that are less than 100% at transition for certain limited pay cohorts, resulting in a reclassification between the two liabilities, with no impact on retained earnings.

Additional Liabilities: For universal-life type products, insurance benefits in excess of the account balance are generally recognized as expenses in the period incurred unless the design of the product is such that future charges are insufficient to cover the benefits, in which case an “additional liability” is accrued over the life of the contract. These additional liabilities are included in Future policy benefits for life and accident and health insurance contracts in the Condensed Consolidated Balance Sheets. Prior to the adoption of the standard, our additional liabilities consisted primarily of GMDBs on annuities, as well as universal-life contracts with secondary guarantees. Subsequent to the adoption of this standard, the GMDBs have been reclassified and reported as MRBs, while the universal-life contracts with secondary guarantees continue to be reported as additional liabilities.

The following table presents the transition rollforward of the additional liabilities:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Corporate and Other	Total
Pre-adoption December 31, 2020 additional liabilities	$ 1,391	$ 219	$ 5,117	$ 55	$ 6,782
Adjustment for the reclassification of additional liabilities from Future policy benefits to Market risk benefits[(a)]	(875)	(130)	—	—	(1,005)
Adjustment for removal of related balances in Accumulated other comprehensive income (loss) originating from unrealized gains (losses)[(b)]	(516)	(89)	—	—	(605)
Post-adoption January 1, 2021 additional liabilities	$ —	$ —	$ 5,117	$ 55	$ 5,172

(a) Adjustments for the reclassification of additional liabilities from Future policy benefits to MRBs represent contract guarantees (e.g., GMDBs) that were previously classified as insurance liabilities within Future policy benefits, but have been reclassified as MRBs as of January 1, 2021. *For additional information on the transition impacts associated with LDTI, see Note 13.*

(b) Adjustments for the removal of related balances in AOCI originating from unrealized gains (losses) relate to the additional liabilities reclassified from Future policy benefits in the line above.

Post-adoption, our additional liabilities primarily consist of universal life policies with secondary guarantees and these additional liabilities are recognized in addition to the Policyholder account balances. For universal life policies with secondary guarantees, as well as other universal life policies for which profits followed by losses are expected at contract inception, a liability is recognized based on a benefit ratio of (a) the present value of total expected payments, in excess of the account value, over the life of the contract, divided by (b) the present value of total expected assessments over the life of the contract. For universal life policies without secondary guarantees, for which profits followed by losses are first expected after contract inception, we establish a liability, in addition to policyholder account balances, so that expected future losses are recognized in proportion to the emergence of profits in the earlier (profitable) years. Universal life account balances are reported within Policyholder contract deposits, while these additional liabilities are reported within the liability for future policy benefits in the Condensed Consolidated Balance Sheets. These additional liabilities are also adjusted to reflect the effect of unrealized gains or losses on fixed maturity securities available for sale on accumulated assessments, with related changes recognized through Other comprehensive income. The policyholder behavior assumptions for these liabilities include mortality, lapses and premium persistency. The capital market assumptions used for the liability for universal life secondary guarantees include discount rates and net earned rates.

The following table presents the balances and changes in the liability for universal life policies with secondary guarantees and similar features:

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
(in millions, except duration of liability)	Life Insurance	Corporate and Other	Total	Life Insurance	Corporate and Other	Total
Balance, beginning of year	**$ 3,300**	**$ 55**	**$ 3,355**	$ 4,952	$ 55	$ 5,007
Effect of changes in experience	**149**	**(1)**	**148**	194	(2)	192
Adjusted beginning balance	**$ 3,449**	**$ 54**	**$ 3,503**	$ 5,146	$ 53	$ 5,199
Assessments	**341**	**1**	**342**	344	1	345
Excess benefits paid	**(457)**	**—**	**(457)**	(496)	—	(496)
Interest accrual	**61**	**1**	**62**	65	1	66
Other	**(3)**	**—**	**(3)**	(5)	—	(5)
Changes related to unrealized appreciation (depreciation) of investments	**11**	**—**	**11**	(1,446)	—	(1,446)
Balance, end of period	**$ 3,402**	**$ 56**	**$ 3,458**	$ 3,608	$ 55	$ 3,663
Less: Reinsurance recoverable	**(172)**	**—**	**(172)**	(209)	—	(209)
Balance, end of period net of Reinsurance recoverable	**$ 3,230**	**$ 56**	**$ 3,286**	$ 3,399	$ 55	$ 3,454
Weighted average duration of liability *	**26.2**	**9.2**		27.1	9.7	

* The weighted average duration of liabilities is calculated as the modified duration using projected future net liability cashflows that are aggregated at the segment level, utilizing the segment level weighted average interest rates, which can be found in the table below.

The following table presents the amount of revenue and interest recognized in the Condensed Consolidated Statements of Income (Loss) for the liability for universal life policies with secondary guarantees and similar features:

	Gross Assessments Six Months Ended June 30,		Interest Accretion Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Life Insurance	**$ 573**	$ 576	**$ 61**	$ 65
Corporate and Other	**20**	19	**1**	1
Total	**$ 593**	$ 595	**$ 62**	$ 66

The following table presents the calculation of weighted average interest rate for the liability for universal life policies with secondary guarantees and similar features:

June 30,	**2023**		2022	
	Life Insurance	**Corporate and Other**	**Life Insurance**	**Corporate and Other**
Weighted-average interest rate	**3.77 %**	**4.20 %**	3.75 %	4.20 %

The weighted average interest rates are calculated using projected future net liability cash flows that are aggregated to the segment level, and are represented as an annual rate.

The following table presents details concerning our universal life policies with secondary guarantees and similar features:

	Six Months Ended June 30,	
(in millions, except for attained age of contract holders)	**2023**	2022
Account value	**$ 3,604**	$ 3,406
Net amount at risk	**$ 70,850**	$ 66,889
Average attained age of contract holders	**53**	53

POLICYHOLDER CONTRACT DEPOSITS

The liability for Policyholder contract deposits is primarily recorded at accumulated value (deposits received and net transfers from separate accounts, plus accrued interest credited, less withdrawals and assessed fees). Deposits collected on investment-oriented products are not reflected as revenues. They are recorded directly to Policyholder contract deposits upon receipt. Amounts assessed against the contract holders for mortality, administrative, and other services are included as Policy fees in revenues.

In addition to liabilities for universal life, fixed annuities, fixed options within variable annuities, annuities without life contingencies, funding agreements and GICs, policyholder contract deposits also include our liability for (i) index features accounted for as embedded derivatives at fair value, (ii) annuities issued in a structured settlement arrangement with no life contingency and (iii) certain contracts we have elected to account for at fair value. Changes in the fair value of the embedded derivatives related to policy index features and the fair value of derivatives hedging these liabilities are recognized in realized gains and losses.

For additional information on index credits accounted for as embedded derivatives, see Note 4.

Under a funding agreement-backed notes issuance program, an unaffiliated, non-consolidated statutory trust issues medium-term notes to investors, which are secured by funding agreements issued to the trust by one of our subsidiaries through our Institutional Markets business.

The following table presents the transition rollforward of Policyholder contract deposits account balances:

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Pre-adoption December 31, 2020 Policyholder contract deposits	$ 85,097	$ 43,805	$ 10,286	$ 11,559	$ 4,145	$ 154,892
Adjustment for the reclassification of the embedded derivative liability to market risk benefits, net of the host adjustment(s)	(5,894)	(577)	—	—	—	(6,471)
Post-adoption January 1, 2021 Policyholder contract deposits	$ 79,203	$ 43,228	$ 10,286	$ 11,559	$ 4,145	$ 148,421

The following table presents the balances and changes in Policyholder contract deposits account balances[a]:

Six Months Ended June 30, 2023 *(in millions, except for average crediting rate)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Policyholder contract deposits account balance, beginning of year	**$ 89,554**	**$ 43,395**	**$ 10,224**	**$ 11,734**	**$ 3,587**	**$ 158,494**
Deposits	**8,898**	**2,597**	**809**	**1,608**	**22**	**13,934**
Policy charges	**(462)**	**(238)**	**(764)**	**(34)**	**(31)**	**(1,529)**
Surrenders and withdrawals	**(6,585)**	**(3,979)**	**(122)**	**(421)**	**(42)**	**(11,149)**
Benefit payments	**(2,012)**	**(1,080)**	**(100)**	**(283)**	**(171)**	**(3,646)**
Net transfers from (to) separate account	**1,637**	**1,221**	**—**	**473**	**—**	**3,331**
Interest credited	**863**	**554**	**188**	**218**	**85**	**1,908**
Other	**(3)**	**4**	**(32)**	**(1)**	**8**	**(24)**
Policyholder contract deposits account balance, end of period	**$ 91,890**	**$ 42,474**	**$ 10,203**	**$ 13,294**	**$ 3,458**	**$ 161,319**
Other reconciling items[b]	**(1,598)**	**(254)**	**135**	**42**	**—**	**(1,675)**
Policyholder contract deposits	**90,292**	**42,220**	**10,338**	**13,336**	**3,458**	**159,644**
Weighted average crediting rate	**2.59 %**	**2.84 %**	**4.30 %**	**3.54 %**	**4.95 %**	
Cash surrender value[c]	**$ 85,417**	**$ 41,550**	**$ 8,976**	**$ 2,555**	**$ 1,762**	**$ 140,260**

Six Months Ended June 30, 2022 *(in millions, except for average crediting rate)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate and Other	Total
Policyholder contract deposits account balance, beginning of year	$ 84,097	$ 43,902	$ 10,183	$ 10,804	$ 3,823	$ 152,809
Deposits	7,547	2,341	835	162	24	10,909
Policy charges	(395)	(259)	(782)	(34)	(33)	(1,503)
Surrenders and withdrawals	(4,008)	(2,726)	(103)	(27)	(32)	(6,896)
Benefit payments	(1,996)	(1,072)	(119)	(160)	(178)	(3,525)
Net transfers from (to) separate account	1,074	1,155	(2)	14	—	2,241
Interest credited	882	550	193	128	90	1,843
Other	6	1	(10)	(29)	7	(25)
Policyholder contract deposits account balance, end of period	$ 87,207	$ 43,892	$ 10,195	$ 10,858	$ 3,701	$ 155,853
Other reconciling items[b]	(2,245)	(353)	(60)	43	1	(2,614)
Policyholder contract deposits	84,962	43,539	10,135	10,901	3,702	153,239
Weighted average crediting rate	2.38 %	2.72 %	4.25 %	2.40 %	4.90 %	
Cash surrender value[c]	$ 81,207	$ 43,094	$ 8,935	$ 2,524	$ 1,839	$ 137,599

(a) Transactions between the general account and the separate account are presented in this table on a gross basis (e.g., a policyholder's funds are initially deposited into the general account and then simultaneously transferred to the separate account), and thus, did not impact the ending balance of policyholder contract deposits.

(b) Reconciling items principally relate to MRBs that are bifurcated and reported separately, net of embedded derivatives that are recorded in PCD.

(c) Cash surrender value is related to the portion of policyholder contract deposits that have a defined cash surrender value (e.g. GICs do not have a cash surrender value).

For information related to net amount at risk, refer to the table that presents the balances of and changes in MRBs in Note 12.

The following table presents Policyholder contract deposits account balance 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:

June 30, 2023 *(in millions, except percentage of total)*		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 7,044	$ 2,390	$ 23,797	$ 33,231
	> 1% - 2%	4,151	23	2,067	6,241
	> 2% - 3%	8,831	11	732	9,574
	> 3% - 4%	7,122	39	6	7,167
	> 4% - 5%	446	—	4	450
	> 5%	32	—	4	36
	Total	$ 27,626	$ 2,463	$ 26,610	$ 56,699
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 2,018	$ 2,574	$ 6,382	$ 10,974
	> 1% - 2%	4,050	1,624	391	6,065
	> 2% - 3%	13,123	89	62	13,274
	> 3% - 4%	651	—	—	651
	> 4% - 5%	6,799	—	—	6,799
	> 5%	151	—	—	151
	Total	$ 26,792	$ 4,287	$ 6,835	$ 37,914
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	—	131	350	481
	> 2% - 3%	10	872	1,083	1,965
	> 3% - 4%	1,190	322	201	1,713
	> 4% - 5%	2,909	—	—	2,909
	> 5%	221	—	—	221
	Total	$ 4,330	$ 1,325	$ 1,634	$ 7,289
Total*		$ 58,748	$ 8,075	$ 35,079	$ 101,902
Percentage of total		58%	8%	34%	100%

June 30, 2022 (in millions, except percentage of total)		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 10,300	$ 1,775	$ 19,868	$ 31,943
	> 1% - 2%	4,300	25	1,666	5,991
	> 2% - 3%	9,995	1	18	10,014
	> 3% - 4%	7,934	40	6	7,980
	> 4% - 5%	471	—	5	476
	> 5%	34	—	4	38
	Total	$ 33,034	$ 1,841	$ 21,567	$ 56,442
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 3,817	$ 1,717	$ 4,674	$ 10,208
	> 1% - 2%	6,310	410	7	6,727
	> 2% - 3%	14,556	—	—	14,556
	> 3% - 4%	696	—	—	696
	> 4% - 5%	6,953	—	—	6,953
	> 5%	159	—	—	159
	Total	$ 32,491	$ 2,127	$ 4,681	$ 39,299
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	105	24	350	479
	> 2% - 3%	240	638	1,108	1,986
	> 3% - 4%	1,395	186	189	1,770
	> 4% - 5%	3,024	—	—	3,024
	> 5%	226	—	—	226
	Total	$ 4,990	$ 848	$ 1,647	$ 7,485
Total*		$ 70,515	$ 4,816	$ 27,895	$ 103,226
Percentage of total		68%	5%	27%	100%

* Excludes policyholder contract deposits account balances that are not subject to guaranteed minimum crediting rates.

OTHER POLICYHOLDER FUNDS

Other policyholder funds include URR, consisting of front-end loads on investment-oriented contracts, representing those policy loads that are non-level and typically higher in initial policy years than in later policy years. Amortization of URR is recorded in Policy fees.

Prior to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

URR for investment-oriented contracts are generally deferred and amortized, with interest, in relation to the incidence of EGPs to be realized over the estimated lives of the contracts and are subject to the same adjustments due to changes in the assumptions underlying EGPs as DAC. Similar to unrealized appreciation (depreciation) of investments for DAC, URR related to investment-oriented products is also adjusted to reflect the effect of unrealized gains or losses on fixed maturity securities available for sale on EGPs, with related changes recognized through Other comprehensive income.

Subsequent to the adoption of the Targeted Improvements to the Accounting for Long-Duration Contracts Standard

URR for investment-oriented contracts are generally deferred and amortized into income using the same assumptions and factors used to amortize DAC (i.e., on a constant level basis). Changes in future assumptions are applied by adjusting the amortization rate prospectively. The Company has elected to implicitly account for actual experience, whether favorable or unfavorable, in its amortization of URR (i.e., policy fees) each period.

The following table presents the transition rollforward of URR:

(in millions)	Life Insurance	Institutional Markets	Corporate and Other	Total
Pre-adoption December 31, 2020 URR balance	$ 1,413	$ 2	$ 132	$ 1,547
Adjustment for the removal of related balances in Accumulated other comprehensive income originating from unrealized gains (losses)	248	—	—	248
Post-adoption January 1, 2021 URR balance	$ 1,661	$ 2	$ 132	$ 1,795

Prior to the adoption of LDTI, URR for investment-oriented products included the effect of unrealized gains or losses on fixed maturity securities classified as available for sale. At the transition date, these adjustments were removed with a corresponding offset in AOCI. As the available for sale portfolio was in an unrealized gain position as of the transition date, the adjustment for removal of related balances in AOCI originating from unrealized gains (losses) balances were reducing URR.

The following table presents a rollforward of the unearned revenue reserve for the six months ended June 30, 2023 and 2022:

Six Months Ended June 30, 2023 *(in millions)*	Life Insurance	Institutional Markets	Corporate and Other	Total
Balance, beginning of year	**$ 1,727**	**$ 2**	**$ 105**	**$ 1,834**
Revenue deferred	**76**	**—**	**—**	**76**
Amortization	**(55)**	**(1)**	**(5)**	**(61)**
Balance, end of period	**$ 1,748**	**$ 1**	**$ 100**	**$ 1,849**
Other reconciling items*				**1,042**
Other policyholder funds				**$ 2,891**

Six Months Ended June 30, 2022 *(in millions)*	Life Insurance	Institutional Markets	Corporate and Other	Total
Balance, beginning of year	$ 1,693	$ 2	$ 116	$ 1,811
Revenue deferred	70	—	—	70
Amortization	(54)	—	(6)	(60)
Balance, end of period	$ 1,709	$ 2	$ 110	$ 1,821
Other reconciling items*				1,047
Other policyholder funds				$ 2,868

* Other reconciling items include policyholders' dividend accumulations, provisions for future dividends to participating policyholders, dividends to policyholders and any similar items.

12. Market Risk Benefits

MRBs are defined as contracts or contract features that both provide protection to the contract holder from other-than-nominal capital market risk and expose Corebridge to other-than nominal capital market risk. The MRB is an amount that a policyholder receives in addition to the account balance upon the occurrence of a specific event or circumstance, such as death, annuitization, or periodic withdrawal that involves protection from other-than-nominal capital market risk. Certain contract features, such as GMWBs, GMDBs and guaranteed minimum income benefits (“GMIBs”) commonly found in variable, fixed index and fixed annuities, are MRBs. MRBs are assessed at contract inception using a non-option method involving attributed fees that results in an initial fair value of zero or an option method that results in a fair value greater than zero.

MRBs are recorded at fair value, and Corebridge applies a non-option attributed fee valuation method for variable annuity products, and an option-based valuation method (host offset) for both fixed index and fixed products. Under the non-option valuation method, the attributed fee is determined at contract inception; it cannot exceed the total contract fees and assessments collectible from the contract holder and cannot be less than zero. Investment margin is excluded from the attributed fee determination. Under the option-based valuation method, an offset to the host amount related to the MRB amount is established at inception. Changes in the fair value of MRBs are recorded in net income in Changes in the fair value of market risk benefits, net except for the portion of the fair value change attributable to our own credit risk, is recognized in OCI. MRBs are derecognized when the underlying contract is surrendered, a GMDB is incurred, a GMIB is annuitized, or when the account value is exhausted on a policy with a GMWB. When a policyholder elects to annuitize a GMIB rider or the account value on a policy with a GMWB rider is reduced to zero, the policy is converted to a payout annuity automatically. When a conversion occurs, the policyholder is issued a new payout annuity contract. At this point, the MRB is derecognized, and a LFPB is established for the payout annuity.

Assumptions used to determine the MRB asset (including ceded MRBs) or liability generally include mortality rates that are based upon actual experience modified to allow for variations in policy form; lapse rates that are based upon actual experience modified to allow for variations in policy features; and investment returns, based on stochastically generated scenarios. We evaluate at least annually estimates used to determine the MRB asset or liability and adjust the balance, with a related charge or credit to Change in fair value of market risk benefits, net, if actual experience or other evidence suggests that earlier assumptions should be revised. In addition, MRBs are valued such that the current provision for nonperformance risk is reflected in the claims cash flows of the asset or liability valuation for direct MRBs. The nonperformance risk spread at contract issue is locked-in. The difference between the MRB valued using the at issue nonperformance risk spread and the current nonperformance risk spread is reported through Other comprehensive income, while changes in the counterparty credit risk related to ceded MRBs are reported in income.

Changes in the fair value of Market Risk Benefits, net represents changes in the fair value of market risk benefit liabilities and assets (with the exception of our own credit risk changes), and includes attributed rider fees and benefits, net of changes in the fair value of derivative instruments and fixed maturity securities that are used to economically hedge market risk from the VA GMWB riders.

The following table presents the transition rollforward of MRBs:

(in millions)	Individual Retirement	Group Retirement	Total
Pre-adoption December 31, 2020 carrying amount for features now classified as MRBs	$ —	$ —	$ —
Adjustment for the reclassification of the embedded derivative liability from policyholder contract deposits, net of the host adjustment(s)[(a)]	5,894	577	6,471
Adjustment for the reclassification of additional liabilities from Future policy benefits[(b)]	1,356	219	1,575
Adjustments for the cumulative effect of the changes in our own credit risk between the original contract issuance date and the transition date[(c)]	2,140	187	2,327
Adjustment for the removal of related balances in Accumulated other comprehensive income originating from unrealized gains (losses)[(d)]	(516)	(89)	(605)
Adjustment for the remaining difference (exclusive of our own credit risk change and host contract adjustments) between previous carrying amount and fair value measurement for the MRB[(e)]	(1,275)	(92)	(1,367)
Post-adoption January 1, 2021 carrying amount for features now classified as MRBs	$ 7,599	$ 802	$ 8,401

(a) Adjustments for the reclassification from Policyholder contract deposits represents certain contract guarantees (e.g., GMWBs) that were previously classified as embedded derivatives, but have been reclassified as MRBs as of January 1, 2021, and the related host impact. The impact on Retained earnings or AOCI resulting from the simultaneous remeasurement of the guarantee as a market risk benefit is reflected in the lines below.

(b) Adjustments for the reclassification from Future policy benefits represents contract guarantees (e.g., GMDBs) that were previously classified as insurance liabilities within Future policy benefits, but have been reclassified as MRBs as of January 1, 2021. The impact on Retained earnings or AOCI resulting from the simultaneous remeasurement of the guarantee as a market risk benefit is reflected in the lines below.

(c) Adjustments for the cumulative effect of the changes in our own credit risk between the original contract issuance date and the transition date are recognized in AOCI.

(d) Adjustment for the removal of related balances in AOCI originating from unrealized gains (losses) with an offset to AOCI relate to the additional liabilities reclassified from Future policy benefits in the line above.

(e) Adjustment for the remaining difference represents the measurement of MRBs at fair value, excluding the impact of our own credit risk with an offset to Retained earnings.

The following is a reconciliation of MRBs by amounts in an asset position and in liability position to the MRB amounts in the Condensed Consolidated Balance Sheets at transition:

(in millions)	Individual Retirement	Group Retirement	Total
Market risk benefit in an asset position	$ 176	$ —	$ 176
Reinsured market risk benefit	162	—	162
Market Risk Benefit assets, at fair value	$ 338	$ —	$ 338
Market Risk Benefit liabilities, at fair value	7,937	802	8,739
Market risk benefit, net, January 1, 2021	$ 7,599	$ 802	$ 8,401

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

Six Months Ended June 30, 2023 *(in millions, except for attained age of contract holders)*		**Individual Retirement**		**Group Retirement**		**Total**
Balance, beginning of year	**$**	**3,738**	**$**	**296**	**$**	**4,034**
Balance, beginning of year, before effect of changes in our own credit risk	**$**	**3,297**	**$**	**272**	**$**	**3,569**
Issuances		**379**		**19**		**398**
Interest accrual		**78**		**8**		**86**
Attributed fees		**442**		**33**		**475**
Expected claims		**(48)**		**(1)**		**(49)**
Effect of changes in interest rates		**34**		**3**		**37**
Effect of changes in interest rate volatility		**(84)**		**(4)**		**(88)**
Effect of changes in equity markets		**(843)**		**(78)**		**(921)**
Effect of changes in equity index volatility		**8**		**(4)**		**4**
Actual outcome different from model expected outcome		**93**		**12**		**105**
Effect of changes in other future expected assumptions		**(94)**		**(29)**		**(123)**
Other, including foreign exchange		**—**		**(2)**		**(2)**
Balance, end of period, before effect of changes in our own credit risk		**3,262**		**229**		**3,491**
Effect of changes in our own credit risk		**564**		**47**		**611**
Balance, end of period		**3,826**		**276**		**4,102**
Less: Reinsured MRB, end of period		**(79)**		**—**		**(79)**
Net Liability Balance after reinsurance recoverable	**$**	**3,747**	**$**	**276**	**$**	**4,023**
Net amount at risk						
GMDB only	**$**	**1,068**	**$**	**212**	**$**	**1,280**
GMWB only	**$**	**56**	**$**	**4**	**$**	**60**
Combined*	**$**	**1,435**	**$**	**23**	**$**	**1,458**
Weighted average attained age of contract holders		**70**		**64**		

Six Months Ended June 30, 2022 *(in millions, except for attained age of contract holders)*		**Individual Retirement**		**Group Retirement**		**Total**
Balance, beginning of year	$	6,452	$	582	$	7,034
Balance, beginning of year, before effect of changes in our own credit risk	$	4,518	$	415	$	4,933
Issuances		97		11		108
Interest accrual		83		11		94
Attributed fees		409		37		446
Expected claims		(28)		(1)		(29)
Effect of changes in interest rates		(2,864)		(270)		(3,134)
Effect of changes in interest rate volatility		180		12		192
Effect of changes in equity markets		1,558		136		1,694
Effect of changes in equity index volatility		(42)		(4)		(46)
Actual outcome different from model expected outcome		130		13		143
Other, including foreign exchange		2		(8)		(6)
Balance, end of period before effect of changes in our own credit risk		4,043		352		4,395
Effect of changes in our own credit risk		355		20		375
Balance, end of period		4,398		372		4,770
Less: Reinsured MRB, end of period		(110)		—		(110)
Net Liability Balance after reinsurance recoverable	$	4,288	$	372	$	4,660
Net amount at risk						
GMDB only	$	1,828	$	396	$	2,224
GMWB only	$	58	$	5	$	63
Combined*	$	2,052	$	11	$	2,063
Weighted average attained age of contract holders		70		64		

* Certain contracts contain both guaranteed GMDB and GMWB features and are modeled together for the purposes of calculating the MRB.

The following is a reconciliation of MRBs by amounts in an asset position and in a liability position to the MRBs amount in the Condensed Consolidated Balance Sheets:

	June 30, 2023			June 30, 2022		
(in millions)	**Asset***	**Liability***	**Net**	**Asset***	**Liability***	**Net**
Individual Retirement	**$ 787**	**$ 4,534**	**$ 3,747**	$ 527	$ 4,815	$ 4,288
Group Retirement	**167**	**443**	**276**	115	487	372
Total	**$ 954**	**$ 4,977**	**$ 4,023**	$ 642	$ 5,302	$ 4,660

* Cash flows and attributed fees for MRBs are determined on a policy level basis and are reported based on their asset or liability position at the balance sheet date.

For additional information related to fair value measurements of MRBs, see Note 4.

ANNUITY GUARANTEES

Annuity contracts may include certain contractually guaranteed benefits to the contract holder. These guaranteed features include GMDBs that are payable in the event of death and living benefits that are payable when partial withdrawals exhaust a policy's account value, in the event of annuitization, or, in other instances, at specified dates during the accumulation period. Living benefits primarily include GMWBs. A variable annuity contract may include more than one type of guaranteed benefit feature; for example, it may have both a GMDB and a GMWB. However, a policyholder can only receive payout from one guaranteed feature on a contract containing a death benefit and a living benefit, i.e., the features are mutually exclusive (except a surviving spouse who has a rider to potentially collect both a GMDB upon their spouse's death and a GMWB during their lifetime). A policyholder cannot purchase more than one living benefit on one contract. The net amount at risk for each feature is calculated irrespective of the existence of other features; as a result, the net amount at risk for each feature is not additive to that of other features.

Guaranteed Benefits on Variable Annuities

Depending on the contract, the GMDB feature may provide a death benefit of either (a) total deposits made to the contract, less any partial withdrawals plus a minimum return (and in rare instances, no minimum return), (b) return of premium whereby the benefit is the greater of the current account value or premiums paid less any partial withdrawals, (c) rollups whereby the benefit is the greater of current account value or premiums paid (adjusted for withdrawals) accumulated at contractually specified rates up to specified ages, or (d) the highest contract value attained, typically on any anniversary date less any subsequent withdrawals following the contract anniversary. GMDB is our most widely offered benefit.

Certain of our variable annuity contracts also contain living benefit riders, which include optional GMWBs and, to a lesser extent, GMABs and GMIBs. These living benefits and GMDBs related to variable annuity contracts are accounted for as MRBs measured at fair value, with changes in the fair value (excluding changes in our own credit risk) recorded in Change in the fair value of market risk benefits, net. The net amount at risk for the GMWB represents benefits in excess of the account value assuming the utilization of all benefits by the contract holders at the balance sheet date. The net amount at risk for the GMDB feature represents the amount of guaranteed benefits in excess of account value if all policyholders died.

Guaranteed Benefits on Fixed Index and Fixed Annuities

Certain of our fixed annuity and fixed index annuity contracts, which are not offered through separate accounts, contain optional GMWBs. With a GMWB, the contract holder can monetize the excess of the guaranteed amount over the account value of the contract through a series of withdrawals that do not exceed a specific percentage per year of the guaranteed amount. Once the account value is exhausted, the contract holder will receive a series of annuity payments equal to the remaining guaranteed amount; for lifetime GMWB products, the annuity payments continue as long as the covered person(s) is living. The liability for GMWBs in fixed annuity and fixed index annuity contracts, which are recorded in MRBs, represents the expected value of benefits in excess of the projected account value, with the excess (excluding changes in our own credit risk) recognized at fair value through Change in the fair value of MRBs, net.

The liability for all of our GMWBs in fixed annuity and fixed index annuity contracts are accounted for as MRBs.

For a discussion of the fair value measurement of guaranteed benefits that are accounted for as MRBs, see Note 4.

13. Separate Account Assets and Liabilities

We report variable contracts within the separate accounts when investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contract holder and the separate account meets additional accounting criteria to qualify for separate account treatment. The assets supporting the variable portion of variable annuity and variable universal life contracts that qualify for separate account treatment are carried at fair value and are reported as separate account assets, with an equivalent summary total reported as separate account liabilities. The assets of insulated accounts are legally segregated and are not subject to claims that arise from any of our other businesses.

Policy values for variable products and investment contracts are expressed in terms of investment units. Each unit is linked to an asset portfolio. The value of a unit increases or decreases based on the value of the linked asset portfolio. The current liability at any time is the sum of the current unit value of all investment units in the separate accounts, plus any liabilities for MRBs.

Amounts assessed against the policyholders for mortality, administrative and other services are included in policy fees. Investment performance (including investment income, net investment gains (losses) and changes in unrealized gains (losses)) and the corresponding amounts credited to policyholders of such separate accounts are offset within the same line in the Condensed Consolidated Statements of Income (Loss).

For discussion of the fair value measurement of guaranteed benefits that are accounted for as MRBs, see Note 4.

The following table presents fair value of separate account investment options:

June 30, 2023 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Equity Funds	$ 24,804	$ 27,889	$ 777	$ 630	$ 54,100
Bond Funds	3,974	3,428	43	1,302	8,747
Balanced Funds	17,911	5,375	51	1,880	25,217
Money Market Funds	720	553	17	364	1,654
Total	$ 47,409	$ 37,245	$ 888	$ 4,176	$ 89,718

June 30, 2022 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Equity Funds	$ 23,012	$ 25,210	$ 690	$ 576	$ 49,488
Bond Funds	3,887	4,010	46	1,358	9,301
Balanced Funds	18,684	5,181	49	2,444	26,358
Money Market Funds	679	501	22	386	1,588
Total	$ 46,262	$ 34,902	$ 807	$ 4,764	$ 86,735

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

Six Months Ended June 30, 2023 *(in millions)*	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Separate accounts balance, beginning of year	$ 45,178	$ 34,361	$ 799	$ 4,515	$ 84,853
Premiums and deposits	807	697	18	30	1,552
Policy charges	(662)	(221)	(25)	(47)	(955)
Surrenders and withdrawals	(1,776)	(1,390)	(12)	(422)	(3,600)
Benefit payments	(432)	(250)	(3)	(58)	(743)
Investment performance	4,172	4,169	113	146	8,600
Net transfers from (to) general account	122	(121)	(2)	11	10
Other charges	—	—	—	1	1
Separate accounts balance, end of period	$ 47,409	$ 37,245	$ 888	$ 4,176	$ 89,718
Cash surrender value*	$ 46,307	$ 37,050	$ 854	$ 4,178	$ 88,389

Six Months Ended June 30, 2022 *(in millions)*		Individual Retirement		Group Retirement		Life Insurance		Institutional Markets		Total
Separate accounts balance, beginning of year	$	57,927	$	45,138	$	1,044	$	5,002	$	109,111
Premiums and deposits		1,354		868		19		33		2,274
Policy charges		(646)		(244)		(25)		(50)		(965)
Surrenders and withdrawals		(1,741)		(1,329)		(11)		(25)		(3,106)
Benefit payments		(476)		(283)		(4)		(12)		(775)
Investment performance		(10,249)		(8,987)		(216)		(208)		(19,660)
Net transfers from (to) general account		93		(261)		—		22		(146)
Other charges		—		—		—		2		2
Separate accounts balance, end of period	$	46,262	$	34,902	$	807	$	4,764	$	86,735
Cash surrender value*	$	45,154	$	34,699	$	792	$	4,766	$	85,411

* The cash surrender value represents the amount of the contract holder's account balance distributable at the balance sheet date less applicable surrender charges.

Separate account liabilities primarily represent the contract holder's account balance in separate account assets and will be equal and offsetting to total separate account assets.

14. Contingencies, Commitments and Guarantees

In the normal course of business, we enter into various contingent liabilities and commitments. Although we cannot currently quantify our ultimate liability for unresolved litigation and investigation matters, including those referred to below, it is possible that such liability could have a material adverse effect on our consolidated financial condition, consolidated results of operations or consolidated cash flows for an individual reporting period.

LEGAL CONTINGENCIES

Overview

In the normal course of business, we are subject to regulatory and government investigations and actions, and litigation and other forms of dispute resolution in a large number of proceedings pending in various domestic and foreign jurisdictions. Certain of these matters involve potentially significant risk of loss due to potential for significant jury awards and settlements, punitive damages or other penalties. Many of these matters are also highly complex and may seek recovery on behalf of a class or similarly large number of plaintiffs. It is therefore inherently difficult to predict the size or scope of potential future losses arising from these matters. In our insurance and reinsurance operations, litigation and arbitration concerning coverage under insurance and reinsurance contracts are generally considered in the establishment of our future policy benefits. Separate and apart from the foregoing matters involving insurance and reinsurance coverage, we and our officers and directors are subject to a variety of additional types of legal proceedings brought by holders of our securities, customers, employees and others, alleging, among other things, breach of contractual or fiduciary duties, bad faith, indemnification and violations of federal and state statutes and regulations. With respect to these other categories of matters not arising out of claims for insurance or reinsurance coverage, we establish reserves for loss contingencies when it is probable that a loss will be incurred, and the amount of the loss can be reasonably estimated. In many instances, we are unable to determine whether a loss is probable or to reasonably estimate the amount of such a loss and, therefore, the potential future losses arising from legal proceedings may exceed the amount of liabilities that we have recorded in our financial statements covering these matters. While such potential future charges could be material, based on information currently known to management, management does not believe, other than as may be discussed below, that any such charges are likely to have a material adverse effect on our financial position or results of operations. We estimate that our range of reasonably possible loss in excess of the aggregate amount we have accrued for probable losses is not material.

Additionally, from time to time, various regulatory and governmental agencies review our transactions and practices in connection with industry-wide and other inquiries or examinations into, among other matters, the business practices of current and former operating subsidiaries. Such investigations, inquiries or examinations could develop into administrative, civil or criminal proceedings or enforcement actions, in which remedies could include fines, penalties, restitution or alterations in our business practices, and could result in additional expenses, limitations on certain business activities and reputational damage.

Yearly Renewable Term Agreements

Certain of our reinsurers have sought rate increases on certain YRT agreements. We are disputing the requested rate increases under these agreements. Certain reinsurers with whom we have disputes have initiated arbitration proceedings against us, and others may initiate them in the future. To the extent reinsurers have sought retroactive premium increases, we have accrued our current estimate of probable loss with respect to these matters.

For additional information, see Note 7.

Moriarty Litigation

Effective January 1, 2013, the California legislature enacted AB 1747 (the “Act”), which amended the Insurance Code to mandate that life insurance policies issued and delivered in California contain a 60-day grace period during which time the policies must remain in force after a premium payment is missed, and that life insurers provide both a 30-day minimum notification of lapse and the right of policy owners to designate a secondary recipient for lapse and termination notices. Following guidance from the California Department of Insurance and certain industry trade groups, American General Life Insurance Company (“AGL”) interpreted the Act to be prospective in nature, applying only to policies issued and delivered on or after the Act’s January 1, 2013, effective date. On July 18, 2017, AGL was sued in a putative class action captioned Moriarty v. American General Life Insurance Company, No. 17-cv-1709 (S.D. Cal.), challenging AGL’s prospective application of the Act. Plaintiff’s complaint, which is similar to complaints filed against other insurers, argues that policies issued and delivered prior to January 1, 2013, like the $1 million policy issued to Plaintiff’s husband do not lapse—despite nonpayment of premiums—if the insurer has not complied with the Act’s terms. On August 30, 2021, the California Supreme Court issued an opinion in McHugh v. Protective Life Insurance, 12 Cal. 5th 213 (2021), ruling that the Act applies to all policies in force on January 1, 2013, regardless of when the policies were issued. On February 7, 2022, Plaintiff filed motions for summary judgment and class certification; AGL opposed both motions and filed its own motion for partial summary judgment. On July 26, 2022, the District Court granted in part and denied in part AGL’s motion for partial summary judgment, and on September 7, 2022, the District Court denied Plaintiff's motion for summary judgment. In the summary judgment decisions, the District Court declined to adopt Plaintiff’s theory that a failure to comply with the Act necessitates payment of policy benefits or to make a pre-trial determination as to AGL’s liability. On September 27, 2022, the District Court denied Plaintiff’s motion for class certification without prejudice. The District Court declined to certify Plaintiff’s proposed class consisting of claims for monetary damages and equitable relief, but indicated that Plaintiff could seek the certification of a narrower class consisting only of claims for monetary damages. The District Court indicated, however, that it has “substantial concerns” as to whether individual issues such as actual damages and causation would predominate, precluding class certification. While the District Court had initially set a trial date for February 7, 2023, it vacated the date and indicated that it would set a new trial date in due course, following consultation with the parties. Subsequently, the case was reassigned to a new District Court judge, who requested additional briefing on certain issues addressed by the summary judgment decisions and heard additional oral argument on those issues on July 19, 2023. The parties are awaiting a decision from the Court. We have accrued our current estimate of probable loss with respect to this litigation.

Proceedings are ongoing in other California cases that raise similar industry-wide issues, including in the McHugh case on remand from the California Supreme Court, in which the California Court of Appeal rendered an unpublished opinion on October 10, 2022 that also declined to hold that failure to comply with the Act automatically necessitates payment of policy benefits.

OTHER COMMITMENTS

In the normal course of business, we enter into commitments to invest in limited partnerships, private equity funds and hedge funds and to purchase and develop real estate in the United States and abroad. These commitments totaled $4.5 billion at June 30, 2023.

GUARANTEES

Asset Dispositions

We are subject to guarantees and indemnity arrangements in connection with the completed sales of businesses. The various arrangements may be triggered by, among other things, declines in asset values; the occurrence of specified business contingencies; the realization of contingent liabilities; developments in litigation; or breaches of representations, warranties or covenants provided by us. These arrangements are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitations. 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.

We are unable to develop a reasonable estimate of the maximum potential payout under certain of these arrangements. Overall, we believe that it is unlikely we will have to make any material payments related to completed sales under these arrangements, and no material liabilities related to these arrangements have been recorded in the Condensed Consolidated Balance Sheets.

Guarantees provided by AIG

Prior to the IPO, AIG provided certain guarantees to us as described below. Pursuant to the Separation Agreement we entered into with AIG dated September 14, 2022 (the “Separation Agreement”), we will indemnify, defend and hold harmless AIG against or from any liability arising from or related to these guarantees.

Certain of our insurance subsidiaries benefit from General Guarantee Agreements under which AHAC or NUFIC has unconditionally and irrevocably guaranteed all present and future obligations arising from certain insurance policies issued by these subsidiaries (a "Guaranteed Policy" or the "Guaranteed Policies"). AHAC and NUFIC are required to perform under the agreements if one of the insurance subsidiaries fails to make payments due under a Guaranteed Policy. These General Guarantee Agreements have all been terminated as to insurance policies issued after the date of termination. AHAC and NUFIC have not been required to perform under any of the agreements but remain contingently liable for all policyholder obligations associated with the Guaranteed Policies. We did not pay any fees under these agreements for the six months ended June 30, 2023 or 2022.

AGC is a party to a Capital Maintenance Agreement ("CMA") with AIG. Among other things, the CMA provides that AIG will maintain the total adjusted capital of AGC at or above a specified minimum percentage of AGC's projected Company Action Level Risk Based Capital. AIG did not make any capital contributions to AGC under the CMA during the six months ended June 30, 2023. As of June 30, 2023 and 2022, the specified minimum capital percentage in the CMA was 250%.

AIG Parent provides a full and unconditional guarantee of all outstanding notes and junior subordinated debentures of AIG Life Holdings, Inc.("AIGLH"). This includes:

- a guarantee (the "AIGLH External Debt Guarantee") in connection with AIGLH junior subordinated debentures and certain AIGLH notes (the "AIGLH External Debt"); and
- a guarantee in connection with a sale-leaseback transaction in 2020. Pursuant to this transaction, AIGLH issued promissory notes to AGL with maturity dates of up to five years. These promissory notes were guaranteed by AIG Parent for the benefit of AGL. We paid no fees for these guarantees during the six months ended June 30, 2023 or 2022. On August 1, 2023, the guarantee of these promissory notes was novated from AIG Parent to Corebridge Parent.

In addition to the Separation Agreement, we have entered into a guarantee reimbursement agreement with AIG Parent which provides that we will reimburse AIG Parent for the full amount of any payment made by or on behalf of AIG Parent pursuant to the AIGLH External Debt Guarantee. We have also entered into a collateral agreement with AIG Parent which provides that in the event of: (i) a ratings downgrade of Corebridge Parent or AIGLH long-term unsecured indebtedness below specified levels or (ii) the failure by AIGLH to pay principal and interest on the External Debt when due, we must collateralize an amount equal to the sum of: (a) 100% of the principal amount outstanding, (b) accrued and unpaid interest and (c) 100% of the net present value of scheduled interest payments through the maturity dates of the AIGLH External Debt.

- *For additional discussion on commitments and guarantees associated with VIEs, see Note 8.*
- *For additional disclosures about derivatives, see Note 9.*
- *For additional disclosures about related parties, see Note 18.*

15. Equity and Redeemable Noncontrolling Interest

COREBRIDGE SHAREHOLDERS' EQUITY

Retained Earnings

Dividends

Declaration Date	Record Date	Payment Date	Dividend Paid Per Common Share
June 1, 2023*	June 16, 2023	June 30, 2023	$ 0.62
May 8, 2023	June 16, 2023	June 30, 2023	$ 0.23
February 16, 2023	March 17, 2023	March 31, 2023	$ 0.23

* On June 1, 2023, we declared a special dividend of $0.62 per share on our common stock, payable on June 30, 2023 to stockholders of record at the close of business on June 16, 2023.

For the three and six months ended 2022, Corebridge paid cash dividends of $290 million and $580 million.

Dividends Declared

On August 3, 2023, the Company declared a cash dividend on Corebridge common stock of $0.23 per share, payable on September 29, 2023 to shareholders of record at close of business on September 15, 2023.

Common Stock

The following table presents a rollforward of outstanding shares:

Six Months Ended June 30, 2023	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Shares, beginning of year	**645,000,000**	**—**	**645,000,000**
Shares issued under long-term incentive compensation plans	**3,144,926**	**—**	**3,144,926**
Shares repurchased	**—**	**(12,187,690)**	**(12,187,690)**
Shares, end of period	**648,144,926**	**(12,187,690)**	**635,957,236**

Repurchase of Corebridge Common Stock

On May 4, 2023, our Board of Directors authorized a $1 billion share repurchase program. Under this program, Corebridge Parent may, from time to time, purchase up to $1 billion of its common stock but is not obligated to purchase any particular number of shares. Repurchases may be made through various means including open market transactions, privately negotiated transactions, forward, derivative, accelerated repurchase, or automatic share repurchase transactions, or tender offers. The authorization for the share repurchase program may be terminated, increased or decreased by the Board of Directors at any time.

From May 4, 2023 to June 30, 2023, we repurchased approximately 12.2 million shares of Corebridge Common Stock for an aggregate purchase price of approximately $200 million.

Accumulated Other Comprehensive Income (Loss)

The following table presents a rollforward of Accumulated other comprehensive income (loss):

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which allowance for credit losses was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in fair value of market risk benefits attributable to changes in our own credit risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Cash Flow Hedges	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance, March 31, 2023, net of tax	**$ (62)**	**$ (16,248)**	**$ (291)**	**$ 2,443**	**$ 153**	**$ (73)**	**$ 11**	**$ (14,067)**
Change in unrealized depreciation of investments	**55**	**(1,827)**	**—**	**—**	**—**	**—**	**—**	**(1,772)**
Change in fair value of market risk benefits attributable to changes in our own credit risk	**—**	**—**	**(240)**	**—**	**—**	**—**	**—**	**(240)**
Change in discount rates assumptions of certain liabilities	**—**	**—**	**—**	**628**	**—**	**—**	**—**	**628**
Change in future policy benefits and other	**—**	**49**	**—**	**—**	**—**	**—**	**—**	**49**
Change in cash flow hedges	**—**	**—**	**—**	**—**	**(8)**	**—**	**—**	**(8)**
Change in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**28**	**—**	**28**
Change in net actuarial loss	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Change in deferred tax asset (liability)	**(12)**	**294**	**51**	**(142)**	**2**	**8**	**—**	**201**
Total other comprehensive income (loss)	**43**	**(1,484)**	**(189)**	**486**	**(6)**	**36**	**—**	**(1,114)**
Noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**1**
Balance, June 30, 2023, net of tax	**$ (19)**	**$ (17,732)**	**$ (480)**	**$ 2,929**	**$ 147**	**$ (38)**	**$ 11**	**$ (15,182)**
Balance, March 31, 2022, net of tax*	$ (82)	$ (1,061)	$ (877)	$ (158)	$ 177	$ (32)	$ 7	$ (2,026)
Change in unrealized depreciation of investments	62	(15,464)	—	—	—	—	—	(15,402)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	—	734	—	—	—	—	734
Change in discount rates assumptions of certain liabilities	—	—	—	2,239	—	—	—	2,239
Change in future policy benefits and other	—	643	—	—	—	—	—	643
Change in cash value hedges	—	—	—	—	(6)	—	—	(6)
Change in foreign currency translation adjustments	—	—	—	—	—	(50)	—	(50)
Change in net actuarial loss	—	—	—	—	—	—	(1)	(1)
Change in deferred tax asset (liability)	(13)	2,402	(153)	(474)	(2)	3	—	1,763
Total other comprehensive income	49	(12,419)	581	1,765	(8)	(47)	(1)	(10,080)
Noncontrolling interests	—	—	—	—	—	—	—	—
Balance, June 30, 2022, net of tax	$ (33)	$ (13,480)	$ (296)	$ 1,607	$ 169	$ (79)	$ 6	$ (12,106)

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which allowance for credit losses was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in fair value of market risk benefits attributable to changes in our own credit risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Cash Flow Hedges	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Balance at December 31, 2021, net of tax	$ (31)	$ 12,315	$ (1,659)	$ (2,390)	$ —	$ (9)	$ 7	$ 8,233
Change in unrealized depreciation of investments	(2)	(32,274)	—	—	—	—	—	(32,276)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	—	1,726	—	—	—	—	1,726
Change in discount rates assumptions of certain liabilities	—	—	—	5,069	—	—	—	5,069
Change in future policy benefits and other	—	1,440	—	—	—	—	—	1,440
Change in cash value hedges	—	—	—	—	218	—	—	218
Change in foreign currency translation adjustments	—	—	—	—	—	(74)	—	(74)
Change in net actuarial loss	—	—	—	—	—	—	(1)	(1)
Change in deferred tax asset (liability)	—	5,039	(363)	(1,072)	(49)	4	—	3,559
Total other comprehensive income	(2)	(25,795)	1,363	3,997	169	(70)	(1)	(20,339)
Less: Noncontrolling interests	—	—	—	—	—	—	—	—
Balance, June 30, 2022, net of tax*	$ (33)	$ (13,480)	$ (296)	$ 1,607	$ 169	$ (79)	$ 6	$ (12,106)
Balance at December 31, 2022, net of tax	**$ (92)**	**$ (19,380)**	**$ (365)**	**$ 2,908**	**$ 157**	**$ (100)**	**$ 9**	**$ (16,863)**
Change in unrealized depreciation of investments	**93**	**2,155**	**—**	**—**	**—**	**—**	**—**	**2,248**
Change in fair value of market risk benefits attributable to changes in our own credit risk	**—**	**—**	**(146)**	**—**	**—**	**—**	**—**	**(146)**
Change in discount rates assumptions of certain liabilities	**—**	**—**	**—**	**33**	**—**	**—**	**—**	**33**
Change in future policy benefits and other	**—**	**(67)**	**—**	**—**	**—**	**—**	**—**	**(67)**
Change in cash flow hedges	**—**	**—**	**—**	**—**	**(15)**	**—**	**—**	**(15)**
Change in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**65**	**—**	**65**
Change in net actuarial loss	**—**	**—**	**—**	**—**	**—**	**—**	**3**	**3**
Change in deferred tax asset (liability)	**(20)**	**(440)**	**31**	**(12)**	**5**	**7**	**(1)**	**(430)**
Total other comprehensive income (loss)	**73**	**1,648**	**(115)**	**21**	**(10)**	**72**	**2**	**1,691**
Less: Noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**10**	**—**	**10**
Balance, June 30, 2023, net of tax	**$ (19)**	**$ (17,732)**	**$ (480)**	**$ 2,929**	**$ 147**	**$ (38)**	**$ 11**	**$ (15,182)**

** For additional disclosures related to the impact of the Targeted improvements to the Accounting for Long-Duration Contracts refer to Note 2.*

The following table presents the OCI reclassification adjustments for the three and six months ended June 30, 2023 and 2022, respectively:

(in millions)	Unrealized Appreciation (Depreciation) of Fixed Maturity Securities on Which Allowance for Credit Losses Was Taken	Unrealized Appreciation (Depreciation) of All Other Investments	Change in fair value of market risk benefits attributable to changes in the instrument-specific risk	Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	Cash Flow Hedges	Foreign Currency Translation Adjustments	Retirement Plan Liabilities Adjustment	Total
Three Months Ended June 30, 2023								
Unrealized change arising during period	**$ 52**	**$ (2,009)**	**$ (240)**	**$ 628**	**$ (8)**	**$ 28**	**$ —**	**$ (1,549)**
Less: Reclassification adjustments included in net income	**(3)**	**(231)**	**—**	**—**	**—**	**—**	**—**	**(234)**
Total other comprehensive income (loss), before income tax expense (benefit)	**55**	**(1,778)**	**(240)**	**628**	**(8)**	**28**	**—**	**(1,315)**
Less: Income tax expense (benefit)	**12**	**(294)**	**(51)**	**142**	**(2)**	**(8)**	**—**	**(201)**
Total other comprehensive income (loss), net of income tax expense (benefit)	**$ 43**	**$ (1,484)**	**$ (189)**	**$ 486**	**$ (6)**	**$ 36**	**$ —**	**$ (1,114)**
Three Months Ended June 30, 2022								
Unrealized change arising during period	$ 54	$ (15,099)	$ 734	$ 2,239	$ (6)	$ (50)	$ (1)	$ (12,129)
Less: Reclassification adjustments included in net income	(8)	(278)	—	—	—	—	—	(286)
Total other comprehensive income (loss), before income tax expense (benefit)	62	(14,821)	734	2,239	(6)	(50)	(1)	(11,843)
Less: Income tax expense (benefit)	13	(2,402)	153	474	2	(3)	—	(1,763)
Total other comprehensive income (loss), net of income tax expense (benefit)	$ 49	$ (12,419)	$ 581	$ 1,765	$ (8)	$ (47)	$ (1)	$ (10,080)
Six Months Ended June 30, 2023								
Unrealized change arising during period	**$ 76**	**$ 1,770**	**$ (146)**	**$ 33**	**$ (15)**	**$ 65**	**$ 3**	**$ 1,786**
Less: Reclassification adjustments included in net income	**(17)**	**(318)**	**—**	**—**	**—**	**—**	**—**	**(335)**
Total other comprehensive income (loss), before income tax expense (benefit)	**93**	**2,088**	**(146)**	**33**	**(15)**	**65**	**3**	**2,121**
Less: Income tax expense (benefit)	**20**	**440**	**(31)**	**12**	**(5)**	**(7)**	**1**	**430**
Total other comprehensive income (loss), net of income tax expense (benefit)	**$ 73**	**$ 1,648**	**$ (115)**	**$ 21**	**$ (10)**	**$ 72**	**$ 2**	**$ 1,691**
Six Months Ended June 30, 2022								
Unrealized change arising during period	$ (10)	$ (31,212)	$ 1,726	$ 5,069	$ 218	$ (74)	$ (1)	$ (24,284)
Less: Reclassification adjustments included in net income	(8)	(378)	—	—	—	—	—	(386)
Total other comprehensive income (loss), before income tax expense (benefit)	(2)	(30,834)	1,726	5,069	218	(74)	(1)	(23,898)
Less: Income tax expense (benefit)	—	(5,039)	363	1,072	49	(4)	—	(3,559)
Total other comprehensive income (loss), net of income tax expense (benefit)	$ (2)	$ (25,795)	$ 1,363	$ 3,997	$ 169	$ (70)	$ (1)	$ (20,339)

The following table presents the effect of the reclassification of significant items out of Accumulated other comprehensive income on the respective line items in the Condensed Consolidated Statements of Income (Loss)*:

	Amount Reclassified from AOCI				
	Three Months Ended June 30,		Six Months Ended June 30,		Affected Line Item in the Condensed Consolidated Statements of Income (Loss)
(in millions)	**2023**	2022	**2023**	2022	
Unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken					
Investments	**$ (3)**	$ (8)	**$ (17)**	$ (8)	Net realized gains (losses)
Total	**(3)**	(8)	**(17)**	(8)	
Unrealized appreciation (depreciation) of all other investments					
Investments	**(231)**	(278)	**(318)**	(378)	Net realized gains (losses)
Total	**(231)**	(278)	**(318)**	(378)	
Total reclassifications for the period	**$ (234)**	$ (286)	**$ (335)**	$ (386)	

* The following items are not reclassified out of AOCI and included in the Condensed Consolidated Statements of Income (Loss) and thus have been excluded from the table:(a) Change in fair value of MRBs attributable to changes in our own credit risk (b) Change in the discount rates used to measure traditional and limited-payment long-duration insurance contracts and (c) Fair value of liabilities under fair value option attributable to changes in our own credit risk.

NON-REDEEMABLE NONCONTROLLING INTEREST

The activity in non-redeemable noncontrolling interest primarily relates to activities with consolidated investment entities.

The changes in non-redeemable noncontrolling interest due to divestitures and acquisitions primarily relate to the formation and funding of new consolidated investment entities. The majority of the funding for these consolidated investment entities comes from affiliated companies of Corebridge.

The changes in non-redeemable noncontrolling interest due to contributions from noncontrolling interests primarily relate to the additional capital calls related to consolidated investment entities.

The changes in non-redeemable noncontrolling interest due to distributions to noncontrolling interests primarily relate to dividends or other distributions related to consolidated investment entities.

The following table presents a rollforward of non-redeemable noncontrolling interest:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Beginning balance	**$ 910**	$ 1,565	**$ 939**	$ 1,759
Net income attributable to redeemable noncontrolling interest	**(20)**	79	**(14)**	155
Other comprehensive loss, net of tax	**1**	—	**10**	—
Changes in noncontrolling interests due to divestitures and acquisitions	**—**	—	**(19)**	—
Contributions from noncontrolling interests	**18**	9	**43**	23
Distributions to noncontrolling interests	**(3)**	(438)	**(53)**	(718)
Other	**1**	(7)	1	(11)
Ending balance	**$ 907**	$ 1,208	**$ 907**	$ 1,208

Refer to Note 8 for additional information related to Variable Interest Entities.

REDEEMABLE NONCONTROLLING INTEREST

The Company has launched certain investment funds which non-consolidated Corebridge affiliates participate in. Certain of these funds are redeemable at the option of the holder and thus are accounted for as mezzanine equity. As of December 31, 2022, the Company has distributed the remaining portion of the redeemable funds.

The following table presents a rollforward of redeemable noncontrolling interest:

	Three Months Ended June 30,	Six Months Ended June 30,
(in millions)	2022	2022
Beginning balance	$ 82	$ 83
Distributions to noncontrolling interests	(25)	(25)
Net income attributable to redeemable noncontrolling interest	1	—
Ending balance	$ 58	$ 58

16. Earnings Per Common Share

The basic earnings per common share ("EPS") computation is based on the weighted average number of common shares outstanding, adjusted to reflect all stock splits. The diluted EPS computation is based on those shares used in the basic EPS computation plus common shares that would have been outstanding assuming issuance of common shares for all dilutive potential common shares outstanding and adjusted to reflect all stock splits, using the treasury stock method.

The following table presents the computation of basic and diluted EPS for the three and six months ended June 30, 2023, and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per common share data)	**2023**	2022	**2023**	2022
Numerator for EPS:				
Net income (loss)	**$ 751**	$ 2,674	**$ 298**	$ 6,115
Less: Net income (loss) attributable to noncontrolling interests	**(20)**	80	**(14)**	155
Net income (loss) attributable to Corebridge common shareholders	**$ 771**	2,594	**$ 312**	$ 5,960
Denominator for EPS[(a)]:				
Weighted average common shares outstanding - basic	**650.7**	645.0	**650.8**	645.0
Dilutive common shares[(b)]	**1.5**	—	**1.7**	—
Weighted average common shares outstanding - diluted	**652.2**	645.0	**652.5**	645.0
Income per common share attributable to Corebridge common shareholders[(a)]				
Common stock - Basic	**$ 1.18**	$ 4.02	**$ 0.48**	$ 9.24
Common stock - Diluted	**$ 1.18**	$ 4.02	**$ 0.48**	$ 9.24

(a) The results of the September 6, 2022 stock split have been applied retroactively for all periods prior to September 6, 2022. For additional information regarding the September 6, 2022 stock split, see Note 16 of the Consolidated Financial Statements in the June 2023 Registration Statement.

(b) Potential dilutive common shares include our share-based employee compensation plans. The number of common shares excluded from dilutive shares outstanding was approximately 1.3 million and 0.9 million for the three and six months ended June 30, 2023 because the effect of including those common shares in the calculation would have been anti-dilutive. There were no anti-dilutive instruments for the three and six months ended 2022.

17. Income Taxes

RECENT U.S. TAX LAW CHANGES

The Inflation Reduction Act of 2022 (H.R. 5376), (the “Inflation Reduction Act”) includes a 15% corporate alternative minimum tax (“CAMT”) on adjusted financial statement income for corporations with average profits over $1 billion over a three-year period and a 1% stock buyback tax. CAMT and the stock buyback tax are effective for tax years beginning after December 31, 2022. The tax provisions of the Inflation Reduction Act are not expected to have a material impact on Corebridge’s financial results. However, the CAMT may impact our U.S. cash tax liabilities.

BASIS OF PRESENTATION

Prior to the IPO, Corebridge Parent and certain U.S. subsidiaries were included in the consolidated federal income tax return of AIG as well as certain state tax returns where AIG files on a combined or unitary basis. Following the IPO, AIG owned less than 80% interest in Corebridge, resulting in tax deconsolidation of Corebridge from the AIG Consolidated Tax Group. In addition, under the tax law, AGC and its directly owned life insurance subsidiaries (the “AGC Group”) will not be permitted to join in the filing of a U.S. consolidated federal income tax return with our other subsidiaries (collectively, the “Non-Life Group”) for the five-year waiting period. Instead, the AGC Group is expected to file separately as members of the AGC Group consolidated U.S. federal income tax return during the five-year waiting period. Following the five-year waiting period, the AGC Group is expected to join the U.S. consolidated federal income tax return with the Non-Life Group.

RECLASSIFICATION OF CERTAIN TAX EFFECTS FROM AOCI

We use an item-by-item approach to release the stranded or disproportionate income tax effects in AOCI related to our available-for-sale securities. Under this approach, a portion of the disproportionate tax effects is assigned to each individual security lot at the date the amount becomes lodged. When the individual securities are sold, mature or are otherwise impaired on an other-than-temporary basis, the assigned portion of the disproportionate tax effect is reclassified from AOCI to income (loss) from operations.

INTERIM TAX CALCULATION METHOD

We use the estimated annual effective tax rate method in computing our interim tax provision. Certain items, including those deemed to be unusual or infrequent or that cannot be reliably estimated, are excluded from the estimated annual effective tax rate. In these cases, the actual tax expense or benefit is reported in the same period as the related item. Certain tax effects are also not reflected in the estimated annual effective tax rate, primarily certain changes in uncertain tax positions and realizability of deferred tax assets, and are recorded in the period in which the change occurs.

INTERIM TAX EXPENSE (BENEFIT)

For the three months ended June 30, 2023, the effective tax rate on income from operations was 17.6%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to the dividends received deduction, tax adjustments related to prior year returns, and reclassifications from AOCI to income from operations related to the disposal of available-for-sale securities. These tax benefits were partially offset by the establishment of additional valuation allowance and tax charges associated with state and local income taxes.

For the six months ended June 30, 2023, the effective tax rate on income from operations was (23.1)%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to the dividends received deduction, adjustments to deferred tax assets, reclassifications from AOCI to income from operations related to the disposal of available-for-sale securities, tax adjustments related to prior year returns, and excess tax benefits related to share based compensation payments recorded through the income statement. These tax benefits were partially offset by the establishment of additional valuation allowance and tax charges associated with state and local income taxes.

For the three months ended June 30, 2022, the effective tax rate on income from operations was 19.6%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to tax benefits associated with the dividends received deduction, reclassifications from AOCI to income from operations related to the disposal of available for sale securities, and tax adjustments related to prior year returns. These tax benefits were partially offset by tax charges associated with state and local income taxes.

For the six months ended June 30, 2022, the effective tax rate on income from operations was 19.8%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to tax benefits associated with reclassifications from AOCI to income from operations related to the disposal of available for sale securities, the dividends received deduction, tax adjustments related to prior year returns, and excess tax benefits related to share based compensation payments recorded through the income statement. These tax benefits were partially offset by tax charges associated with state and local income taxes, including the establishment of a valuation allowance associated with certain state jurisdictions.

For the six months ended June 30, 2023, we consider our foreign earnings with respect to certain operations in Europe to be indefinitely reinvested. These earnings relate to ongoing operations and have been reinvested in active business operations. A deferred tax liability has not been recorded for those foreign subsidiaries whose earnings are considered to be indefinitely reinvested. If recorded, such deferred tax liability would not be material to our consolidated financial condition. Deferred taxes, if necessary, have been provided on earnings of non-U.S. affiliates whose earnings are not indefinitely reinvested.

ASSESSMENT OF DEFERRED TAX ASSET VALUATION ALLOWANCE

The evaluation of the recoverability of our deferred tax asset and the need for a valuation allowance requires us to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax asset will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it is to support a conclusion that a valuation allowance is not needed.

As discussed above, under the tax law, the AGC Group will not be permitted to join in the filing of a U.S. consolidated federal income tax return with the Non-Life Group for the five-year waiting period following the IPO. Instead, the AGC Group is expected to file separately as members of the AGC consolidated U.S. federal income tax return during this period. Following the five-year waiting period, the AGC Group is expected to join U.S. consolidated federal income tax return with the Non-Life Group. Each separate U.S. federal tax filing group or separate U.S. tax filer is required to consider this five-year waiting period when assessing realization of their respective deferred tax assets including net operating loss and tax credit carryforwards.

Recent events, including the IPO, changes in target interest rates by the Board of Governors of the Federal Reserve System and significant market volatility, impacted actual and projected results of our business operations as well as our views on potential effectiveness of certain prudent and feasible tax planning strategies. In order to demonstrate the predictability and sufficiency of future taxable income necessary to support the realizability of the net operating losses and foreign tax credit carryforwards, we have considered forecasts of future income for each of our businesses, including assumptions about future macroeconomic and Corebridge-specific conditions and events, and any impact these conditions and events may have on our prudent and feasible tax planning strategies.

To the extent that the valuation allowance is attributed to changes in forecast of current year taxable income, the impact is included in our estimated annualized effective tax rate. A valuation allowance related to changes in forecasts of income in future periods as well as other items not related to the current year is recorded discretely. For the three and six months ended June 30, 2023, we recorded an increase in valuation allowance of $35 million and $51 million, respectively, attributable to current year activity.
As of June 30, 2023, the balance sheet reflects a valuation allowance of $202 million related to our tax attribute carryforwards and a portion of certain other deferred tax assets that are no longer more-likely-than-not to be realized.

Estimates of future taxable income, including income generated from prudent and feasible actions and tax planning strategies, impact of settlements with taxing authorities, and any changes to interpretations and assumptions related to the impact of the Inflation Reduction Act or the Tax Act, could change in the near term, perhaps materially, which may require us to consider any potential impact to our assessment of the recoverability of the deferred tax asset. Such potential impact could be material to our consolidated financial condition or results of operations for an individual reporting period.

For the six months ended June 30, 2023, recent changes in market conditions, including rising interest rates, impacted the unrealized tax capital gains and losses in the U.S. life insurance companies' available-for-sale securities portfolio, resulting in a deferred tax asset related to net unrealized tax capital losses. The deferred tax asset relates to the unrealized capital losses for which the carryforward period has not yet begun, and as such, when assessing its recoverability, we consider our ability and intent to hold the underlying securities to recovery. As of June 30, 2023, based on all available evidence, we concluded that a valuation allowance should be established on a portion of the deferred tax asset related to unrealized capital losses that are not more likely than not to be realized. For the three and six months ended June 30, 2023, we recorded an increase (decrease) in valuation allowance of $69 million and $(63) million, respectively, associated with the unrealized tax capital losses in the U.S. life insurance companies' available-for-sale securities portfolio. As of June 30, 2023, the balance sheet reflects a valuation allowance of $1.4 billion associated with the unrealized tax capital losses in the U.S. Life Insurance Companies' available-for-sale securities portfolio. All of the valuation allowance established was allocated to OCI.

TAX EXAMINATIONS AND LITIGATION

Corebridge Parent and certain U.S. subsidiaries are included in a consolidated U.S. federal income tax return with AIG through the date of IPO (short-period tax year 2022), and income tax expense is recorded, based on applicable U.S. and foreign laws.

The AIG Consolidated Tax Group is currently under IRS examination for the tax years 2011 through 2019 and is continuing to engage in the appeals process for years 2007 through 2010.

We are periodically advised of certain IRS and other adjustments identified in AIG's consolidated tax return which are attributable to our operations. Under our tax sharing arrangement, we provide a charge or credit for the effect of the adjustments and the related interest in the period we are advised of such adjustments and interest.

18. Related Parties

RELATED PARTY TRANSACTIONS

We may enter into a significant number of transactions with related parties in the normal course of business. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions, or if a party, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with an entity. Our material transactions with related parties are described below.

The table below summarizes the material revenues and expenses of Corebridge, in connection with agreements with affiliated companies described below for the six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Other income	**$ 7**	$ 28	**$ 20**	$ 59
Net investment income - excluding Fortitude Re funds withheld assets	**(3)**	(3)	**(8)**	(7)
Total revenues	**$ 4**	$ 25	**$ 12**	$ 52
Expenses:				
General operating and other expenses	**$ 46**	$ 5	**$ 93**	$ 28
Interest expense	**1**	21	**8**	59
Total expenses	**$ 47**	$ 26	**$ 101**	$ 87

Related Party Transactions with AIG

We have historically entered into various transactions with AIG, some of which are continuing. These transactions are described below. In addition, on September 14, 2022, we entered into a separation agreement with AIG (the “Separation Agreement”). The Separation Agreement governs the relationship between AIG and us following the IPO, including matters related to the allocation of assets and liabilities between the parties, indemnification obligations, our corporate governance, information rights for each party and consent rights of AIG with respect to certain business activities that we may undertake.

Reorganization Transactions

Transfer of AIG Technologies, Inc. and Eastgreen, Inc.

We purchased AIGT and Eastgreen from AIG on February 28, 2022 for total consideration of $107 million. AIGT provides data processing, technology and infrastructure services to AIG entities in the United States, including management of AIG hardware and networks. AIGT utilizes two data centers to provide its services. The real estate related to the two data centers is owned by Eastgreen. To the extent needed, AIGT will continue to provide services to AIG for a transition period.

Advisory Transactions

Certain of our investment management subsidiaries provide advisory, management, allocation, structuring, planning, oversight, administration and similar services (collectively, “Investment Services”) with respect to the investment portfolios of AIG. Investment Services are provided primarily pursuant to investment management, investment advisory and similar agreements (“IMAs”), under which our subsidiaries are appointed as investment manager and are authorized to manage client investment portfolios on a fully discretionary basis, subject to agreed investment guidelines. Certain of our subsidiaries are also authorized under the IMAs to retain, oversee and direct third-party investment advisers and managers for and on behalf of these AIG clients. In some cases, Investment Services are provided through the clients’ participation in private investment funds, RMBS, CLO and other pooled investment vehicles and investment products (collectively, “Funds”) sponsored or managed by us.

Separately, certain of our subsidiaries provide portfolio administration and investment planning, performance evaluation and oversight services to AIG PC International, LLC (“AIGPCI”), on a non-discretionary basis, with respect to the investment portfolios of various of AIGPCI’s non-U.S. subsidiaries. In some cases, these services are directly provided to AIGPCI’s non-US subsidiaries. We offer our Funds to AIGPCI’s non-U.S. subsidiaries. Our subsidiaries earn investment management and advisory fees under the IMAs and other service agreements, as well as management fees and carried interest distributions or similar performance-based compensation under the Funds’ operating agreements, the majority of which are based on, or calibrated to approximate, the costs of providing the services. With respect to a minority of the AIG client portfolios, which relate to assets backing risks that have been transferred to third parties, our subsidiaries earn market-based fees. Management and advisory fee income for these Investment Services and related services reflected in Other income on the Condensed Consolidated Statements of Income (Loss) was $7 million and $20 million for the three and six months ended June 30, 2023, respectively, and $28 million and $59 million for the three and six months ended June 30, 2022, respectively.

Capital Markets Agreements

We received a suite of capital markets services from AIG, including securities lending, collateral management, repurchase transactions, derivatives execution and support, and operational support services, for which we pay a fee. AIGM provided these services through various services agreements. In addition, in the ordinary course of business, we enter into over-the-counter derivative transactions with AIGM under standard ISDA Master Agreements. The total expenses incurred for services provided by AIGM reflected in Net investment income - excluding Fortitude Re funds withheld assets on the Condensed Consolidated Statements of Income (Loss) were $0 million and $0 million for the three and six months ended June 30, 2023, respectively, and $5 million and $10 million for the three and six months ended June 30, 2022, respectively. The derivative assets, net of gross assets and gross liabilities after collateral were $195 million and $12 million as of June 30, 2023 and December 31, 2022, respectively. The derivative liabilities, net of gross assets and gross liabilities after collateral were $0 million and $0 million as of June 30, 2023 and December 31, 2022, respectively. The collateral posted to AIGM was $688 million and $1.5 billion as of June 30, 2023 and December 31, 2022, respectively. The collateral held by us was $799 million and $380 million as of June 30, 2023 and December 31, 2022, respectively.

In addition, we previously had certain unsecured derivative transactions with AIG. On May 4, 2023, these previously unsecured derivative transactions became fully collateralized. The derivative assets, net of gross assets and gross liabilities after collateral were $0 million and $253 million as of June 30, 2023 and December 31, 2022, respectively. There were no derivative net liabilities as of June 30, 2023 and December 31, 2022, respectively. In relation to these derivatives, there was no collateral posted to AIG or collateral held by us as of June 30, 2023 and December 31, 2022, respectively.

For further details regarding derivatives, see Note 9.

General Services Agreements

Pursuant to the provisions of a Service and Expense Agreement (the “AIG Service and Expense Agreement”) effective February 1, 1974, as amended, we and AIG have provided various services to each other at cost, including, but not limited to, advertising, accounting, actuarial, tax, legal, data processing, claims adjustment, employee cafeteria, office space, payroll, information technology services, capital markets services, services that support financial transactions and budgeting, risk management and compliance services, human resources services, insurance, operations and other support services.

On September 14, 2022, we entered into a Transition Services Agreement (the “TSA”) with AIG regarding the continued provision of services between the Company and AIG on a transitional basis. The TSA has generally replaced the AIG Service and Expense Agreement for services provided between the parties.

Amounts due to AIG under these agreements were $109 million and $311 million as of June 30, 2023 and December 31, 2022, respectively. Amounts due from AIG were $51 million and $54 million as of June 30, 2023 and December 31, 2022, respectively. The total service expenses incurred specific to these agreements reflected in General operating and other expenses on the Condensed Consolidated Statements of Income (Loss) were $46 million and $93 million for the three and six months ended June 30, 2023, respectively, and $5 million and $11 million for the three and six months ended June 30, 2022, respectively.

Reinsurance Transactions

From time to time, AIG Life (United Kingdom) has entered into various coinsurance agreements with American International Reinsurance Company, Ltd., a consolidated subsidiary of AIG ("AIRCO") as follows:

- In 2018, AIG Life (United Kingdom) ceded risks to AIRCO relating to the payment of obligations of life-contingent annuity claims in the annuitization phase of the contracts on or after June 30, 2018.
- In 2019 and 2020, AIG Life (United Kingdom) ceded risks to AIRCO relating to certain whole life policies issued prior to and subsequent to July 1, 2019, respectively.

Reinsurance assets related to these agreements were $63 million and $70 million as of June 30, 2023 and December 31, 2022, respectively. Amounts payable to AIRCO were $8 million and $32 million as of June 30, 2023 and December 31, 2022, respectively. Ceded premiums related to these agreements were $11 million and $18 million for the three and six months ended June 30, 2023, respectively, and $7 million and $18 million for the three and six months ended June 30, 2022, respectively.

For further details of reinsurance transactions, see Note 7.

Guarantees

Prior to the IPO, AIG provided certain guarantees to us as described below. Pursuant to the Separation Agreement, we will indemnify, defend and hold harmless AIG against or from any liability arising from or related to these guarantees.

Certain of our insurance subsidiaries benefit from General Guarantee Agreements under which AHAC or NUFIC has unconditionally and irrevocably guaranteed all present and future obligations arising from certain insurance policies issued by these subsidiaries (a "Guaranteed Policy" or the "Guaranteed Policies"). AHAC and NUFIC are required to perform under the agreements if one of the insurance subsidiaries fails to make payments due under a Guaranteed Policy. These General Guarantee Agreements have all been terminated as to insurance policies issued after the date of termination. AHAC and NUFIC have not been required to perform under any of the agreements but remain contingently liable for all policyholder obligations associated with the Guaranteed Policies. We did not pay any fees under these agreements for the six months ended June 30, 2023 and 2022.

AGC is a party to a CMA with AIG. Among other things, the CMA provides that AIG will maintain the total adjusted capital of AGC at or above a specified minimum percentage of AGC's projected Company Action Level Risk Based Capital. AIG did not make any capital contributions to AGC under the CMA during the six months ended June 30, 2023. As of June 30, 2023 and December 31, 2022, the specified minimum capital percentage in the CMA was 250%.

AIG Parent provides a full and unconditional guarantee of AIGLH Notes and Junior Subordinated Debentures. This includes:

- the AIGLH External Debt Guarantee; and
- a guarantee in connection with a sale-leaseback transaction in 2020. Pursuant to this transaction, AIGLH issued promissory notes to AGL with maturity dates of up to five years. These promissory notes are guaranteed by AIG Parent for the benefit of AGL. We paid no fees for these guarantees during the six months ended June 30, 2023 and 2022. On August 1, 2023, the guarantee of these promissory notes was novated from AIG Parent to Corebridge Parent.

In addition to the Separation Agreement, we have entered into a guarantee reimbursement agreement with AIG Parent which provides that we will reimburse AIG Parent for the full amount of any payment made by or on behalf of AIG Parent pursuant to the AIGLH External Debt Guarantee. We have also entered into a collateral agreement with AIG Parent which provides that in the event of: (i) a ratings downgrade of Corebridge Parent or AIGLH long-term unsecured indebtedness below specified levels or (ii) the failure by AIGLH to pay principal and interest on the External Debt when due, we must collateralize an amount equal to the sum of: (i) 100% of the principal amount outstanding, (ii) accrued and unpaid interest and (iii) 100% of the net present value of scheduled interest payments through the maturity dates of the AIGLH External Debt.

In addition to the guarantees above, we may provide to or receive from AIG Parent, or to or from third-parties on behalf of AIG Parent, customary guarantees in relation to certain lending and real estate transactions. These guarantees of certain amounts in connection with borrowings or environmental indemnifications and non-recourse carve-outs are limited to situations in which the borrower commits certain "bad acts" as defined in each applicable transaction document, including fraud or intentional misrepresentation, intentional waste or willful misconduct. As of June 30, 2023, none of these guarantees became payable.

For further details regarding guarantees provided by AIG, see Note 14.

Funding Arrangements

Prior to September 19, 2022, we participated in funding arrangements whereby each participating subsidiary placed funds on deposit with AIG in exchange for a stated rate of interest. These funding arrangements terminated on September 19, 2022. Our receivables under these arrangements of $0 million and $0.4 billion as of June 30, 2023 and December 31, 2022, respectively, were recorded in Short-term investments on the Condensed Consolidated Balance Sheets. Interest earned on these deposits, reflected in Net investment income - excluding Fortitude Re funds withheld assets on the Condensed Consolidated Statements of Income (Loss), was $3 million and $8 million for the three and six months ended June 30, 2023, respectively, and $2 million and $3 million for the three and six months ended June 30, 2022, respectively.

Promissory Notes

In November 2021, we issued a promissory note to AIG in the amount of $8.3 billion. Interest expense incurred specific to this note reflected in Interest expense on the Condensed Consolidated Statements of Income (Loss) was $10 million and $39 million for the three and six months ended June 30, 2022, respectively. We repaid the principal and accrued interest of this note during 2022.

Purchase of Securitized Notes from AIG

On September 9, 2022, certain of our insurance companies purchased from AIG senior debt issued by, as well as 100% of the ownership interests in, special purpose entities that held collateralized debt obligations for a total value of approximately $800 million. As a result of these transactions, we owned all the interests related to these investments and consolidate them in our financial statements. As of December 31, 2022, we sold the underlying collateralized debt obligations.

Purchase of Residential Mortgage Loans

On December 23, 2022, certain Corebridge subsidiaries executed four Sale Transfer and Assignment agreements with certain AIG subsidiaries to purchase certain participation interests in residential mortgage loans for approximately $452 million.

Tax Sharing Agreements

On September 14, 2022, we entered into a tax matters agreement with AIG that governs the parties' respective rights, responsibilities, and obligations with respect to taxes, including the allocation of current and historic tax liabilities (whether income or non-income consolidated or stand-alone) between us and AIG (the "Tax Matters Agreement"). The Tax Matters Agreement governs, among other things, procedural matters, such as filing of tax returns, tax elections, control and settlement of tax controversies and entitlement to tax refunds and tax attributes.

Prior to the IPO, Corebridge and SAFG Capital LLC were included in the consolidated federal income tax return of AIG as well as certain state tax returns where AIG files on a combined or unitary basis. In the three months ended June 30, 2023, we received tax sharing payments of $368 million from AIG in respect to these prior periods. There were $331 million and $842 million of payments from Corebridge to AIG in connection with the tax sharing agreements for the three and six months ended June 30, 2022, respectively. Amounts receivable (payable) from or to AIG pursuant to the tax sharing agreements were $(410) million and $524 million as of June 30, 2023 and December 31, 2022, respectively.

Employee Compensation and Benefits

Our employees participate in certain of AIG's employee benefit programs. We had a payable of $32 million and $59 million as of June 30, 2023 and December 31, 2022, respectively, with respect to these programs. On September 14, 2022, we entered into an employee matters agreement with AIG (the "EMA"). The EMA allocates liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs, and other related matters between us and AIG. The EMA generally provides that, unless otherwise specified, each party is responsible for liabilities associated with their current and former employees for purposes of compensation and benefit matters following the IPO.

Shared-based Compensation Plans

On September 6, 2022, Corebridge Parent adopted the Corebridge Financial, Inc. 2022 Omnibus Incentive Plan (the "2022 Plan") and the Corebridge Financial, Inc. Long-term Incentive Plan (the "LTIP," together with the 2022 Plan, the "Plans"). Equity awards may be granted under the Plans to current employees or directors of the Company or, solely with respect to their final year of service, former employees.

Equity awards under the Plans are linked to Corebridge Parent's common stock ("CRBG Stock"). A total of 40,000,000 shares of CRBG Stock are authorized for delivery pursuant to awards granted or assumed under the Plans. Delivered shares may be newly-issued shares or shares held in treasury.

Prior to the IPO, certain of our employees held restricted stock units granted by AIG Parent that were linked to AIG Parent's common stock and subject solely to time-based vesting conditions (the "AIG RSUs"). On September 14, 2022, the AIG RSUs were converted to restricted stock units denominated in CRBG Stock (the "CRBG RSUs") under the Plans. The CRBG RSUs have terms and conditions that are substantially the same as the corresponding AIG RSUs, with the number of shares of CRBG Stock subject to the RSUs adjusted in a manner intended to preserve their intrinsic value as of immediately before and immediately following the conversion (subject to rounding).

Repurchase of Corebridge Common Stock

On June 26, 2023, we repurchased approximately 11.0 million shares of Corebridge Common Stock from AIG for an aggregate purchase price of approximately $180 million.

Related Party Transactions with Blackstone

Investment Expense

We entered into a long-term asset management relationship with Blackstone to manage a portion of our investment portfolio. The investment expense incurred was $37 million and $72 million for the three and six months ended June 30, 2023, respectively and $47 million and $73 million for the three and six months ended June 30, 2022, respectively.

Repurchase of Corebridge Common Stock

On June 26, 2023, we repurchased approximately 1.2 million shares of Corebridge Common Stock from Blackstone for an aggregate purchase price of approximately $20 million.

Related Party Transactions with Variable Interest Entities

In the ordinary course of business, we enter into various arrangements with VIEs, and we consolidate the VIE if we are determined to be the primary beneficiary. In certain situations, we may have a variable interest in a VIE that is consolidated by an affiliate, and in other instances, affiliates may have variable interests in a VIE that is consolidated by us. The total debt of consolidated VIEs held by affiliates was $129 million and $308 million as of June 30, 2023 and December 31, 2022, respectively. The interest expense incurred on the debt reflected in Interest expense on the Condensed Consolidated Statements of Income (Loss) was $1 million and $8 million for the three and six months ended June 30, 2023, respectively, and $11 million and $20 million for the three and six months ended June 30, 2022, respectively.

The noncontrolling interest included in the Condensed Consolidated Balance Sheets related to the VIEs held by affiliates was $526 million and $537 million as of June 30, 2023 and December 31, 2022, respectively. The gain/(loss) attributable to noncontrolling interest of consolidated VIEs held by affiliates was $(8) million and $11 million for the three and six months ended June 30, 2023, respectively, and $33 million and $66 million for the three and six months ended June 30, 2022, respectively.

In addition to transactions with VIEs, Corebridge has entered into other structured financing arrangements supporting real estate properties and other types of assets with other AIG affiliates. These financing arrangements are reported in Other invested assets in the Condensed Consolidated Balance Sheets. Certain of these and the VIE structures above also include commitments for funding from other AIG affiliates.

For additional information related to VIEs and other investments, see Notes 5 and 8.

19. Subsequent Events

On August 3, 2023, Corebridge announced that it reached a definitive agreement to sell Laya to AXA for total consideration of €650 million in cash. The sale of Laya is expected to close in the fourth quarter of 2023, subject to regulatory approvals and other customary closing conditions.

ITEM 2 | Management's Discussion and Analysis of Financial Condition and Results of Operations

Glossary and Acronyms of Selected Insurance Terms and References

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), we use certain terms and abbreviations, which are summarized in the Glossary and Acronyms.

Corebridge has incorporated into this discussion a number of cross-references to additional information included throughout this Quarterly Report to assist readers seeking additional information related to a particular subject.

In this Quarterly Report, unless otherwise mentioned or unless the context indicates otherwise, we use the terms "Corebridge," "we," "us" and "our" to refer to Corebridge Financial, Inc., a Delaware corporation, and its consolidated subsidiaries. We use the term "Corebridge Parent" to refer solely to Corebridge Financial, Inc., and not to any of its consolidated subsidiaries.

This MD&A addresses the consolidated financial condition of Corebridge as of June 30, 2023, compared with December 31, 2022, and its consolidated results of operations for the three and six months ended June 30, 2023 and 2022. You should read the following analysis of our consolidated financial condition and results of operations in conjunction with the "Management's Discussion and Analysis of Results of Operations and Financial Condition, the audited consolidated financial statements and the "Risk Factors"in the June 2023 Registration Statement and the statements under "Cautionary Statements Regarding Forward-Looking Information," and the Unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Index to Item 2

Executive Summary

OVERVIEW

We are one of the largest providers of retirement solutions and insurance products in the United States, committed to helping individuals plan, save for and achieve secure financial futures. We offer a broad set of products and services through our market leading Individual Retirement, Group Retirement, Life Insurance and Institutional Markets businesses, each of which features capabilities and industry experience we believe are difficult to replicate. These four businesses collectively seek to enhance stockholder returns while maintaining our attractive risk profile, which has historically resulted in consistent and strong cash flow generation.

REVENUES

Our revenues come from five principal sources:

- **Premiums** are principally derived from our traditional life insurance and certain annuity products including PRT transactions and structured settlements with life contingencies. Our premium income is driven by growth in new policies and contracts written and persistency of our in-force policies, both of which are influenced by a combination of factors including our efforts to attract and retain customers and market conditions that influence demand for our products;
- **Policy fees** are principally derived from our individual retirement, group retirement, universal life insurance, Corporate Markets and SVW products. Our policy fees typically vary directly with the underlying account value or benefit base of our annuities. Account value and benefit base are influenced by changes in economic conditions, including changes in levels of equity prices, and changes in levels of interest rates and credit spreads, as well as net flows;
- **Net investment income** from our investment portfolio varies as a result of the yield, allocation and size of our investment portfolio, which are, in turn, a function of capital market conditions and net flows into our total investments, as well as the expenses associated with managing our investment portfolio;
- **Net realized gains (losses)**, include changes in the Fortitude Re funds withheld embedded derivative, risk management related derivative activities (excluding hedges of certain MRBs), changes in the fair value of embedded derivatives in certain of our insurance products and trading activity within our investment portfolio, including trading activity related to the Fortitude Re modco arrangement. Net realized gains (losses) vary due to the timing of sales of investments as well as changes in the fair value of embedded derivatives in certain of our insurance products and derivatives utilized to hedge certain embedded derivatives; and
- **Advisory fee income and other income** includes fees from registered investment advisory services, 12b-1 fees (marketing and distribution fees paid by mutual funds), other asset management fee income, and commission-based broker dealer services.

BENEFITS AND EXPENSES

Our benefits and expenses come from six principal sources:

- **Policyholder benefits** are driven primarily by customer withdrawals and surrenders from traditional products which change in response to changes in capital market conditions and changes in policy reserves, as well as life contingent benefit payments on life and annuity contracts and updates to assumptions related to future policyholder behavior, mortality and longevity;
- **Interest credited to policyholder account balances** varies in relation to the amount of the underlying account value or benefit base and also includes changes in the fair value of certain embedded derivatives related to our insurance products and amortization of deferred sales inducement assets;
- **Amortization of DAC and VOBA** for all contracts except for “other” investment contracts is amortized, on a constant level basis over the expected term of the related contracts, using assumptions consistent with those used in estimating the related liability for future policy benefits, or any other related balances, for those corresponding contracts, as applicable. VOBA is determined at the time of acquisition and is reported with DAC. This value is based on the present value of future pre-tax profits discounted at yields applicable at the time of purchase.
- **General operating and other expenses** include expenses associated with conducting our business, including salaries, other employee-related compensation and other operating expenses such as professional services or travel; and
- **Change in the fair value of market risk benefits, net** represents the changes in fair value of MRBs contained within certain insurance contracts (excluding the impact of changes in our own credit risk), including attributed fees, along with the changes in the fair value of derivatives that economically hedge MRBs. Changes in our own credit risk are included in OCI.

- **Interest expense** represents the charges associated with our external debt obligations, including debt of consolidated investment entities. This expense varies based on the amount of debt on our balance sheet, as well as the rates of interest associated with those obligations. Interest expense related to consolidated investment entities principally relates to variable interest entities ("VIEs") for which we are the primary beneficiary; however, creditors or beneficial interest holders of VIEs generally only have recourse to the assets and cash flows of the VIEs and do not have recourse to us except in limited circumstances when we have provided a guarantee to the VIE's interest holders.

SIGNIFICANT FACTORS IMPACTING OUR RESULTS

The following significant factors have impacted, and may in the future impact, our business, results of operations, financial condition and liquidity.

Impact of Fortitude Re

In 2018, AIG established Fortitude Re, a wholly owned subsidiary of Fortitude Group Holdings, LLC ("Fortitude Holdings"), in a series of reinsurance transactions related to certain of AIG's legacy operations. In February 2018, AGL, VALIC and USL entered into modco agreements with Fortitude Re, a registered Class 4 and Class E reinsurer in Bermuda. Additionally, AIG Bermuda novated its assumption of certain long-duration contracts from an affiliated entity to Fortitude Re.

In the modco arrangement, the investments supporting the reinsurance agreements, which reflect the majority of the consideration that would be paid to the reinsurer for entering into the transaction, are withheld by, and therefore continue to reside on the balance sheet of, the ceding company (i.e., AGL, VALIC and USL) thereby creating an obligation for the ceding company to pay the reinsurer (i.e., Fortitude Re) at a later date. Additionally, since we maintain ownership of these investments, we reflect our existing accounting for these assets, which consist primarily of available-for-sale securities (e.g., the changes in fair value of available-for-sale securities will be recognized within OCI) on our balance sheet. We have established a funds withheld payable to Fortitude Re while simultaneously establishing a reinsurance asset representing liabilities for the insurance coverage that Fortitude Re has assumed. The funds withheld payable contains an embedded derivative and changes in fair value of this derivative are recognized in Net realized gains (losses) on Fortitude Re funds withheld embedded derivative. This embedded derivative is considered a total return swap with contractual returns that are attributable to various assets, primarily available-for-sale securities, associated with these reinsurance agreements. As the majority of the invested assets supporting the modco are fixed income securities that are available-for-sale, there is a mismatch between the accounting for the embedded derivative as its changes in fair value are recorded through net income while changes in the fair value of the fixed maturity securities available for sale are recorded through OCI.

On July 1, 2020, AGL and USL amended the modco agreements. Under the terms of the amendment, certain business ceded to Fortitude Re was recaptured by the Company, and certain additional business was ceded by the Company to Fortitude Re.

On June 2, 2020, AIG completed the Majority Interest Fortitude Sale. Following closing of the Majority Interest Fortitude Sale, AIG contributed $135 million of its proceeds from the Majority Interest Fortitude Sale to USL. On October 1, 2021, AIG contributed its remaining 3.5% interest in Fortitude Re Bermuda to us and we are entitled to a seat on the board of Fortitude Re Bermuda. At March 31, 2022, our ownership interest in Fortitude Re Bermuda was reduced from 3.5% to 2.46% due to a round of equity financing by third-party investors, in which we did not participate, that closed on March 31, 2022. As of June 30, 2023, $30.6 billion of reserves related to business written by multiple wholly owned AIG subsidiaries, including $26.7 billion of reserves related to Corebridge, had been ceded to Fortitude Re.

In addition to the loss incurred from the amendments of the Fortitude Re reinsurance agreements, our net income experiences ongoing volatility as a result of the reinsurance agreements, which, as described above, give rise to a funds withheld payable that contains an embedded derivative. However, this net income volatility is almost entirely offset with a corresponding change in OCI, which reflects the fair value change from the investment portfolio supporting the funds withheld payable, which is primarily available- for-sale securities, resulting in minimal impact to our comprehensive income (loss) and equity attributable to Corebridge. Beginning in the fourth quarter of 2021, the Company began to elect the fair value option on the acquisition of certain new fixed maturity securities, which will help reduce this mismatch over time.

Fortitude Re funds withheld impact:

(in millions)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Net investment income - Fortitude Re funds withheld assets	$ 270	$ 182	$ 664	$ 460
Net realized gains (losses) on Fortitude Re funds withheld assets:				
Net realized gains (losses) on Fortitude Re funds withheld assets	(130)	(60)	(110)	(183)
Net realized gains (losses) on Fortitude Re funds withheld embedded derivatives	122	2,394	(903)	5,231
Net realized gains (losses) on Fortitude Re funds withheld assets	(8)	2,334	(1,013)	5,048
Income (loss) before income tax benefit (expense)	262	2,516	(349)	5,508
Income tax benefit (expense)*	(55)	(529)	73	(1,157)
Net income (loss)	207	1,987	(276)	4,351
Change in unrealized appreciation (depreciation) of the invested assets supporting the Fortitude Re modco arrangement classified as available for sale*	(165)	(1,875)	286	(4,151)
Comprehensive income	$ 42	$ 112	$ 10	$ 200

* The income tax expense (benefit) and the tax impact in OCI was computed using the U.S. statutory tax rate of 21%.

Various assets supporting the Fortitude Re funds withheld arrangements are reported at amortized cost, and as such, changes in the fair value of these assets are not reflected in the financial statements. However, changes in the fair value of these assets are included in the embedded derivative in the Fortitude Re funds withheld arrangement and the appreciation (depreciation) of the assets is the primary driver of the Comprehensive income (loss) reflected above.

For further details on this transaction, see Note 7 to our condensed consolidated financial statements.

Impact of Variable Annuity Guaranteed Benefit Riders and Hedging

Our Individual Retirement and Group Retirement businesses offer variable annuity products with riders that provide guaranteed benefits. The liabilities are accounted for as MRBs and measured at fair value. The fair value of the MRBs may fluctuate significantly based on market interest rates, equity prices, credit spreads, market volatility, policyholder behavior and other factors.

In addition to risk-mitigating features in our variable annuity product design, we have an economic hedging program designed to manage market risk from GMWBs, including exposures to changes in interest rates, equity prices, credit spreads and volatility. The hedging program includes all in-force GMWB policies and utilizes derivative instruments, including, but not limited to, equity options, futures contracts and interest rate swap and option contracts, as well as fixed maturity securities.

Differences in Valuation of MRBs and Economic Hedge Target

Our variable annuity hedging program utilizes an economic hedge target, which represents an estimate of the underlying economic risks in our GMWB riders. The economic hedge target differs from the GAAP valuation of the MRBs, creating volatility in our net income (loss) primarily due to the following:

- the MRBs include both the GMWB riders and the GMDB riders while the hedge program is targeting the economic risks of just the GMWB rider;
- the hedge program is designed to offset moves in the GMWB economic liability and therefore has a lower sensitivity to equity market changes than the MRBs;
- the economic hedge target includes 100% of the GMWB rider fees in present value calculations;
- the GAAP valuation reflects those fees attributed to the MRBs such that the initial value at contract issue equals zero. Since the MRB includes GMWBs and GMDBs, these attributed fees are typically larger than just the GMWB rider fees;
- the economic hedge target uses best estimate actuarial assumptions and excludes explicit risk margins used for GAAP valuation, such as margins for policyholder behavior, mortality and volatility; and
- the economic hedge target excludes our own credit risk changes (non-performance adjustments) used in the GAAP valuation, which are recognized in OCI. The GAAP valuation has different sensitivities to movements in interest rates and other market factors, and to changes from actuarial assumption updates, than the economic hedge target.

For more information on our valuation methodology for MRBs, see Note 4 to to the condensed consolidated financial statements.

The market value of the hedge portfolio compared to the economic hedge target at any point in time may be different and is not expected to be fully offsetting. In addition to the derivatives held in conjunction with the variable annuity hedging program, we generally have cash and invested assets available to cover future claims payable under these guarantees. The primary sources of difference between the change in the fair value of the hedging portfolio and the economic hedge target include:

- basis risk due to the variance between expected and actual fund returns, which may be either positive or negative;
- realized volatility versus implied volatility;
- actual versus expected changes in the hedge target driven by assumptions not subject to hedging, particularly policyholder behavior; and
- risk exposures that we have elected not to explicitly or fully hedge.

The following table presents the impact on pre-tax income (loss) and Other comprehensive income (loss) of Variable Annuity MRBs and Hedging for the Individual Retirement and Group Retirement Segments:

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
(in millions)	MRB Liability*	Hedge Assets	Net	MRB Liability*	Hedge Assets	Net
Issuances	$ 3	$ —	$ 3	$ —	$ —	$ —
Interest accrual	(11)	(64)	(75)	(26)	(119)	(145)
Attributed fees	(224)	—	(224)	(475)	—	(475)
Expected claims	23	—	23	49	—	49
Effect of changes in interest rates	339	(317)	22	(28)	29	1
Effect of changes in interest rate volatility	13	(18)	(5)	94	(78)	16
Effect of changes in equity markets	491	(288)	203	912	(550)	362
Effect of changes in equity index volatility	8	(4)	4	(4)	(11)	(15)
Actual outcome different from model expected outcome	(48)	—	(48)	(109)	—	(109)
Effect of changes in other future expected assumptions	12	—	12	108	—	108
Foreign exchange impact	3	—	3	3	—	3
Total impact on balance before other and changes in our own credit risk	609	(691)	(82)	524	(729)	(205)
Other	(3)	3	—	(3)	(17)	(20)
Effect of changes in our own credit risk	(138)	41	(97)	(37)	43	6
Total income (loss) impact on market risk benefits	468	(647)	(179)	484	(703)	(219)
Less: impact on OCI	(138)	(22)	(160)	(37)	34	(3)
Add: fees net of claims and ceded premiums and benefits	195	—	195	419	—	419
Net impact on pre-tax income (loss)	$ 801	$ (625)	$ 176	$ 940	$ (737)	$ 203
Net change in value of economic hedge target and related hedges						
Net impact on economic gains (losses)			$ (167)			$ (375)

(in millions)	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	MRB Liability*	Hedge Assets	Net	MRB Liability*	Hedge Assets	Net
Issuances	$ (7)	$ —	$ (7)	$ (7)	$ —	$ (7)
Interest accrual	(20)	(76)	(96)	(38)	(139)	(177)
Attributed fees	(229)	—	(229)	(445)	—	(445)
Expected claims	16	—	16	29	—	29
Effect of changes in interest rates	1,196	(1,024)	172	2,317	(2,036)	281
Effect of changes in interest rate volatility	(9)	(6)	(15)	(198)	75	(123)
Effect of changes in equity markets	(1,286)	726	(560)	(1,688)	1,074	(614)
Effect of changes in equity index volatility	46	(11)	35	47	(15)	32
Actual outcome different from model expected outcome	(30)	—	(30)	(162)	—	(162)
Foreign exchange impact	5	—	5	8	—	8
Total impact on balance before other and changes in our own credit risk	(318)	(391)	(709)	(137)	(1,041)	(1,178)
Other	—	47	47	—	86	86
Effect of changes in our own credit risk	533	(72)	461	1,260	(128)	1,132
Total income (loss) impact on market risk benefits	215	(416)	(201)	1,123	(1,083)	40
Less: impact on OCI	533	(215)	318	1,260	(430)	830
Add: fees net of claims and ceded premiums and benefits	209	—	209	393	—	393
Net impact on pre-tax income (loss)	$ (109)	$ (201)	$ (310)	$ 256	$ (653)	$ (397)
Net change in value of economic hedge target and related hedges						
Net impact on economic gains (losses)			$ 252			$ 380

* MRB Liability is partially offset by MRB Assets.

Three Months Ended June 30, 2023

- Net impact on pre-tax income of $176 million was primarily driven by increases in equity markets.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the three months ended June 30, 2023, we had a net mark-to-market loss of approximately $167 million from our hedging activities related to our economic hedge target primarily driven by tightening credit spreads and lower equity volatility.

Six Months Ended June 30, 2023

- Net impact on pre-tax income of $203 million was primarily driven by increases in equity markets and the impact of the LIBOR to SOFR transition.
- With the transition of risk free rates to the SOFR curve, our discounting of fees has been reduced, resulting in a one time favorable impact to the MRB liability.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the six months ended June 30, 2023, we had a net mark-to-market loss of approximately $375 million from our hedging activities related to our economic hedge target primarily driven by tightening credit spreads and lower equity volatility.

Three Months Ended June 30, 2022

- Net impact on pre-tax loss of $310 million was primarily driven by lower equity markets, partially offset by increases in interest rates.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the three months ended June 30, 2022, we had a net mark-to-market gain of approximately $252 million from our hedging activities related to our economic hedge target primarily driven by widening spreads.

Six Months Ended June 30, 2022

- Net impact on pre-tax loss of $397 million was primarily driven by fund basis changes that impacted our actual to expected model outcomes, lower equity markets and term structure moves in the interest rate volatility market, partially offset by increases in interest rates.

On an economic basis, the changes in the fair value of the hedge portfolio were partially offset by the changes in the economic hedge target. In the six months ended June 30, 2022, we had a net mark-to-market gain of approximately $380 million from our hedging activities related to our economic hedge target primarily driven by widening credit spreads.

Embedded Derivatives for Fixed Index Annuity and Index Universal Life Products

Fixed index annuity contracts contain index interest credits which are accounted for as embedded derivatives and our index universal life insurance products also contain embedded derivatives. Policyholders may elect to rebalance among the various accounts within the product at specified renewal dates. At the end of each index term, we generally have the opportunity to re-price the index component by establishing different participation rates or caps on index credited rates. The index crediting feature of these products results in the recognition of an embedded derivative that is required to be bifurcated from the host contract and carried at fair value with changes in the fair value of the liabilities recorded in Net realized gains (losses). Option pricing models are used to estimate fair value, taking into account assumptions for future index growth rates, volatility of the index, future interest rates and our ability to adjust the participation rate and the cap on index credited rates in light of market conditions and policyholder behavior assumptions.

The following table summarizes the fair values of the embedded derivatives for fixed index annuity and index universal life products:

(in millions)	At June 30, 2023	At December 31, 2022
Fixed index annuities	**$ 5,973**	$ 4,657
Index universal life	**$ 840**	$ 710

Our Strategic Partnership with Blackstone

In 2021, we entered into a strategic partnership with Blackstone pursuant to which Blackstone acquired a 9.9% position in our common stock and we entered into a long-term asset management relationship with Blackstone IM. Blackstone IM initially managed $50 billion of our existing investment portfolio, with that amount to increase to an aggregate of $92.5 billion by the third quarter of 2027.

The investments underlying the original $50 billion mandate with Blackstone IM began to run-off in 2022 and will be reinvested over time. As these assets run-off, we expect Blackstone to reinvest primarily in Blackstone-originated investments across a range of asset classes, including private and structured credit, and commercial and residential real estate securitized and whole loans. Blackstone's preferred credit and lending strategy is to seek to control all significant components of the underwriting and pricing processes with the goal of facilitating bespoke opportunities with historically strong credit protection and attractive risk-adjusted returns. Blackstone seeks to capture enhanced economics to those available in the traditional fixed income markets by going directly to the borrowers.

We believe that Blackstone's ability to originate attractive and privately sourced, fixed-income oriented assets, will be accretive to our businesses and provide us with an enhanced competitive advantage as we have been able to expand our investment capabilities, access new asset classes and improve our investment yields. We continue to manage asset allocation and portfolio-level risk management decisions with respect to any assets managed by Blackstone, ensuring that we maintain a consistent level of oversight across our entire investment portfolio considering our asset-liability matching needs, risk appetite and capital position.

As of June 30, 2023, Blackstone managed $53.4 billion in book value of assets in our investment portfolio.

Our Investment Management Agreements with BlackRock

Since April 2022 we entered into investment management agreements with BlackRock, Inc. and its investment advisory affiliates ("BlackRock") (collectively referred herein as the "BlackRock Agreements"). As of June 30, 2023 BlackRock manages approximately $83.7 billion in book value of our investment portfolio, consisting of liquid fixed income and certain private placement assets. In addition, liquid fixed income assets associated with the Fortitude Re portfolio were separately transferred to BlackRock for management. The BlackRock Agreements provide us with access to market-leading capabilities, including portfolio management, research and tactical strategies in addition to a larger pool of investment professionals. We believe BlackRock's scale and fee structure make BlackRock an excellent outsourcing partner for certain asset classes and will allow us to further optimize our investment management operating model while improving overall performance.

See "Business—Investment Management—Our Investment Management Agreements with BlackRock" in the June 2023 Registration Statement.

Adoption of Targeted Improvements to the Accounting for Long-Duration Contracts

In August 2018, the FASB issued an accounting standard update with the objective of making targeted improvements to the existing recognition, measurement, presentation and disclosure requirements for long-duration contracts issued by an insurance entity.

The Company adopted the standard on January 1, 2023, with a transition date of January 1, 2021 (as described in additional detail below).

The Company adopted the standard using the modified retrospective transition method relating to liabilities for traditional and limited payment contracts and DAC. The Company also adopted the standard in relation to MRBs on a full retrospective basis. As of the January 1, 2021 transition date, the impact of the adoption of the standard was a net decrease to beginning AOCI of $2.3 billion and a net increase to beginning Shareholders’ net investment of $1.2 billion.

The net increase in Shareholders’ net investment resulted from:

- the reclassification of the cumulative effect of non-performance adjustments related to our products in Individual Retirement and Group Retirement operating segments that are currently measured at fair value (e.g., living benefit guarantees associated with variable annuities),

Partially offset by:

- a reduction from the difference between the fair value and carrying value of benefits not previously measured at fair value (e.g., death benefit guarantees associated with variable annuities).

The net decrease in AOCI resulted from:

- the reclassification of the cumulative effect of non-performance adjustments discussed above,
- changes to the discount rate which will most significantly impact our Life Insurance and Institutional Markets segments,

Partially offset by:

- the removal of DAC, unearned revenue reserves, sales inducement assets and certain future policyholder benefit balances recorded in AOCI related to changes in unrealized appreciation (depreciation) on investments.

Fair Value Option Bond Securities

We elect the fair value option on certain bond securities. When the fair value option is elected, the realized and unrealized gains and losses on these securities are reported in net investment income.

The following table shows the net investment income reported on fair value option bond securities:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Net investment income - excluding Fortitude Re funds withheld assets	**$ 8**	$ (34)	**$ 18**	$ (53)
Net investment income - Fortitude Re funds withheld assets	**6**	(149)	**111**	(242)
Total	**$ 14**	$ (183)	**$ 129**	$ (295)

Separation Costs

In connection with our separation from AIG, we have incurred and expect to continue to incur one-time and recurring expenses. We estimate that our one-time expenses will be between approximately $350 million and $450 million on a pre-tax basis from January 1, 2022. As of June 30, 2023, we have incurred approximately $303 million of one-time expenses on a pre-tax basis. These expenses primarily relate to replicating and replacing functions, systems and infrastructure provided by AIG; rebranding; and accounting advisory, consulting and actuarial fees. In addition to these separation costs, we expect to incur costs related to the evolution of our investments organization to reflect our strategic partnerships with key external managers, our implementation of BlackRock’s “Aladdin” investment management technology platform and our expected reduction in fees for asset management services. We expect to incur the majority of these costs by December 31, 2023.

In addition, as part of Corebridge Forward, we aim to achieve an annual run rate expense reduction of approximately $400 million on a pre-tax basis and expect the majority of the reduction to be achieved within 24 months of the IPO. Through June 30, 2023 we have acted upon or contracted approximately $300 million of exit run rate savings on a pre-tax basis, of which $20 million and $68 million relates to the three and six months ended June 30, 2023, respectively. Corebridge Forward is expected to have a one-time expense of approximately $300 million on a pre-tax basis. As of June 30, 2023,the cost to achieve has been approximately $124 million.

COREBRIDGE'S MACROECONOMIC, INDUSTRY AND REGULATORY TRENDS

Our business is affected by industry and economic factors such as interest rates; geopolitical stability (including the armed conflict between Ukraine and Russia and corresponding sanctions imposed by the United States and other countries); credit and equity market conditions; currency exchange rates; regulation; tax policy; competition; and general economic, market and political conditions. We continued to operate under challenging market conditions in 2023 and 2022 characterized by factors such as the impact of COVID-19 and the related governmental and societal responses, interest rate volatility, inflationary pressures, an uneven global economic recovery and global trade tensions. Responses by central banks and monetary authorities with respect to inflation, growth concerns and other macroeconomic factors have also affected global exchange rates and volatility.

Below is a discussion of certain industry and economic factors impacting our business:

Impact of COVID-19

We are regularly assessing the impact on our business, operations and investments of COVID-19 and the resulting ongoing economic and societal disruption. These impacts initially included a global economic contraction, disruptions in financial markets, increased market volatility and declines in certain equity and other asset prices that had negative effects on our investments, our access to liquidity, our ability to generate new sales and the costs associated with claims. Further, legislative and regulatory activity has occurred, and we cannot predict what form future legal and regulatory responses to concerns about COVID-19 and related public health issues will take, or how such responses will impact our business.

The most significant impacts relating to COVID-19 have been the impact of interest rate, credit spreads and equity market levels on spread and fee income and increased mortality. We are actively monitoring the mortality rates and the potential direct and indirect impacts that COVID-19 may have across our businesses. Actual data related to cause of death is not always available for all claims paid, and such cause of death data does not always capture the existence of comorbid conditions. As a result, COVID-19 pre-tax income and APTOI impacts are estimates of the total impact of COVID-19 related claim activity based on available data. The regulatory approach to the pandemic and impact on the insurance industry is continuing to evolve and its ultimate impact remains uncertain. However, based on the latest data we believe that COVID-19 is shifting from a pandemic to an endemic. For the three and six months ended June 30, 2022, our estimated reduction in pre-tax income and APTOI impact in the United States and UK from COVID-19 was $17 million and $63 million, respectively.

We have a diverse investment portfolio with material exposures to various forms of credit risk. To date, there has been minimal impact on the value of the portfolio. At this point in time, uncertainty surrounding the duration and severity of the COVID-19 pandemic makes the long-term financial impact difficult to quantify.

See "Risk Factors—Risks Relating to Market Conditions—We are exposed to risk from the COVID-19 pandemic" in the June 2023 Registration Statement.

Demographics

We expect our target market of individuals planning for retirement to continue to grow with the size of the U.S. population age 65 and over that is expected to increase by approximately 30% by 2030 from 2020. In addition, we believe that reduced employer-paid retirement benefits will drive an increasing need for our individual retirement solutions. Further, consumers in the United States continue to prefer purchasing life insurance and retirement products through an agent or advisor, which positions us favorably given our broad distribution platform and in-house advisory capabilities. We continue to seek opportunities to develop new products and adapt our existing products to the growing needs of individuals to plan, save for and achieve secure financial futures.

Equity Markets

Our financial results are impacted by the performance of equity markets, which impacts the performance of our alternative investment portfolio, fee income, MRBs and embedded derivatives. For instance, in our variable annuity separate accounts, mutual fund assets and brokerage and advisory assets, we generally earn fee income based on the account value, which fluctuates with the equity markets as a significant amount of these assets are invested in equity funds. The impact of equity market returns, both increases and decreases, is reflected in our results due to the impact on the account value and the fair values of equity-exposed securities in our investment portfolio.

Our hedging costs could also be significantly impacted by changes in the level of equity markets as rebalancing and option costs are tied to the equity market volatility. These hedging costs are partially offset by our rider fees that are tied to the level of the VIX. As rebalancing and option costs increase or decrease, the rider fees will increase or decrease partially offsetting the hedging costs incurred.

See "Risk Factors—Risks Relating to Market Conditions—We are exposed to risk from equity market declines or volatility" in the June 2023 Registration Statement.

Market and other economic factors may result in increased credit impairments, downgrades and losses across single or numerous asset classes due to lower collateral values or deteriorating cash flow and profitability by borrowers could lead to higher defaults on our investment portfolio, especially in geographic, industry or investment sectors where we have higher concentrations of exposure, such as real estate related borrowings. These factors can also cause widening of credit spreads which could reduce investment asset valuations, decrease fee income and increase statutory capital requirements, as well as reduce the availability of investments that are attractive from a risk-adjusted perspective.

See "Risk Factors—Our business is highly dependent on economic and capital market conditions" in the June 2023 Registration Statement.

Alternative investments include private equity funds which are generally reported on a one-quarter lag. Accordingly, changes in valuations driven by equity market conditions during the second quarter of 2023 may impact the private equity investments in the alternative investments portfolio in the third quarter of 2023.

Impact of Changes in the Interest Rate Environment

A rising interest rate environment benefits our spread income as we reinvest cash flows from existing business at higher rates and should have a positive impact on sales of spread-based products resulting in an increase in our base net investment spreads.

As of June 30, 2023, increases in key rates have improved yields on new investments, which are now higher than the yield on maturities and redemptions ("run-off yield") that we are experiencing on our existing portfolios. Furthermore, the impact of interest rate increases is further reflected in our results as these rate increases have also reduced the value of fixed income assets that are held in the variable annuity separate accounts and brokerage and advisory assets, and accordingly, have adversely impacted the fees that are charged on these accounts. We actively manage our exposure to the interest rate environment through portfolio construction and asset-liability management, including spread management strategies for our investment-oriented products and economic hedging of interest rate risk from guarantee features in our variable annuities, but we may not be able to fully mitigate our interest rate risk by matching exposure of our assets relative to our liabilities.

Fluctuations in interest rates may result in changes to certain statutory reserve or capital requirements that are based on formulas or models that consider interest rates or prescribed interest rates, such as cash flow testing. Rising interest rates can have a mixed impact on statutory financials due to higher surrender activity, particularly for fixed annuities, offset by potentially lower reserves for other products under various statutory reserving frameworks.

Regulatory Environment

The insurance and financial services industries are generally subject to close regulatory scrutiny and supervision. Our operations are subject to regulation by a number of different types of domestic and international regulatory authorities, including securities, derivatives and investment advisory regulators. Our insurance subsidiaries are subject to regulation and supervision by the states and jurisdictions in which they do business.

We expect that the domestic and international regulations applicable to us and our regulated entities will continue to evolve for the foreseeable future.

For information regarding our regulation and supervision by different regulatory authorities in the United States and abroad, see "Business—Regulation" in the June 2023 Registration Statement.

Annuity Sales and Surrenders

The rising rate environment and our partnership with Blackstone have provided a strong tailwind for fixed and fixed index annuity sales, however, higher rates have also resulted in an increase in surrenders. Rising interest rates could continue to create the potential for increased sales but could also drive higher surrenders relative to what we have already experienced. Fixed annuities have surrender charge periods, generally in the three-to-seven-year range. Fixed index annuities have surrender charge periods, generally in the five-to-ten-year range, and within our Group Retirement segment, certain of our fixed investment options are subject to other withdrawal restrictions, which may help mitigate increased early surrenders in a rising rate environment. In addition, older contracts that have higher minimum interest rates and continue to be attractive to contract holders have driven better than expected persistency in fixed annuities, although the liabilities for such contracts have continued to decrease over time in amount and as a percentage of the total annuity portfolio. We closely monitor surrenders of fixed annuities as contracts with lower minimum interest rates come out of the surrender charge period.

Reinvestment and Spread Management

We actively monitor fixed income markets, including the level of interest rates, credit spreads and the shape of the yield curve. We also frequently review our interest rate assumptions and actively manage the crediting rates used for new and in-force business. Business strategies continue to evolve and we attempt to maintain profitability of the overall business in light of the interest rate environment. A rising interest rate environment results in improved yields on new investments and improves margins for our business while also making certain products, such as fixed annuities, more attractive to potential customers. However, the rising rate environment has resulted in lower values on general and separate account assets, mutual fund assets and brokerage and advisory assets that hold investments in fixed income assets.

For additional information on our investment and asset-liability management strategies, see "Investments."

For investment-oriented products, including universal life insurance, and variable, fixed and fixed index annuities, in each of our operating and reportable segments, our spread management strategies include disciplined pricing and product design for new business, modifying or limiting the sale of products that do not achieve targeted spreads, using asset-liability management to match assets to liabilities to the extent practicable and actively managing crediting rates to help mitigate some of the pressure on investment spreads. Renewal crediting rate management is guided by specific contract provisions designed to allow crediting rates to be reset at pre-established intervals and subject to minimum crediting rate guarantees. We expect to continue to adjust crediting rates on in-force business, as appropriate, to be responsive to changing rate environments. As interest rates rise, we may need to raise crediting rates on in-force business for competitive and other reasons, potentially offsetting a portion of the additional investment income resulting from investing in a higher interest rate environment.

Of the aggregate fixed account values of our Individual Retirement and Group Retirement annuity products, 58% and 64% were crediting at the contractual minimum guaranteed interest rate at June 30, 2023 and December 31, 2022, respectively. The percentages of fixed account values of our annuity products that are currently crediting at rates above 1% were 53% and 55% at June 30, 2023 and December 31, 2022, respectively. In the universal life insurance products in our Life Insurance business, 59% and 62% of the account values were crediting at the contractual minimum guaranteed interest rate at June 30, 2023 and December 31, 2022, respectively. These businesses continue to focus on pricing discipline and strategies to manage the minimum guaranteed interest crediting rates offered on new sales in the context of regulatory requirements and competitive positioning.

For additional information on our investment and asset-liability management strategies, see Note 5 to our condensed consolidated financial statements.

Impact of Currency Volatility

In our life insurance business, we have international locations in the UK and Ireland, whose local currency is the British pound and Euro, respectively. Trends in revenue and expense reported in U.S. dollars can differ significantly from those measured in original currencies. While currency volatility affects financial statement line item components of income and expenses, since our international businesses transact in local currencies, the impact is significantly mitigated.

These currencies may continue to fluctuate, in either direction, and such fluctuations may affect premiums, fees and expenses reported in U.S. dollars, as well as financial statement line item comparability.

Use of Non-GAAP Financial Measures and Key Operating Metrics

NON-GAAP FINANCIAL MEASURES

Throughout this MD&A, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are "non-GAAP financial measures" under SEC rules and regulations. We believe presentation of these non-GAAP financial measures allows for a deeper understanding of the profitability drivers of our business, results of operations, financial condition and liquidity. These measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with GAAP and should not be viewed as a substitute for GAAP measures. The non-GAAP financial measures we present may not be comparable to similarly named measures reported by other companies. Reconciliations of non-GAAP financial measures for future periods are not provided as we do not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliations.

Adjusted revenues exclude Net realized gains (losses) except for gains (losses) related to the disposition of real estate investments, income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes).

The following table presents a reconciliation of Total revenues to Adjusted revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Total revenues	**$ 5,757**	$ 6,790	**$ 10,019**	$ 14,030
Fortitude Re related items:				
Net investment income (loss) on Fortitude Re funds withheld assets	**(270)**	(182)	**(664)**	(460)
Net realized losses on Fortitude Re funds withheld assets	**130**	60	**110**	183
Net realized (gains) losses on Fortitude Re funds withheld embedded derivatives	**(122)**	(2,394)	**903**	(5,231)
Subtotal - Fortitude Re related items	**(262)**	(2,516)	**349**	(5,508)
Other non-Fortitude Re reconciling items:				
Changes in fair value of securities used to hedge guaranteed living benefits	**(14)**	(13)	**(27)**	(27)
Non-operating litigation reserves and settlements	**—**	(2)	**—**	(22)
Other (income) loss - net	**(4)**	(12)	**(14)**	(24)
Net realized (gains) losses*	**368**	(142)	**881**	(256)
Subtotal - Other non-Fortitude Re reconciling items	**350**	(169)	**840**	(329)
Total adjustments	**88**	(2,685)	**1,189**	(5,837)
Adjusted revenues	**$ 5,845**	$ 4,105	**$ 11,208**	$ 8,193

* Represents all net realized gains and losses except gains (losses) related to the disposition of real estate investments and earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income for non-qualifying (economic) hedging or for asset replication is reclassified from net realized gains and losses to specific APTOI line items (e.g., net investment income and interest credited to policyholder account balances) based on the economic risk being hedged.

Adjusted pre-tax operating income ("APTOI") is derived by excluding the items set forth below from income from operations before income tax. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and recording adjustments to APTOI that we believe to be common in our industry. We believe the adjustments to pre-tax income are useful for gaining an understanding of our overall results of operations.

APTOI excludes the impact of the following items:

FORTITUDE RELATED ADJUSTMENTS:

The modco reinsurance agreements with Fortitude Re transfer the economics of the invested assets supporting the reinsurance agreements to Fortitude Re. Accordingly, the net investment income on Fortitude Re funds withheld assets and the net realized gains (losses) on Fortitude Re funds withheld assets are excluded from APTOI. Similarly, changes in the Fortitude Re funds withheld embedded derivative are also excluded from APTOI.

The ongoing results associated with the reinsurance agreement with Fortitude Re have been excluded from APTOI as these are not indicative of our ongoing business operations.

INVESTMENT RELATED ADJUSTMENTS:

APTOI excludes “Net realized gains (losses)”, including changes in the allowance for credit losses on available-for-sale securities and loans, as well as gains or losses from sales of securities, except for gains (losses) related to the disposition of real estate investments. Net realized gains (losses), except for gains (losses) related to the disposition of real estate investments, are excluded as the timing of sales on invested assets or changes in allowances depend largely on market credit cycles and can vary considerably across periods. In addition, changes in interest rates may create opportunistic scenarios to buy or sell invested assets. Our derivative results, including those used to economically hedge insurance liabilities or are recognized as embedded derivatives at fair value are also included in Net realized gains (losses) and are similarly excluded from APTOI except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedges or for asset replication. Earned income on such economic hedges is reclassified from Net realized gains and losses to specific APTOI line items based on the economic risk being hedged (e.g., Net investment income and Interest credited to policyholder account balances).

MARKET RISK BENEFIT ADJUSTMENTS:

Certain of our variable annuity, fixed annuity and fixed index annuity contracts contain GMWBs and/or GMDBs which are accounted for as MRBs. Changes in the fair value of these MRBs (excluding changes related to our own credit risk), including certain rider fees attributed to the MRBs, along with changes in the fair value of derivatives used to hedge MRBs are recorded through “Change in the fair value of MRBs, net” and are excluded from APTOI.

Changes in the fair value of securities used to economically hedge MRBs are excluded from APTOI.

OTHER ADJUSTMENTS:

Other adjustments represent all other adjustments that are excluded from APTOI and includes the net pre-tax operating income (losses) from noncontrolling interests related to consolidated investment entities. The excluded adjustments include, as applicable:

- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles;
- separation costs;
- non-operating litigation reserves and settlements;
- loss (gain) on extinguishment of debt, if any;
- losses from the impairment of goodwill, if any; and
- income and loss from divested or run-off business, if any.

Adjusted after-tax operating income attributable to our common shareholders (“Adjusted After-tax Operating Income” or “AATOI”) is derived by excluding the tax effected APTOI adjustments described above, as well as the following tax items from net income attributable to us:

- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
- deferred income tax valuation allowance releases and charges.

The following tables present a reconciliation of pre-tax income (loss)/net income (loss) attributable to Corebridge to adjusted pre-tax operating income (loss)/adjusted after-tax operating income (loss) attributable to Corebridge:

Three Months Ended June 30,	2023				2022			
(in millions)	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests	After Tax	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests	After Tax
Pre-tax income/net income, including noncontrolling interests	$ 911	$ 160	$ —	$ 751	$ 3,326	$ 652	$ —	$ 2,674
Noncontrolling interests	—	—	20	20	—	—	(80)	(80)
Pre-tax income/net income attributable to Corebridge	911	160	20	771	3,326	652	(80)	2,594
Fortitude Re related items								
Net investment income on Fortitude Re funds withheld assets	(270)	(61)	—	(209)	(182)	(39)	—	(143)
Net realized (gains) losses on Fortitude Re funds withheld assets	130	28	—	102	60	12	—	48
Net realized losses on Fortitude Re funds withheld embedded derivative	(122)	(27)	—	(95)	(2,394)	(515)	—	(1,879)
Net realized losses on Fortitude transactions	—	—	—	—	—	—	—	—
Subtotal Fortitude Re related items	(262)	(60)	—	(202)	(2,516)	(542)	—	(1,974)
Other Reconciling Items:								
Changes in uncertain tax positions and other tax adjustments	—	59	—	(59)	—	34	—	(34)
Deferred income tax valuation allowance (releases) charges	—	(35)	—	35	—	—	—	—
Changes in fair value of market risk benefits, net	(262)	(55)	—	(207)	(45)	(8)	—	(37)
Changes in fair value of securities used to hedge guaranteed living benefits	4	—	—	4	(10)	(2)	—	(8)
Changes in benefit reserves related to net realized gains (losses)	1	—	—	1	(7)	(2)	—	(5)
Net realized (gains) losses*	363	76	—	287	(146)	(31)	—	(115)
Non-operating litigation reserves and settlements	—	—	—	—	(2)	(1)	—	(1)
Separation costs	70	15	—	55	37	8	—	29
Restructuring and other costs	28	6	—	22	52	11	—	41
Non-recurring costs related to regulatory or accounting changes	7	1	—	6	1	—	—	1
Net (gain) loss on divestiture	(59)	(13)	—	(46)	1	1	—	—
Pension expense - non operating	15	3	—	12	—	—	—	—
Noncontrolling interests	20	—	(20)	—	(80)	—	80	—
Subtotal: Non-Fortitude Re reconciling items	187	57	(20)	110	(199)	10	80	(129)
Total adjustments	(75)	(3)	(20)	(92)	(2,715)	(532)	80	(2,103)
Adjusted pre-tax operating income(loss)/Adjusted after-tax operating income (loss) attributable to Corebridge common shareholders	$ 836	$ 157	$ —	$ 679	$ 611	$ 120	$ —	$ 491

Six Months Ended June 30,	2023				2022			
(in millions)	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests	After Tax	Pre-tax	Total Tax (Benefit) Charge	Non-controlling Interests	After Tax
Pre-tax income/net income, including noncontrolling interests	$ 242	$ (56)	$ —	$ 298	$ 7,626	$ 1,511	$ —	$ 6,115
Noncontrolling interests	—	—	14	14	—	—	(155)	(155)
Pre-tax income/net income attributable to Corebridge	242	(56)	14	312	7,626	1,511	(155)	5,960
Fortitude Re related items								
Net investment income on Fortitude Re funds withheld assets	(664)	(148)	—	(516)	(460)	(97)	—	(363)
Net realized (gains) losses on Fortitude Re funds withheld assets	110	24	—	86	183	38	—	145
Net realized losses on Fortitude Re funds withheld embedded derivative	903	200	—	703	(5,231)	(1,125)	—	(4,106)
Subtotal Fortitude Re related items	349	76	—	273	(5,508)	(1,184)	—	(4,324)
Other Reconciling Items:								
Changes in uncertain tax positions and other tax adjustments	—	80	—	(80)	—	76	—	(76)
Deferred income tax valuation allowance (releases) charges	—	(51)	—	51	—	(24)	—	24
Changes in fair value of market risk benefits, net	(66)	(14)	—	(52)	(278)	(58)	—	(220)
Changes in fair value of securities used to hedge guaranteed living benefits	7	1	—	6	(23)	(5)	—	(18)
Changes in benefit reserves related to net realized gains (losses)	(4)	(1)	—	(3)	(9)	(2)	—	(7)
Net realized (gains) losses*	871	183	—	688	(266)	(56)	—	(210)
Non-operating litigation reserves and settlements	—	—	—	—	(22)	(5)	—	(17)
Separation costs	122	26	—	96	81	17	—	64
Restructuring and other costs	55	12	—	43	66	14	—	52
Non-recurring costs related to regulatory or accounting changes	11	2	—	9	4	1	—	3
Net (gain) loss on divestiture	(56)	(12)	—	(44)	3	1	—	2
Pension expense - non operating	15	3	—	12	1	—	—	1
Noncontrolling interests	14	—	(14)	—	(155)	—	155	—
Subtotal: Other non-Fortitude Re reconciling items	969	229	(14)	726	(598)	(41)	155	(402)
Total adjustments	1,318	305	(14)	999	(6,106)	(1,225)	155	(4,726)
Adjusted pre-tax operating income (loss)/Adjusted after-tax operating income (loss) attributable to Corebridge common shareholders	$ 1,560	$ 249	$ —	$ 1,311	$ 1,520	$ 286	$ —	$ 1,234

* Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Additionally, gains (losses) related to the disposition of real estate investments are also excluded from this adjustment.

Adjusted Book Value is derived by excluding AOCI, adjusted for the cumulative unrealized gains and losses related to Fortitude Re's funds withheld assets. We believe this measure is useful to investors as it eliminates the asymmetrical impact resulting from changes in fair value of our available-for-sale securities portfolio for which there is largely no offsetting impact for certain related insurance liabilities that are not recorded at fair value with changes in fair value recorded through OCI. It also eliminates asymmetrical impacts where our own credit non-performance risk is recorded through OCI. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re's funds withheld assets since these fair value movements are economically transferred to Fortitude Re.

The following table presents the reconciliation of Book value per common share to Adjusted book value per common share:

(in millions, except per common share data)	At June 30, 2023	At December 31, 2022
Total Corebridge shareholders' equity (a)	$ 10,561	$ 9,380
Less: Accumulated other comprehensive income	(15,182)	(16,863)
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(2,568)	(2,806)
Adjusted Book Value (b)	$ 23,175	$ 23,437
Total common shares outstanding (c)	636.0	645.0
Book value per common share (a/c)	$ 16.61	$ 14.54
Adjusted book value per common share (b/c)	$ 36.44	$ 36.34

Adjusted Return on Average Equity ("Adjusted ROAE") is derived by dividing AATOI by average Adjusted Book Value and is used by management to evaluate our recurring profitability and evaluate trends in our business. We believe this measure is useful to investors as it eliminates the asymmetrical impact resulting from changes in fair value of our available-for-sale securities portfolio for which there is largely no offsetting impact for certain related insurance liabilities that are not recorded at fair value with changes in fair value recorded through OCI. It also eliminates asymmetrical impacts where our own credit non-performance risk is recorded through OCI. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re's funds withheld assets since these fair value movements are economically transferred to Fortitude Re.

The following table presents the reconciliation of Adjusted ROAE:

(in millions, unless otherwise noted)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Actual or annualized net income (loss) attributable to Corebridge shareholders (a)	**$ 3,084**	$ 10,376	**$ 624**	$ 11,920
Actual or annualized adjusted after-tax operating income attributable to Corebridge shareholders (b)	**2,716**	1,964	**2,622**	2,468
Average Corebridge shareholders' equity (c)	**11,058**	16,140	**10,499**	19,836
Less: Average AOCI	**(14,625)**	(7,066)	**(15,371)**	(1,966)
Add: Average cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	**(2,467)**	(734)	**(2,580)**	387
Average Adjusted Book Value (d)	**$ 23,216**	$ 22,472	**$ 23,290**	$ 22,189
Return on Average Equity (a/c)	**27.9 %**	64.3 %	**5.9 %**	60.1 %
Adjusted ROAE (b/d)	**11.7 %**	8.7 %	**11.3 %**	11.1 %

Premiums and deposits is a non-GAAP financial measure that includes direct and assumed premiums received and earned on traditional life insurance policies and life-contingent payout annuities, as well as deposits received on universal life insurance, investment-type annuity contracts and GICs. We believe the measure of premiums and deposits is useful in understanding customer demand for our products, evolving product trends and our sales performance period over period.

The following table presents the premiums and deposits:

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Individual Retirement				
Premiums	**$ 66**	$ 60	**$ 144**	$ 116
Deposits	**3,984**	3,566	**8,791**	7,396
Other[(a)]	**(5)**	(6)	**(7)**	(11)
Premiums and deposits	**4,045**	3,620	**8,928**	7,501
Group Retirement				
Premiums	**4**	5	**10**	13
Deposits	**1,919**	1,767	**4,159**	3,647
Premiums and deposits[(b)(c)]	**1,923**	1,772	**4,169**	3,660
Life Insurance				
Premiums	**443**	440	**868**	865
Deposits	**384**	389	**782**	786
Other[(a)]	**236**	220	**462**	455
Premiums and deposits	**1,063**	1,049	**2,112**	2,106
Institutional Markets				
Premiums	**1,911**	496	**3,486**	734
Deposits	**991**	46	**1,572**	128
Other[(a)]	**8**	8	**15**	15
Premiums and deposits	**2,910**	550	**5,073**	877
Total				
Premiums	**2,424**	1,001	**4,508**	1,728
Deposits	**7,278**	5,768	**15,304**	11,957
Other[(a)]	**239**	222	**470**	459
Premiums and deposits	**$ 9,941**	$ 6,991	**$ 20,282**	$ 14,144

(a) Other principally consists of ceded premiums, in order to reflect gross premiums and deposits.

(b) Excludes client deposits into advisory and brokerage accounts of $580 million and $579 million for the three months ended June 30, 2023 and 2022, respectively, and $1.1 billion and $1.2 billion for the six months ended June 30, 2023 and 2022, respectively.

(c) Includes inflows related to in-plan mutual funds of $720 million and $739 million for the three months ended June 30, 2023 and 2022, respectively, and $1.7 billion and $1.6 billion for the six months ended June 30, 2023 and 2022, respectively.

Normalized distributions are defined as dividends paid by the Life Fleet subsidiaries as well as the international insurance subsidiaries, less non-recurring dividends, plus dividend capacity that would have been available to Corebridge absent strategies that resulted in utilization of tax attributes. We believe that presenting normalized distributions is useful in understanding a significant component of our liquidity as a stand-alone company.

The following table presents a reconciliation of dividends to Normalized distributions:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Subsidiary dividends paid	**$ 500**	$ 500	**$ 1,000**	$ 1,200
Tax sharing payments related to utilization of tax attributes	**—**	126	**—**	273
Normalized distributions	**$ 500**	$ 626	**$ 1,000**	$ 1,473

Net investment income (APTOI basis) is the sum of base portfolio income and variable investment income.

The following table presents a reconciliation of net investment income (net income basis) to net investment income (APTOI basis):

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Net investment income (net income basis)	**$ 2,714**	$ 2,280	**$ 5,409**	$ 4,861
Net investment (income) on Fortitude Re funds withheld assets	**(270)**	(182)	**(664)**	(460)
Change in fair value of securities used to hedge guaranteed living benefits	**(14)**	(13)	**(27)**	(27)
Other adjustments	**(5)**	(12)	**(15)**	(24)
Derivative income recorded in net realized investment gains (losses)	**55**	36	**112**	70
Total adjustments	**(234)**	(171)	**(594)**	(441)
Net investment income (APTOI basis) *	**$ 2,480**	$ 2,109	**$ 4,815**	$ 4,420

* Includes net investment income from Corporate and Other of $18 million and $131 million for the three months ended June 30, 2023 and 2022, respectively, and $76 million and $312 million for the six months ended June 30, 2023 and 2022, respectively.

KEY OPERATING METRICS

Assets Under Management and Administration

Assets Under Management ("AUM") include assets in the general and separate accounts of our subsidiaries that support liabilities and surplus related to our life and annuity insurance products.

Assets Under Administration ("AUA") include Group Retirement mutual fund assets and other third-party assets that we sell or administer and the notional value of SVW contracts.

Assets Under Management and Administration ("AUMA") is the cumulative amount of AUM and AUA.

The following table presents a summary of our AUMA:

	June 30,	December 31,
(in millions)	**2023**	2022
Individual Retirement		
AUM	**$ 143,420**	$ 136,696
AUA	**—**	—
Total Individual Retirement AUMA	**143,420**	136,696
Group Retirement		
AUM	**78,258**	78,474
AUA	**40,343**	36,458
Total Group Retirement AUMA	**118,601**	114,932
Life Insurance		
AUM	**27,208**	27,760
AUA	**—**	—
Total Life Insurance AUMA	**27,208**	27,760
Institutional Markets		
AUM	**36,587**	30,686
AUA	**45,947**	47,078
Total Institutional Markets AUMA	**82,534**	77,764
Total AUMA	**$ 371,763**	$ 357,152

Fee and Spread income and Underwriting Margin

Fee income is defined as policy fees plus advisory fees plus other fee income. For our Institutional Markets segment, its SVW products generate fee income.

Spread income is defined as net investment income less interest credited to policyholder account balances, exclusive of amortization of deferred sales inducement assets. Spread income is comprised of both base spread income and variable investment income. For our Institutional Markets segment, its structured settlements, PRT and GIC products generate spread income, which includes premiums, net investment income, less interest credited and policyholder benefits and excludes the annual assumption update.

Underwriting margin for our Life Insurance segment includes premiums, policy fees, other income, net investment income, less interest credited to policyholder account balances and policyholder benefits and excludes the annual assumption update. For our Institutional Markets segment, its Corporate Markets products generate underwriting margin, which includes premiums, net investment income, policy and advisory fee income, less interest credited and policyholder benefits and excludes the annual assumption update.

Base portfolio income includes interest, dividends and foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.

Variable investment income includes call and tender income, commercial mortgage loan prepayments, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate), income from alternative investments and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated. Alternative investments include private equity funds which are generally reported on a one-quarter lag.

Base spread income means base portfolio income less interest credited to policyholder account balances, excluding the amortization of deferred sales inducement assets.

Base net investment spread means base yield less cost of funds, excluding the amortization of deferred sales inducement assets.

Base yield means the returns from base portfolio income including accretion and impacts from holding cash and short-term investments.

The following table presents a summary of our spread income, fee income and underwriting margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Spread income	**$ 684**	$ 448	**$ 1,307**	$ 990
Fee income	**280**	301	**557**	609
Total Individual Retirement	**964**	749	**1,864**	1,599
Group Retirement				
Spread income	**213**	205	**426**	452
Fee income	**178**	177	**354**	376
Total Group Retirement	**391**	382	**780**	828
Life Insurance				
Underwriting margin	**361**	389	**717**	761
Total Life Insurance	**361**	389	**717**	761
Institutional Markets				
Spread income	**117**	67	**199**	168
Fee income	**16**	16	**32**	31
Underwriting margin	**20**	19	**37**	41
Total Institutional Markets	**153**	102	**268**	240
Total				
Spread income	**1,014**	720	**1,932**	1,610
Fee income	**474**	494	**943**	1,016
Underwriting margin	**381**	408	**754**	802
Total	**$ 1,869**	$ 1,622	**$ 3,629**	$ 3,428

Net Investment Income (APTOI Basis)

The following table presents a summary of our four insurance operating businesses' net investment income on an APTOI basis:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Base portfolio income	**$ 1,194**	$ 873	**$ 2,317**	$ 1,730
Variable investment income	**30**	28	**35**	154
Net investment income	**1,224**	901	**2,352**	1,884
Group Retirement				
Base portfolio income	**484**	454	**975**	904
Variable investment income	**20**	34	**29**	111
Net investment income	**504**	488	**1,004**	1,015
Life Insurance				
Base portfolio income	**321**	301	**638**	606
Variable investment income	**6**	49	**6**	100
Net investment income	**327**	350	**644**	706
Institutional Markets				
Base portfolio income	**367**	230	**685**	448
Variable investment income	**40**	9	**54**	55
Net investment income	**407**	239	**739**	503
Total				
Base portfolio income	**2,366**	1,858	**4,615**	3,688
Variable investment income	**96**	120	**124**	420
Net investment income (APTOI basis) - Insurance operations	**$ 2,462**	$ 1,978	**$ 4,739**	$ 4,108

Net Flows

Net flows for annuity products in Individual Retirement and Group Retirement represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows for mutual funds represent deposits less withdrawals. For Group Retirement, client deposits into advisory and brokerage accounts less total client withdrawals from advisory and brokerage accounts are not included in net flows.

The following table presents a summary of our Net Flows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Fixed Annuities	**$ (1,115)**	$ (67)	**$ (1,205)**	$ 203
Fixed Index Annuities	**1,612**	1,080	**3,000**	2,065
Variable Annuities	**(855)**	(385)	**(1,491)**	(766)
Total Individual Retirement	**(358)**	628	**304**	1,502
Group Retirement	**(1,746)**	(548)	**(2,565)**	(1,367)
Total Net Flows	**$ (2,104)**	$ 80	**$ (2,261)**	$ 135

Consolidated Results of Operations

The following section provides a comparative discussion of our consolidated results of operations on a reported basis for the three and six months ended June 30, 2023 and 2022. *For factors that relate primarily to a specific business, see "—Segment Operations."*

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 2,443**	$ 1,011	**$ 4,548**	$ 1,746
Policy fees	**694**	729	**1,392**	1,459
Net investment income	**2,714**	2,280	**5,409**	4,861
Net realized gains (losses)	**(320)**	2,520	**(1,778)**	5,407
Advisory fee and other income	**226**	250	**448**	557
Total revenues	**5,757**	6,790	**10,019**	14,030
Benefits and expenses:				
Policyholder benefits	**2,876**	1,429	**5,371**	2,597
Change in the fair value of market risk benefits, net	**(262)**	(45)	**(66)**	(278)
Interest credited to policyholder account balances	**1,078**	907	**2,104**	1,785
Amortization of deferred policy acquisition costs and value of business acquired	**258**	252	**514**	495
Non-deferrable insurance commissions	**153**	151	**289**	295
Advisory fee expenses	**64**	65	**129**	136
General operating expenses	**604**	577	**1,186**	1,163
Interest expense	**134**	127	**306**	208
Net (gain) loss on divestitures	**(59)**	1	**(56)**	3
Total benefits and expenses	**4,846**	3,464	**9,777**	6,404
Income before income tax expense (benefit)	**911**	3,326	**242**	7,626
Income tax expense (benefit)	**160**	652	**(56)**	1,511
Net income	**751**	2,674	**298**	6,115
Less: Net income (loss) attributable to noncontrolling interests	**(20)**	80	**(14)**	155
Net income attributable to Corebridge	**$ 771**	$ 2,594	**$ 312**	$ 5,960

The following table presents certain balance sheet data:

(in millions, except per common share data)	**June 30, 2023**	December 31, 2022
Balance sheet data:		
Total assets	**$ 367,470**	$ 360,322
Long-term debt	**$ 7,873**	$ 7,868
Debt of consolidated investment entities	**$ 2,654**	$ 5,958
Total Corebridge shareholders' equity	**$ 10,561**	$ 9,380
Book value per common share	**$ 16.61**	$ 14.54
Adjusted book value per common share	**$ 36.44**	$ 36.34

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Net Income Comparison

Income (loss) before income tax expense (benefit)

We recorded pre-tax income of $911 million in the three months ended June 30, 2023 compared to pre-tax income of $3.3 billion in the three months ended June 30, 2022. The change in pre-tax income was primarily due to:

- lower realized gains of $2.8 billion primarily driven by lower gains on the Fortitude Re funds withheld embedded derivative.

Partially offset by:

- higher net investment income of $434 million primarily driven by higher base portfolio income and higher income related to the Fortitude Re funds withheld assets partially offset by lower variable investment income; and
- favorable change in the fair value of market risk benefits, net of $217 million primarily driven by the impacts of changes in equity markets and interest rate volatility.

Income tax expense (benefit)

For the three months ended June 30, 2023, there was an income tax expense of $160 million on income from operations, resulting in an effective tax rate on income from operations of 17.6%.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Net Income Comparison

Income (loss) before income tax expense (benefit)

We recorded pre-tax income of $242 million in the six months ended June 30, 2023 compared to pre-tax income of $7.6 billion in the six months ended June 30, 2022. The change in pre-tax income was primarily due to:

- lower realized gains of $7.2 billion primarily driven by losses on the Fortitude Re funds withheld embedded derivative; and
- lower favorable change in the fair value of market risk benefits, net of $212 million primarily driven by the impacts of changes in equity markets and interest rate volatility.

Partially offset by:

- higher net investment income of $548 million primarily driven by higher base portfolio income and higher income related to the Fortitude Re funds withheld assets partially offset by lower variable investment income.

Income tax expense (benefit)

For the six months ended June 30, 2023, there was an income tax benefit of $56 million on income from operations, resulting in an effective tax rate on income from operations of (23.1)%.

Adjusted pre-tax operating income

The following table presents a reconciliation of pre-tax income (loss) attributable to Corebridge to APTOI:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Pre-tax income (loss) attributable to Corebridge	**$ 911**	$ 3,326	**$ 242**	$ 7,626
Reconciling items to APTOI:				
Fortitude Re related items	**(262)**	(2,516)	**349**	(5,508)
Non-Fortitude Re related items	**187**	(199)	**969**	(598)
Adjusted pre-tax operating income	**$ 836**	$ 611	**$ 1,560**	$ 1,520

The following table presents the impacts in connection with the adoption of LDTI on our previously reported APTOI for the six months ended June 30, 2022*:

Six Months Ended June 30, 2022 *(in millions, except per common share data)*	As Previously Reported	Effect of Change	Updated Balances post-adoption of LDTI
Revenues:			
Premiums	$ 1,763	$ 7	$ 1,770
Policy fees	1,506	(47)	1,459
Total revenues	8,233	(40)	8,193
Benefits and expenses:			
Policyholder benefits	2,951	(345)	2,606
Interest credited to policyholder account balances	1,773	19	1,792
Amortization of deferred acquisition costs	578	(83)	495
Non-deferrable insurance commissions	325	(30)	295
Total benefits and expenses	6,957	(439)	6,518
Adjusted pre-tax operating income	1,121	399	1,520

* The three months ended June 30, 2022 information has been excluded as it has not been previously reported.

The following table presents total Corebridge's adjusted pre-tax operating income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Premiums	**$ 2,444**	$ 1,022	**$ 4,548**	$ 1,770
Policy fees	**694**	729	**1,392**	1,459
Net investment income	**2,480**	2,109	**4,815**	4,420
Net realized gains*	**1**	—	**5**	11
Advisory fee and other income	**226**	245	**448**	533
Total adjusted revenues	**5,845**	4,105	**11,208**	8,193
Policyholder benefits	**2,876**	1,436	**5,376**	2,606
Interest credited to policyholder account balances	**1,065**	910	**2,080**	1,792
Amortization of deferred policy acquisition costs	**258**	252	**514**	495
Non-deferrable insurance commissions	**153**	151	**289**	295
Advisory fee expenses	**64**	65	**129**	136
General operating expenses	**484**	486	**983**	1,010
Interest expense	**129**	114	**291**	184
Total benefits and expenses	**5,029**	3,414	**9,662**	6,518
Noncontrolling interests	**20**	(80)	**14**	(155)
Adjusted pre-tax operating income	**$ 836**	$ 611	**$ 1,560**	$ 1,520

* Net realized gains (losses) includes the gains (losses) related to the disposition of real estate investments.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

APTOI increased $225 million primarily due to:

- higher premiums of $1.4 billion primarily on new pension risk transfer business;
- higher net investment income of $371 million primarily driven by higher base portfolio income partially offset by lower variable investment income reflecting lower alternative investment income; and
- lower income attributable to noncontrolling interest of $100 million.

Partially offset by:

- higher policyholder benefits of $1.4 billion primarily on new pension risk transfer business;
- higher interest credited to policyholder account balances of $155 million primarily due to higher sales activity in fixed and fixed index annuities and growth and increased interest rates in the GIC business; and
- lower policy and advisory fee income, net of advisory fee expenses of $53 million driven by lower average separate account asset values driven by negative equity market performance in 2022.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

APTOI increased $40 million primarily due to:

- higher premiums of $2.8 billion primarily on new pension risk transfer business;
- higher net investment income of $395 million primarily driven by higher base portfolio income partially offset by lower variable investment income reflecting lower alternative investment income; and
- lower income attributable to noncontrolling interest of $169 million.

  Partially offset by:

- higher policyholder benefits of $2.8 billion primarily on new pension risk transfer business;
- higher interest credited to policyholder account balances of $288 million primarily due to higher sales activity in fixed and fixed index annuities and growth and increased interest rates in the GIC business;
- lower policy and advisory fee income, net of advisory fee expenses of $145 million driven by lower average separate account asset values driven by negative equity market performance in 2022; and
- higher interest expense of $107 million primarily due to the issuance of senior unsecured notes, hybrid junior subordinated notes and borrowing under our unsecured Three-Year Delayed Draw Term Loan Agreement (the "Three-Year DDTL Facility") in 2022 totaling $9.0 billion and partially offset by the interest expense from the $8.3 billion affiliated promissory note to AIG in 2022.

Segment Operations

Our business operations consist of five reportable segments:

- **Individual Retirement –** consists of fixed annuities, fixed index annuities and variable annuities.
- **Group Retirement –** consists of record-keeping, plan administrative and compliance services, financial planning and advisory solutions offered in-plan, along with proprietary and limited non-proprietary annuities, advisory and brokerage products offered out-of-plan.
- **Life Insurance –** primary products in the United States include term life and universal life insurance. The International Life business issues individual and group life insurance in the United Kingdom, and distributes private medical insurance in Ireland.
- **Institutional Markets –** consists of SVW products, structured settlement and PRT annuities, Corporate Markets products that include COLI-BOLI, private placement variable universal life and private placement variable annuities products and GICs.
- **Corporate and Other –** consists primarily of:
  - corporate expenses not attributable to our other segments;
  - interest expense on financial debt;
  - results of our consolidated investment entities;
  - institutional asset management business, which includes managing assets for non-consolidated affiliates; and
  - results of our legacy insurance lines ceded to Fortitude Re.

The following tables summarize adjusted pre-tax operating income (loss) from our segments:

See Note 3 to our condensed consolidated financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement	**$ 574**	$ 365	**$ 1,108**	$ 833
Group Retirement	**197**	179	**383**	421
Life Insurance	**76**	97	**158**	181
Institutional Markets	**126**	76	**211**	191
Corporate and Other	**(136)**	(116)	**(299)**	(116)
Consolidation and elimination	**(1)**	10	**(1)**	10
Adjusted pre-tax operating income	**$ 836**	$ 611	**$ 1,560**	$ 1,520

DISCUSSION OF SEGMENT RESULTS

Individual Retirement

Individual Retirement Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 66**	$ 60	**$ 144**	$ 116
Policy fees	**172**	186	**346**	371
Net investment income:				
Base portfolio income	**1,194**	873	**2,317**	1,730
Variable investment income	**30**	28	**35**	154
Net investment income	**1,224**	901	**2,352**	1,884
Advisory fee and other income*	**108**	115	**211**	238
Total adjusted revenues	**1,570**	1,262	**3,053**	2,609
Benefits and expenses:				
Policyholder benefits	**71**	77	**136**	143
Interest credited to policyholder account balances	**553**	466	**1,072**	920
Amortization of deferred policy acquisition costs	**138**	126	**275**	245
Non-deferrable insurance commissions	**94**	86	**180**	178
Advisory fee expenses	**36**	35	**70**	72
General operating expenses	**104**	107	**212**	218
Total benefits and expenses	**996**	897	**1,945**	1,776
Adjusted pre-tax operating income	**$ 574**	$ 365	**$ 1,108**	$ 833

* Includes advisory fee income from registered investment services, 12b-1 fees (i.e., marketing and distribution fee income), and other asset management fee income.

Individual Retirement Sources of Earnings

The following table presents the sources of earnings of the Individual Retirement segment. We believe providing APTOI using this view is useful for gaining an understanding of our overall results of operations and the significant drivers of our earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Spread income[(a)]	**$ 684**	$ 448	**$ 1,307**	$ 990
Fee income	**280**	301	**557**	609
Policyholder benefits, net of premiums	**(5)**	(17)	**8**	(27)
Non-deferrable insurance commissions	**(94)**	(86)	**(180)**	(178)
Amortization of DAC and DSI	**(151)**	(139)	**(302)**	(271)
General operating expenses	**(104)**	(107)	**(212)**	(218)
Other[(b)]	**(36)**	(35)	**(70)**	(72)
Adjusted pre-tax operating income	**$ 574**	$ 365	**$ 1,108**	$ 833

(a) Spread income represents net investment income less interest credited to policyholder account balances, exclusive of amortization of DSI of $13 million and $13 million for the three months ended June 30, 2023 and 2022, respectively, and $27 million and $26 million for the six months ended June 30, 2023 and 2022, respectively.

(b) Other represents advisory fee expenses.

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

APTOI increased $209 million primarily due to:

- higher spread income of $236 million primarily driven by higher base spread income of $234 million due to improved base portfolio yields.

  partially offset by

- lower fee income of $21 million, primarily due to a decrease in mortality and expense fees and other fee income due to lower average variable annuity separate account asset values driven by negative net flows and prior year declines in equity markets, higher interest rates and wider credit spreads.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

APTOI increased $275 million primarily due to:

- higher spread income of $317 million primarily driven by higher base spread income of $436 million mostly due to improved base portfolio yields, partially offset by lower variable investment income of $119 million primarily due to lower alternative investment income and lower yield enhancement income.

  partially offset by

- lower fee income of $52 million, primarily due to a decrease in mortality and expense fees and other fee income primarily due to lower average variable annuity separate account asset values driven by negative net flows and the prior year decline in equity markets, higher interest rates and wider credit spreads.

AUMA

The following table presents Individual Retirement AUMA by product:

(in millions)	June 30, 2023	December 31, 2022
Fixed annuities	$ 52,480	$ 51,806
Fixed index annuities	35,874	30,403
Variable annuities:		
Variable annuities - General Account	7,797	9,443
Variable annuities - Separate Accounts	47,269	45,044
Variable annuities	55,066	54,487
Total	**$ 143,420**	$ 136,696

June 30, 2023 to December 31, 2022 AUMA Comparison

AUMA increased $6.7 billion driven by an increase of $4.5 billion in the general account and higher separate accounts asset values of $2.2 billion. The general account increased mostly due to positive general account net flows and unrealized gains from fixed maturities securities due to tightening credit spreads. The separate account increased primarily due to increases in the equity markets, partially offset by outflows from the separate account.

Spread and Fee Income

The following table presents Individual Retirement spread and fee income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Spread income:				
Total spread income				
Base portfolio income	**$ 1,194**	$ 873	**$ 2,317**	$ 1,730
Interest credited to policyholder account balances	**(540)**	(453)	**(1,045)**	(894)
Base spread income	**654**	420	**1,272**	836
Variable investment income	**30**	28	**35**	154
Total spread income*	**$ 684**	$ 448	**$ 1,307**	$ 990
Fee income:				
Policy fees	**$ 172**	$ 186	**$ 346**	$ 371
Advisory fees and other income	**108**	115	**211**	238
Total fee income	**$ 280**	$ 301	**$ 557**	$ 609

* Excludes amortization of DSI assets of $13 million and $13 million for the three months ended June 30, 2023 and 2022, respectively, and $27 million and $26 million for the six months ended June 30, 2023 and 2022, respectively..

The following table presents Individual Retirement net investment spread:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Fixed annuities base net investment spread:				
Base yield*	**5.00 %**	3.74 %	**4.91 %**	3.75 %
Cost of funds	**2.89**	2.66	**2.86**	2.66
Fixed annuities base net investment spread	**2.11**	1.08	**2.05**	1.09
Fixed index annuities base net investment spread:				
Base yield*	**4.76**	3.79	**4.61**	3.75
Cost of funds	**1.95**	1.49	**1.87**	1.47
Fixed index annuities base net investment spread	**2.81**	2.30	**2.74**	2.28
Variable annuities base net investment spread:				
Base yield*	**3.72**	3.74	**3.79**	3.80
Cost of funds	**1.48**	1.40	**1.47**	1.41
Variable annuities base net investment spread	**2.24**	2.34	**2.32**	2.39
Total Individual Retirement base net investment spread:				
Base yield*	**4.83**	3.75	**4.74**	3.75
Cost of funds	**2.42**	2.15	**2.38**	2.15
Total Individual Retirement base net investment spread	**2.41 %**	1.60 %	**2.36 %**	1.60 %

* Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison and Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Premiums and Deposits and Net Flows

For Individual Retirement, premiums primarily represent amounts received on life-contingent payout annuities, while deposits represent sales on investment-oriented products.

Net flows for annuity products in Individual Retirement represent premiums and deposits less death, surrender and other withdrawal benefits.

Premiums and Deposits	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Fixed annuities	**$ 1,268**	$ 1,384	**$ 3,516**	$ 2,953
Fixed index annuities	**2,317**	1,458	**4,374**	2,822
Variable annuities	**460**	778	**1,038**	1,726
Total	**$ 4,045**	$ 3,620	**$ 8,928**	$ 7,501

Net Flows *(in millions)*	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Fixed annuities	**$ (1,115)**	$ (67)	**$ (1,205)**	$ 203
Fixed index annuities	**1,612**	1,080	**3,000**	2,065
Variable annuities	**(855)**	(385)	**(1,491)**	(766)
Total	**$ (358)**	$ 628	**$ 304**	$ 1,502

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

Fixed Annuities Net outflows increased by $1.0 billion over the prior year, primarily due to higher surrenders and withdrawals of $1.0 billion and lower premiums and deposits of $116 million, partially offset by lower death benefits of $67 million.

Fixed Index Annuities Net inflows increased by $532 million primarily due to higher premiums and deposits of $859 million due to competitive pricing and higher interest rates, partially offset by higher surrenders and withdrawals of $308 million and higher death benefits of $20 million.

Variable Annuities Net outflows increased $470 million primarily due to lower premium and deposits of $318 million, due to market volatility and higher surrenders and withdrawals of $153 million.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

Fixed Annuities Net outflows increased by $1.4 billion over the prior year, primarily due to higher surrenders and withdrawals of $2.1 billion, partially offset by higher premiums and deposits of $563 million due to competitive pricing, higher interest rates and lower death benefits of $83 million.

Fixed Index Annuities Net inflows increased by $935 million primarily due to higher premiums and deposits of $1.6 billion due to competitive pricing and higher interest rates, partially offset by higher surrenders and withdrawals of $573 million and higher death benefits of $44 million.

Variable Annuities Net outflows increased $725 million primarily due to lower premium and deposits of $688 million, due to market volatility and higher surrenders and withdrawals of $78 million, partially offset by lower death benefits of $41 million.

Surrenders

The following table presents Individual Retirement surrender rates:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Fixed annuities	**15.9 %**	7.9 %	**15.5 %**	7.3 %
Fixed index annuities	**6.8**	4.0	**6.7**	4.0
Variable annuities	**7.7**	6.2	**7.4**	6.3

The following table presents account values for fixed annuities, fixed index annuities and variable annuities by surrender charge category:

	June 30, 2023			December 31, 2022		
(in millions)	Fixed Annuities	Fixed Index Annuities	Variable Annuities	Fixed Annuities	Fixed Index Annuities	Variable Annuities
No surrender charge	**$ 23,441**	**$ 1,675**	**$ 29,025**	$ 24,889	$ 2,270	$ 27,037
Greater than 0% - 2%	**1,132**	**2,387**	**6,806**	1,783	1,353	6,962
Greater than 2% - 4%	**2,397**	**6,307**	**5,505**	2,256	4,532	5,081
Greater than 4%	**20,335**	**26,077**	**11,807**	18,905	25,196	12,082
Non-surrenderable[(a)]	**2,433**	**—**	**1,156**	2,453	—	1,155
Total account value[(b)]	**$ 49,738**	**$ 36,446**	**$ 54,299**	$ 50,286	$ 33,351	$ 52,317

(a) The non-surrenderable portion of variable annuities relates to funding agreements.

(b) Includes payout Immediate Annuities and funding agreements.

Individual Retirement annuities are typically subject to a three- to seven-year surrender charge period, depending on the product. For fixed and fixed index annuities, the proportion of account value subject to surrender charge at June 30, 2023 increased compared to December 31, 2022 primarily due to growth in business. The increase in the proportion of account value with no surrender charge for variable annuities as of June 30, 2023 compared to December 31, 2022 was principally due to normal aging of business.

Group Retirement

Group Retirement Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 4**	$ 5	**$ 10**	$ 13
Policy fees	**102**	104	**202**	218
Net investment income:				
Base portfolio income	**484**	454	**975**	904
Variable investment income	**20**	34	**29**	111
Net investment income	**504**	488	**1,004**	1,015
Advisory fee and other income*	**76**	73	**152**	158
Total adjusted revenues	**686**	670	**1,368**	1,404
Benefits and expenses:				
Policyholder benefits	**6**	13	**15**	23
Interest credited to policyholder account balances	**294**	286	**585**	570
Amortization of deferred policy acquisition costs	**20**	20	**41**	39
Non-deferrable insurance commissions	**33**	30	**61**	58
Advisory fee expenses	**29**	30	**58**	64
General operating expenses	**107**	112	**225**	229
Total benefits and expenses	**489**	491	**985**	983
Adjusted pre-tax operating income	**$ 197**	$ 179	**$ 383**	$ 421

* Includes advisory fee income from registered investment services, 12b-1 fees (i.e., marketing and distribution fee income), other asset management fee income, and commission-based broker-dealer services.

Group Retirement Sources of Earnings

The following table presents the sources of earnings of the Group Retirement segment. We believe providing APTOI using this view is useful for gaining an understanding of our overall results of operations and the significant drivers of our earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Spread income[(a)]	**$ 213**	$ 205	**$ 426**	$ 452
Fee income[(b)]	**178**	177	**354**	376
Policyholder benefits, net of premiums	**(2)**	(8)	**(5)**	(10)
Non-deferrable insurance commissions	**(33)**	(30)	**(61)**	(58)
Amortization of DAC and DSI	**(23)**	(23)	**(48)**	(46)
General operating expenses	**(107)**	(112)	**(225)**	(229)
Other[(c)]	**(29)**	(30)	**(58)**	(64)
Adjusted pre-tax operating income	**$ 197**	$ 179	**$ 383**	$ 421

(a) Excludes amortization of DSI assets of $3 million and $3 million for the three months ended June 30, 2023 and 2022, respectively, and $7 million and $7 million for the six months ended June 30, 2023 and 2022, respectively.

(b) Fee income represents policy fee and advisory fee and other income.

(c) Other consists of advisory fee expenses.

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

APTOI increased $18 million, primarily due to:

- higher spread income of $8 million primarily driven by improvement in base spread income of $22 million primarily due to higher yields on the base portfolio, partially offset by a decrease in variable investment income of $14 million primarily due to lower income from alternative investments.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

APTOI decreased $38 million, primarily due to:

- lower spread income of $26 million primarily driven by a decrease in variable investment income of $82 million primarily due to lower income from alternative investments, partially offset by improvement in base spread income of $56 million primarily due to higher yields on the base portfolio; and
- lower fee income, net of advisory fee expenses of $16 million due to lower average separate account assets driven by negative net flows and the prior year decline in equity markets.

AUMA

The following table presents Group Retirement AUMA by product:

(in millions)	June 30, 2023	December 31, 2022
AUMA by asset type:		
In-plan spread based	$ 25,189	$ 27,473
In-plan fee based	52,844	47,838
Total in-plan AUMA[(a)]	78,033	75,311
Out-of-plan proprietary - general account	15,927	16,769
Out-of-plan proprietary - separate accounts	10,970	10,429
Total out-of-plan proprietary annuities[(b)]	26,897	27,198
Advisory and brokerage assets	13,671	12,423
Total out-of-plan AUMA	40,568	39,621
Total AUMA	$ 118,601	$ 114,932

(a) Includes $12.9 billion of AUMA at June 30, 2023 and $12.5 billion of AUMA at December 31, 2022 that is associated with our in-plan investment advisory service that we offer to participants at an additional fee.

(b) Includes $3.9 billion of AUMA at June 30, 2023 and $4.0 billion of AUMA at December 31, 2022 in our proprietary advisory variable annuity. Together with our out-of-plan advisory and brokerage assets shown in the table above, we had a total of $17.6 billion of out-of-plan advisory assets at June 30, 2023, $16.4 billion of out-of-plan advisory assets at December 31, 2022.

June 30, 2023 to December 31, 2022 AUMA Comparison

In-plan assets increased by $2.7 billion driven by $5.0 billion increase in fee based assets, primarily due to higher equity markets, lower interest rates and tightening credit spreads, partially offset by $2.3 billion decrease in spread based assets, primarily due to negative net flows. Out-of-plan proprietary annuity assets decreased by $301 million, primarily due to negative net flows. The increase of advisory and brokerage assets of $1.2 billion was driven by higher equity markets and net new client deposits.

Spread and Fee Income

The following table presents Group Retirement spread and fee income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Spread income:				
Base portfolio income	$ 484	$ 454	$ 975	$ 904
Interest credited to policyholder account balances	(291)	(283)	(578)	(563)
Base spread income	193	171	397	341
Variable investment income	20	34	29	111
Total spread income*	$ 213	$ 205	$ 426	$ 452
Fee income:				
Policy fees	$ 102	$ 104	$ 202	$ 218
Advisory fees and other income	76	73	152	158
Total fee income	$ 178	$ 177	$ 354	$ 376

* Excludes amortization of DSI assets of $3 million and $3 million for the three months ended June 30, 2023 and 2022, respectively, and $7 million and $7 million for the six months ended June 30, 2023 and 2022, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Base net investment spread:				
Base yield*	**4.29 %**	3.92 %	**4.25 %**	3.90 %
Cost of funds	**2.74**	2.60	**2.72**	2.60
Base net investment spread	**1.55 %**	1.32 %	**1.53 %**	1.30 %

* Includes returns from base portfolio, including accretion and income (loss) from certain other invested assets.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Premiums and Deposits and Net Flows

For Group Retirement, premiums primarily represent amounts received on life-contingent payout annuities while deposits represent sales on investment-oriented products.

Net flows for annuity products included in Group Retirement represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows for mutual funds represent deposits less withdrawals. For Group Retirement, client deposits into advisory and brokerage accounts less total client withdrawals from advisory and brokerage accounts are not included in net flows. Net new assets into these products contribute to growth in AUA rather than AUM.

Premiums and Deposits and Net Flows	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
In-plan[(a)(b)]	**$ 1,191**	$ 1,313	**$ 2,710**	$ 2,803
Out-of-plan proprietary variable annuity	**169**	272	**361**	540
Out-of-plan proprietary fixed and index annuities	**563**	187	**1,098**	317
Premiums and deposits[(c)]	**$ 1,923**	$ 1,772	**$ 4,169**	$ 3,660
Net Flows	**$ (1,746)**	$ (548)	**$ (2,565)**	$ (1,367)

(a) In-plan premium and deposits include sales of variable and fixed annuities as well as mutual funds for 403(b), 401(a), 457(b) and 401(k) plans.

(b) Includes inflows related to in-plan mutual funds of $720 million and $739 million for the three months ended June 30, 2023 and 2022, respectively, and $1.7 billion and $1.6 billion for the six months ended June 30, 2023 and 2022, respectively.

(c) Excludes client deposits into advisory and brokerage accounts of $580 million and $579 million for the three months ended June 30, 2023 and 2022, respectively, and $1.1 billion and $1.2 billion for the six months ended June 30, 2023 and 2022, respectively.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

Net flows remained negative and declined by $1.2 billion primarily due to:

- increase in surrenders and withdrawals of $1.4 billion, driven largely by a reduction of large plan surrenders; partially offset by an increase in deposits of $151 million and lower death and payout annuity benefits of $29 million. Large plan acquisitions and surrenders resulted in lower net flows of $705 million compared to the prior year. Excluding large plan acquisitions and surrenders, net outflows were concentrated in variable annuity products with higher contractual guaranteed minimum crediting rates.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

Net flows remained negative and declined by $1.2 billion primarily due to:

- increase in surrenders and withdrawals of $1.8 billion, partially offset by higher premiums and deposits of $509 million and lower death and payout annuity benefits of $46 million. Large plan acquisitions and surrenders resulted in lower net flows of $377 million compared to the prior year. Excluding large plan acquisitions and surrenders, net outflows were concentrated in variable annuity products with higher contractual guaranteed minimum crediting rates.

Surrenders

The following table presents Group Retirement surrender rates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Surrender rates	**13.0 %**	7.7 %	**12.0 %**	8.2 %

The following table presents account value for Group Retirement annuities by surrender charge category:

(in millions)	**June 30, 2023[a]**	December 31, 2022[a]
No surrender charge[b]	**$ 71,221**	$ 69,885
Greater than 0% - 2%	**1,208**	454
Greater than 2% - 4%	**1,797**	435
Greater than 4%	**5,210**	6,281
Non-surrenderable	**486**	945
Total account value[c]	**$ 79,922**	$ 78,000

(a) Excludes mutual fund assets under administration of $26.7 billion and $24.0 billion at June 30, 2023 and December 31, 2022, respectively.

(b) Group Retirement amounts in this category include account value in the general account of approximately $4.3 billion and $4.5 billion at June 30, 2023 and December 31, 2022, respectively, which are subject to 20 percent annual withdrawal limitations at the participant level and account value in the general account of $5.5 billion and $5.8 billion at June 30, 2023 and December 31, 2022, respectively, which are subject to 20 percent annual withdrawal limitations at the plan level.

(c) Includes payout Immediate Annuities and funding agreements.

Group Retirement annuity deposits are typically subject to a five- to seven-year surrender charge period, depending on the product. In addition, for annuity assets held within an employer defined contribution plan, participants can only withdraw funds in certain circumstances without incurring tax penalties (for example, separation from service), regardless of surrender charges. At June 30, 2023, Group Retirement annuity account values with no surrender charge increased compared to December 31, 2022 primarily due to an increase in assets under management from higher equity markets.

Life Insurance

Life Insurance Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 443**	$ 440	**$ 868**	$ 865
Policy fees	**371**	390	**746**	774
Net investment income:				
Base portfolio income	**321**	301	**638**	606
Variable investment income	**6**	49	**6**	100
Net investment income	**327**	350	**644**	706
Other income	**26**	30	**55**	66
Total adjusted revenues	**1,167**	1,210	**2,313**	2,411
Benefits and expenses:				
Policyholder benefits	**721**	734	**1,429**	1,478
Interest credited to policyholder account balances	**85**	87	**167**	172
Amortization of deferred policy acquisition costs	**98**	104	**194**	208
Non-deferrable insurance commissions	**21**	29	**38**	47
Advisory fee expenses	**(1)**	—	**1**	—
General operating expenses	**167**	159	**326**	325
Total benefits and expenses	**1,091**	1,113	**2,155**	2,230
Adjusted pre-tax operating income	**$ 76**	$ 97	**$ 158**	$ 181

Life Insurance Sources of Earnings

The following table presents the sources of earnings of the Life Insurance segment. We believe providing APTOI using this view is useful for gaining an understanding of our overall results of operations and the significant drivers of our earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Underwriting margin*	**$ 361**	$ 389	**$ 717**	$ 761
General operating expenses	**(167)**	(159)	**(326)**	(325)
Non-deferrable insurance commissions	**(21)**	(29)	**(38)**	(47)
Amortization of DAC	**(98)**	(104)	**(194)**	(208)
Other	**1**	—	**(1)**	—
Adjusted pre-tax operating income (loss)	**$ 76**	$ 97	**$ 158**	$ 181

* Underwriting margin represents premiums, policy fees, net investment income and other income, less policyholder benefits and interest credited to policyholder account balances. Underwriting margin is also exclusive of the impacts from the annual assumption update.

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

APTOI decreased $21 million, primarily due to:

- lower underwriting margin of $28 million from:
  - lower net investment income, net of interest credited of $21 million primarily driven by $43 million lower alternative investment and yield enhancement income of, primarily due to lower equity partnership performance and reduced gains on calls partially offset by $22 million higher base portfolio income, net of interest credited.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

APTOI decreased $23 million, primarily due to:

- lower underwriting margin of $44 million from:
  - lower net investment income, net of interest credited of $57 million driven by $94 million lower variable investment income reflecting lower gains on call and tender income and reduced alternatives performance partially offset by $37 million higher base portfolio income, net of interest credited, driven by lower yields.

    partially offset by:
  - higher premiums and fees, net of policyholder benefits, of $24 million, driven by favorable mortality.

AUMA

The following table presents Life Insurance AUMA:

	June 30,	December 31,
(in millions)	**2023**	2022
Total AUMA	**$ 27,208**	$ 27,760

June 30, 2023 to December 31, 2022 AUMA Comparison

AUMA decreased $0.6 billion in the six months ended June 30, 2023 compared to the prior year-end due to increasing interest rates and widening credit spreads resulting in unrealized losses from fixed maturities securities and transfer of assets to a reinsurer.

Underwriting Margin

The following table presents Life Insurance underwriting margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Premiums	**$ 443**	$ 440	**$ 868**	$ 865
Policy fees	**371**	390	**746**	774
Net investment income	**327**	350	**644**	706
Other income	**26**	30	**55**	66
Policyholder benefits	**(721)**	(734)	**(1,429)**	(1,478)
Interest credited to policyholder account balances	**(85)**	(87)	**(167)**	(172)
Underwriting margin	**$ 361**	$ 389	**$ 717**	$ 761

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Premiums and Deposits

Premiums and Deposits for Life Insurance represent amounts received on life and health policies. Premiums generally represent amounts received on traditional life products, while deposits represent amounts received on universal life products.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Traditional Life	**$ 454**	$ 453	**$ 895**	$ 900
Universal Life	**384**	389	**782**	786
Total U.S.	**838**	842	**1,677**	1,686
International	**225**	207	**435**	420
Premiums and deposits	**$ 1,063**	$ 1,049	**$ 2,112**	$ 2,106

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

Premiums and deposits, excluding the effect of foreign exchange, increased $16 million in 2023 compared to the prior year primarily due to growth in international life premiums.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

Premiums and deposits, excluding the effect of foreign exchange, increased $27 million in 2023 compared to the prior year primarily due to growth in international life premiums.

Institutional Markets

Institutional Markets Results

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenues:				
Premiums	$ 1,911	$ 496	$ 3,486	$ 734
Policy fees	49	49	98	96
Net investment income:				
Base portfolio income	367	230	685	448
Variable investment income	40	9	54	55
Net investment income	407	239	739	503
Other income	—	—	—	1
Total adjusted revenues	2,367	784	4,323	1,334
Benefits and expenses:				
Policyholder benefits	2,081	612	3,799	962
Interest credited to policyholder account balances	133	71	256	130
Amortization of deferred policy acquisition costs	2	2	4	3
Non-deferrable insurance commissions	4	5	9	11
General operating expenses	21	18	44	37
Total benefits and expenses	2,241	708	4,112	1,143
Adjusted pre-tax operating income	$ 126	$ 76	$ 211	$ 191

Institutional Markets Sources of Earnings

The following table presents the sources of earnings of the Institutional Markets segment. We believe providing APTOI using this view is useful for gaining an understanding of our overall results of operations and the significant drivers of our earnings:

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Spread income[(a)]	$ 117	$ 67	$ 199	$ 168
Fee income[(b)]	16	16	32	31
Underwriting margin[(c)]	20	19	37	41
Non-deferrable insurance commissions	(4)	(5)	(9)	(11)
General operating expenses	(21)	(18)	(44)	(37)
Other[(d)]	(2)	(3)	(4)	(1)
Adjusted pre-tax operating income	$ 126	$ 76	$ 211	$ 191

(a) Represents spread income on GIC, PRT and structured settlement products.

(b) Represents fee income on SVW products.

(c) Represents underwriting margin from Corporate Markets products, including COLI-BOLI, private placement variable universal life insurance and private placement variable annuity products.

(d) Includes net investment income on SVW products of $0 million and ($1 million) for the three months ended June 30, 2023 and 2022, respectively, and $0 million and $2 million for the six months ended June 30, 2023 and 2022, respectively.

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

APTOI increased $50 million primarily due to:

- higher spread income of $50 million driven by $34 million higher variable investment income primarily from private equity and $16 million higher base portfolio spread income.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

APTOI increased $20 million primarily due to:

- higher spread income of $31 million driven by $23 million higher base portfolio spread income and $8 million higher variable investment income primarily from private equity.

AUMA

The following table presents Institutional Markets AUMA:

(in millions)	June 30, 2023	December 31, 2022
SVW (AUA)	$ 45,947	$ 47,078
GIC, PRT and Structured settlements (AUM)	29,455	23,096
All other (AUM)	7,132	7,590
Total AUMA	$ 82,534	$ 77,764

June 30, 2023 to December 31, 2022 AUMA Comparison

AUMA increased $4.8 billion, primarily due to premiums and deposits of PRT and GIC products of $5.1 billion, interest credited, investment performance and other activity of $2.6 billion, partially offset by benefit payments on the PRT, GIC and structured settlement products of $1.2 billion and net outflows of $1.7 billion from SVW products.

Spread Income, Fee Income and Underwriting Margin

The following table presents Institutional Markets spread income, fee income and underwriting margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Premiums	$ 1,921	505	$ 3,504	$ 752
Net investment income	371	203	669	427
Policyholder benefits	(2,070)	(597)	(3,772)	(934)
Interest credited to policyholder account balances	(105)	(44)	(202)	(77)
Total spread income[(a)]	$ 117	$ 67	$ 199	$ 168
SVW fees	$ 16	$ 16	$ 32	$ 31
Total fee income	$ 16	$ 16	$ 32	$ 31
Premiums	$ (10)	$ (9)	$ (18)	$ (18)
Policy fees (excluding SVW)	33	33	66	65
Net investment income	36	37	70	74
Other income	—	—	—	1
Policyholder benefits	(11)	(15)	(27)	(28)
Interest credited to policyholder account balances	(28)	(27)	(54)	(53)
Total underwriting margin[(b)]	$ 20	$ 19	$ 37	$ 41

(a) Represents spread income from GIC, PRT and structured settlement products.

(b) Represents underwriting margin from Corporate Markets products, including COLI-BOLI, private placement variable universal life insurance and private placement variable annuity products.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

See "—Financial Highlights"

Premiums and Deposits

The following table presents the Institutional Markets premiums and deposits:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
PRT	$ 1,885	$ 450	$ 3,413	$ 665
GICs	917	—	1,423	—
Other*	108	100	237	212
Premiums and deposits	$ 2,910	$ 550	$ 5,073	$ 877

* Other principally consists of structured settlements, Corporate Markets and SVW product.

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 Comparison

Premiums and deposits increased compared to the prior year period by $2.4 billion, primarily due to higher premiums on new PRT business of $1.4 billion and higher deposits on new GICs of $917 million.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 Comparison

Premiums and deposits increased compared to the prior year period by $4.2 billion, primarily due to higher premiums on new PRT business of $2.7 billion and higher deposits on new GICs of $1.4 billion.

Corporate and Other

Corporate and Other primarily consists of interest expense on financial debt, parent expenses not attributable to other segments, institutional asset management business, which includes managing assets for non-consolidated affiliates, results of our consolidated investment entities, results of our legacy insurance lines ceded to Fortitude Re and intercompany eliminations.

Corporate and Other Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums[a]	**$ 20**	$ 21	**$ 40**	$ 42
Net investment income	**19**	136	**87**	322
Net realized gains on real estate investments	**1**	—	**5**	11
Other income	**16**	32	**30**	70
Total adjusted revenues	**56**	189	**162**	445
Benefits and expenses:				
Policyholder benefits	**(3)**	—	**(3)**	—
Non-deferrable insurance commissions	**1**	1	**1**	1
General operating expenses:				
Corporate and other[a]	**67**	53	**139**	109
Asset management[b]	**18**	43	**37**	91
Total general operating expenses	**85**	96	**176**	200
Interest expense:				
Corporate	**106**	73	**214**	111
Asset Management and other	**23**	55	**87**	94
Total interest expense	**129**	128	**301**	205
Total benefits and expenses	**212**	225	**475**	406
Noncontrolling interest[c]	**20**	(80)	**14**	(155)
Adjusted pre-tax operating loss before consolidation and eliminations	**(136)**	(116)	**(299)**	(116)
Consolidations and eliminations	**(1)**	10	**(1)**	10
Adjusted pre-tax operating loss	**$ (137)**	$ (106)	**$ (300)**	$ (106)

(a) Premiums include an expense allowance associated with Fortitude Re which is entirely offset in general and operating expenses – Corporate and other.

(b) General operating expenses – Asset management primarily represent the costs to manage the investment portfolio for affiliates that are not included in the consolidated financial statements of Corebridge.

(c) Noncontrolling interests represent the third-party or Corebridge affiliated interest in internally managed consolidated investment vehicles and are almost entirely offset within net investment income, net realized gains (losses) and interest expense.

Corporate and Other Sources of Earnings

The following table presents the sources of earnings of the Corporate and Other segment. We believe providing APTOI using this view is useful for gaining an understanding of our overall results of operations and the significant drivers of our earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Corporate expenses	**$ (47)**	$ (33)	**$ (95)**	$ (65)
Interest expense on financial debt	**(106)**	(73)	**(214)**	(111)
Asset Management	**11**	8	**11**	11
Consolidated investment entities	**5**	(13)	**5**	8
Other*	**—**	5	**(7)**	51
Adjusted pre-tax operating income (loss)	**$ (137)**	$ (106)	**$ (300)**	$ (106)

* Includes $56 million for the six months ended June 30, 2022 related to Corebridge's ownership interest in Fortitude Re Bermuda, which is recorded using the measurement alternative for equity securities.

Financial Highlights

Three Months Ended June 30, 2023 to Three Months Ended June 30, 2022 APTOI Comparison

Adjusted pre-tax operating loss increased $31 million primarily due to:

- higher interest expense on financial debt of $33 million primarily due to the issuance of hybrid junior subordinated notes and borrowing under our Three-Year DDTL Facility in third quarter of 2022 partially offset by the interest expense from the remaining balance of the $8.3 billion affiliated promissory note to AIG that was repaid in the third quarter of 2022.

Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022 APTOI Comparison

Adjusted pre-tax operating loss increased $194 million primarily due to:

- higher interest expense on financial debt of $103 million primarily due to the issuance of senior unsecured notes, hybrid junior subordinated notes and borrowing under our Three-Year DDTL Facility in 2022 totaling $9.0 billion partially offset by the interest expense from the $8.3 billion affiliated promissory note to AIG in 2022; and
- unfavorable change from other sources of earnings of $58 million primarily due to a $56 million gain related to a change in value of our minority investment in Fortitude Re in 2022.

Investments

OVERVIEW

Our investment strategies are tailored to the specific business needs of each operating unit by targeting an asset allocation mix that supports estimated cash flows of our outstanding liabilities and provides diversification from asset class, sector, issuer and geographic perspectives. The primary objectives are generation of investment income, preservation of capital, liquidity management and growth of surplus. The majority of assets backing our insurance liabilities consist of fixed maturity securities, RMBS, CMBS, CLOs, other ABS and fixed maturity securities issued by government-sponsored entities and corporate entities. At June 30, 2023, for $192.3 billion of invested assets supporting our insurance operating companies, approximately 47% are in corporate debt securities. Mortgage-backed securities ("MBS"), ABS and CLOs represent 30% of our fixed income securities, and 99% are investment grade. At December 31, 2022, for $186.5 billion of invested assets supporting our insurance operating companies, approximately 48% are in corporate debt securities. MBS, ABS and CLOs represent 29% of our fixed income securities and 99% are investment grade.

See "*Business—Investment Management" for further information, including current and future management of our investment portfolio"* in the June 2023 Registration Statement.

Key Investment Strategies

Investment strategies are assessed at the segment level and involve considerations that include local and general market and economic conditions, duration and cash flow management, risk appetite and volatility constraints, rating agency and regulatory capital considerations, tax, regulatory and legal investment limitations, and, as applicable, environmental, social and governance considerations.

In 2021, we entered into a long-term asset management relationship with Blackstone IM. Blackstone IM initially managed $50 billion of our existing investment portfolio, with that amount to increase to an aggregate of $92.5 billion by the third quarter of 2027.

The investments underlying the original $50 billion mandate with Blackstone IM began to run-off in 2022 and will be reinvested over time. As these assets run-off, we expect Blackstone to reinvest primarily in Blackstone-originated investments across a range of asset classes, including private and structured credit, and commercial and residential real estate securitized and whole loans. Blackstone's preferred credit and lending strategy is to seek to control all significant components of the underwriting and pricing processes with the goal of facilitating bespoke opportunities with historically strong credit protection and attractive risk-adjusted returns. Blackstone seeks to capture enhanced economics to those available in the traditional fixed income markets by going directly to the borrowers.

We believe that Blackstone's ability to originate attractive and privately sourced, fixed-income oriented assets, will be accretive to our businesses and provide us with an enhanced competitive advantage as we have been able to expand our investment capabilities, access new asset classes and improve our investment yields. We continue to manage asset allocation and portfolio-level risk management decisions with respect to any assets managed by Blackstone, ensuring that we maintain a consistent level of oversight across our entire investment portfolio considering our asset-liability matching needs, risk appetite and capital position.

As of June 30, 2023, Blackstone managed $53.4 billion in book value of assets in our investment portfolio.

Under the investment management agreements with BlackRock, we have completed the transfer of the management of liquid fixed income and certain private placement assets to BlackRock. As of June 30, 2023, BlackRock manages approximately $83.7 billion in book value of our investment portfolio. In addition, liquid fixed income assets associated with the Fortitude Re portfolio were separately transferred to BlackRock for management. The investment management agreements contain detailed investment guidelines and reporting requirements. These agreements also contain reasonable and customary representations and warranties, standard of care, expense reimbursement, liability, indemnity and other provisions.

Some of our key investment strategies are as follows:

- our fundamental strategy across the portfolios is to seek investments with similar characteristics to the associated insurance liabilities to the extent practicable;
- we seek to purchase investments that offer enhanced yield through illiquidity premiums, such as private placements and commercial mortgage loans, which also add portfolio diversification. These assets typically afford credit protections through covenants, ability to customize structures that meet our insurance liability needs and deeper due diligence given information access;
- we seek investments that provide diversification from assets available in local markets. To the extent we purchase these investments, we generally hedge any currency risk using derivatives, which could provide opportunities to earn higher risk-adjusted returns compared to investments in the functional currency;

- we actively manage our assets and liabilities, counterparties and duration. Our liquidity sources are held primarily in the form of cash, short-term investments and publicly traded, investment-grade rated fixed maturity securities that can be readily monetized through sales or repurchase agreements. Certain of our subsidiaries are members of the Federal Home Loan Banks in their respective districts, and we borrow from the FHLB utilizing its funding agreement program. Borrowings from FHLBs are used to supplement liquidity or for other uses deemed appropriate by management. This strategy allows us to both diversify our sources of liquidity and reduce the cost of maintaining sufficient liquidity;
- within the United States, investments are generally split between reserve-backing and surplus portfolios:
  - insurance liabilities are backed mainly by investment-grade fixed maturity securities that meet our duration, risk-return, tax liquidity, credit quality and diversification objectives. We assess asset classes based on their fundamental underlying risk factors, including credit (public and private), commercial real estate and residential real estate, regardless of whether such investments are bonds, loans or structured products; and
  - surplus investments seek to enhance portfolio returns and are generally comprised of a mix of fixed maturity investment grade and below-investment-grade securities and various alternative asset classes, including private equity, real estate equity and hedge funds. Over the past few years, hedge fund investments have been reduced;
- outside of the United States, fixed maturity securities held by our insurance companies consist primarily of investment-grade securities generally denominated in the currencies of the countries in which we operate; and
- we also utilize derivatives to manage our asset and liability duration as well as currency exposures.

Asset Liability Management

Our investment strategy is to invest in assets that generate net investment income to back policyholder benefit and deposit liabilities that result in stable distributable earnings and enhance portfolio value, subject to asset-liability management, capital, liquidity and regulatory constraints.

We use asset-liability management as a primary tool to monitor and manage interest rate and duration risk in our businesses. We maintain a diversified, high to medium quality portfolio of fixed maturity securities issued by corporations, municipalities and other governmental agencies; structured securities collateralized by, among other assets, residential and commercial real estate; and commercial mortgage loans that, to the extent practicable, match the duration characteristics of the liabilities. We seek to diversify the portfolio across asset classes, sectors and issuers to mitigate idiosyncratic portfolio risks. The investment portfolio of each product line is tailored to the specific characteristics of its insurance liabilities, and as a result, duration varies between distinct portfolios. The interest rate environment has a direct impact on the asset liability management profile of the businesses, and changes in the interest rate environment may result in the need to lengthen or shorten the duration of the portfolio. In a rising rate environment, we may shorten the duration of the investment portfolio.

Fixed maturity securities of our domestic operations have an average duration of 7.1 years as of June 30, 2023.

In addition, we seek to enhance surplus portfolio returns through investments in a diversified portfolio of alternative investments. Although these alternative investments are subject to earnings fluctuations, they have historically achieved accumulative returns over time in excess of the fixed maturity portfolio returns.

Investment Portfolio

The following table presents carrying amounts of our total investments:

(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
June 30, 2023			
Bonds available for sale:			
U.S. government and government-sponsored entities	**$ 941**	**$ 286**	**$ 1,227**
Obligations of states, municipalities and political subdivisions	**5,196**	**686**	**5,882**
Non-U.S. governments	**3,746**	**308**	**4,054**
Corporate debt	**89,579**	**12,014**	**101,593**
Mortgage-backed, asset-backed and collateralized:			
RMBS	**11,839**	**806**	**12,645**
CMBS	**9,263**	**505**	**9,768**
CLO	**9,573**	**189**	**9,762**
ABS	**11,360**	**617**	**11,977**
Total mortgage-backed, asset-backed and collateralized	**42,035**	**2,117**	**44,152**
Total bonds available for sale	**141,497**	**15,411**	**156,908**
Other bond securities	**357**	**3,883**	**4,240**
Total fixed maturities	**141,854**	**19,294**	**161,148**
Equity securities	**194**	**—**	**194**
Mortgage and other loans receivable:			
Residential mortgages	**7,444**	**—**	**7,444**
Commercial mortgages	**29,860**	**3,364**	**33,224**
Life insurance policy loans	**1,414**	**340**	**1,754**
Commercial loans, other loans and notes receivable	**3,886**	**189**	**4,075**
Total mortgage and other loans receivable[(a)]	**42,604**	**3,893**	**46,497**
Other invested assets[(b)]	**8,464**	**2,066**	**10,530**
Short-term investments	**3,821**	**245**	**4,066**
Total[(c)]	**$ 196,937**	**$ 25,498**	**$ 222,435**
December 31, 2022			
Bonds available for sale:			
U.S. government and government-sponsored entities	$ 925	$ 273	$ 1,198
Obligations of states, municipalities and political subdivisions	5,195	731	5,926
Non-U.S. governments	3,977	415	4,392
Corporate debt	91,939	12,753	104,692
Mortgage-backed, asset-backed and collateralized:			
RMBS	11,122	822	11,944
CMBS	9,528	540	10,068
CLO	7,994	192	8,186
ABS	9,774	613	10,387
Total mortgage-backed, asset-backed and collateralized	38,418	2,167	40,585
Total bonds available for sale	140,454	16,339	156,793
Other bond securities	284	3,485	3,769
Total fixed maturities	140,738	19,824	160,562
Equity securities	170	—	170
Mortgage and other loans receivable:			
Residential mortgages	5,851	—	5,851
Commercial mortgages	29,190	3,272	32,462
Life insurance policy loans	1,395	355	1,750
Commercial loans, other loans and notes receivable	4,285	218	4,503
Total mortgage and other loans receivable[(a)]	40,721	3,845	44,566
Other invested assets[(b)]	8,392	2,026	10,418
Short-term investments	4,331	69	4,400
Total[(c)]	$ 194,352	$ 25,764	$ 220,116

(a) Net of total allowance for credit losses for $689 million and $600 million at June 30, 2023 and December 31, 2022, respectively.

(b) Other invested assets, excluding Fortitude Re funds withheld assets, include $5.7 billion and $5.3 billion of private equity funds as of June 30, 2023 and December 31, 2022, respectively, which are generally reported on a one-quarter lag.

(c) Includes the consolidation of approximately $6.4 billion and $9.7 billion of consolidated investment entities at June 30, 2023 and December 31, 2022, respectively.

The following table presents carrying amounts of our total investments for our insurance operating subsidiaries excluding the Fortitude Re funds withheld assets:

(in millions)		June 30, 2023		December 31, 2022
Bonds available for sale:				
U.S. government and government-sponsored entities	$	940	$	928
Obligations of states, municipalities and political subdivisions		5,195		5,194
Non-U.S. governments		3,740		3,978
Corporate Debt				
Public Credit		69,225		68,135
Private Credit		20,629		20,741
Total Corporate Debt		89,854		88,876
Mortgage-backed, asset-backed and collateralized:				
RMBS		12,261		11,546
CMBS		9,263		9,527
CLO		9,575		8,292
ABS		11,355		9,775
Total mortgage-backed, asset-backed and collateralized		42,454		39,140
Total bonds available for sale		142,183		138,116
Other bond securities		367		357
Total fixed maturities		142,550		138,473
Equity securities		160		119
Mortgage and other loans receivable:				
Residential mortgages		5,832		4,181
Commercial mortgages		30,368		29,632
Commercial loans, other loans and notes receivable		4,032		4,465
Total mortgage and other loans receivable[(a)(b)]		40,232		38,278
Other invested assets[(d)]		5,938		5,845
Short-term investments		3,430		3,781
Total[(c)]	$	192,310	$	186,496

(a) Does not reflect allowance for credit loss on mortgage loans of $574 million and $509 million at June 30, 2023 and December 31, 2022, respectively.

(b) Does not reflect policy loans of $1.4 billion and $1.4 billion at June 30, 2023 and December 31, 2022, respectively.

(c) Excludes approximately $6.4 billion and $9.7 billion of consolidated investment entities as well as $2.6 billion and $2.7 billion of eliminations primarily between the consolidated investment entities and the insurance operating companies at June 30, 2023 and December 31, 2022, respectively.

(d) Alternatives include private equity funds, which are generally reported on a one-quarter lag.

Credit Ratings

At June 30, 2023, nearly all our fixed maturity securities were held by our U.S. entities. 92% of these securities were rated investment grade by one or more of the principal rating agencies.

Moody's, S&P, Fitch or similar foreign rating services rate a significant portion of our foreign entities' fixed maturity securities portfolio. Rating services are not available for some foreign-issued securities. Our Investments team, with oversight from credit risk management, closely reviews the credit quality of the foreign portfolio's non-rated fixed maturity securities.

NAIC Designations of Fixed Maturity Securities

The Securities Valuation Office ("SVO") of the NAIC evaluates the investments of U.S. insurers for statutory reporting purposes and assigns fixed maturity securities to one of six categories called 'NAIC Designations.' In general, NAIC Designations of '1,' highest quality, or '2,' high quality, include fixed maturity securities considered investment grade, while NAIC Designations of '3' through '6' generally include fixed maturity securities referred to as below investment grade. NAIC Designations for non-agency RMBS and CMBS are calculated using third-party modeling results provided through the NAIC. These methodologies result in an improved NAIC Designation for such securities compared to the rating typically assigned by the three major rating agencies. The following tables summarize the ratings distribution of our subsidiaries' fixed maturity security portfolio by NAIC Designation, and the distribution by composite our credit rating, which is generally based on ratings of the three major rating agencies. As of June 30, 2023 and December 31, 2022, 94% and 91%, respectively, of our fixed maturity security portfolio, excluding Fortitude Re funds withheld assets, were investment grade. The fixed maturity security portfolio of our insurance operating subsidiaries, excluding the Fortitude Re funds withheld assets, was 94% and 94% investment grade as of June 30, 2023 and December 31, 2022, respectively. The remaining below-investment-grade securities that are not included in consolidated investment entities relate to middle market and high yield bank loans securities.

The following tables present the fixed maturity security portfolio categorized by NAIC Designation, at fair value:

NAIC Designation Excluding Fortitude Re Funds Withheld Assets *(in millions)*	1	2	Total Investment Grade	3	4[a]	5[a]	6	Total Below Investment Grade	Total
June 30, 2023									
Other fixed maturity securities	**$ 47,181**	**$ 44,566**	**$ 91,747**	**$ 4,165**	**$ 3,099**	**$ 427**	**$ 36**	**$ 7,727**	**$ 99,474**
Mortgage-backed, asset-backed and collateralized	**36,464**	**5,487**	**41,951**	**227**	**54**	**22**	**114**	**417**	**42,368**
Total[b]	**$ 83,645**	**$ 50,053**	**$ 133,698**	**$ 4,392**	**$ 3,153**	**$ 449**	**$ 150**	**$ 8,144**	**$ 141,842**
Fortitude Re funds withheld assets									**$ 19,294**
Total fixed maturities									**$ 161,136**
December 31, 2022									
Other fixed maturity securities	$ 44,981	$ 45,166	$ 90,147	$ 5,058	$ 5,915	$ 655	$ 268	$ 11,896	$ 102,043
Mortgage-backed, asset-backed and collateralized	33,031	5,330	38,361	227	73	3	10	313	38,674
Total[b]	$ 78,012	$ 50,496	$ 128,508	$ 5,285	$ 5,988	$ 658	$ 278	$ 12,209	$ 140,717
Fortitude Re funds withheld assets									$ 19,824
Total fixed maturities									$ 160,541

(a) Includes $65 million and $5 million of consolidated CLOs that are rated NAIC 4 and 5, respectively, as of June 30, 2023 and $2.8 billion and $142 million of NAIC 4 and 5 securities, respectively, as of December 31, 2022. These are assets of consolidated investment entities and do not represent direct investment of Corebridge's insurance subsidiaries.

(b) Excludes $12 million and $21 million of fixed maturity securities for which no NAIC Designation is available at June 30, 2023 and December 31, 2022, respectively.

The following table presents the fixed maturity security portfolio categorized by NAIC Designation, at fair value, for our insurance operating subsidiaries excluding the Fortitude Re funds withheld assets:

(in millions)	**June 30, 2023**	December 31, 2022
NAIC 1	**$ 84,064**	$ 78,518
NAIC 2	**50,402**	50,946
NAIC 3	**4,389**	4,860
NAIC 4	**3,090**	3,224
NAIC 5 and 6	**593**	904
Total[a][b]	**$ 142,538**	$ 138,452

(a) Excludes approximately $145 million and $3.4 billion of consolidated investment entities and $841 million and $1.2 billion of eliminations primarily related to the consolidated investment entities and the insurance operating subsidiaries at June 30, 2023 and December 31, 2022, respectively.

(b) Excludes $12 million and $21 million of fixed maturity securities for which no NAIC Designation is available at June 30, 2023 and December 31, 2022, respectively.

Composite Corebridge Credit Ratings

With respect to our fixed maturity securities, the credit ratings in the table below and in subsequent tables reflect: (i) a composite of the ratings of the three major rating agencies, or when agency ratings are not available, the rating assigned by the NAIC SVO (100% of total fixed maturity securities), or (ii) our equivalent internal ratings when these investments have not been rated by any of the major rating agencies or the NAIC. The "Non-rated" category in those tables consists of fixed maturity securities that have not been rated by any of the major rating agencies, the NAIC or us.

The following tables present the fixed maturity security portfolio categorized by composite Corebridge credit rating (as described below), at fair value:

Composite Corebridge Credit Rating Excluding Fortitude Re Funds Withheld Assets (in millions)	AAA/AA/A	BBB	Total Investment Grade	BB	B	CCC and Lower	Total Below Investment Grade [(a)(b)]	Total
June 30, 2023								
Other fixed maturity securities	**$ 47,952**	**$ 43,789**	**$ 91,741**	**$ 4,172**	**$ 3,158**	**$ 403**	**$ 7,733**	**$ 99,474**
Mortgage-backed, asset-backed and collateralized	**32,793**	**6,146**	**38,939**	**360**	**221**	**2,848**	**3,429**	**42,368**
Total[(c)]	**$ 80,745**	**$ 49,935**	**$ 130,680**	**$ 4,532**	**$ 3,379**	**$ 3,251**	**$ 11,162**	**$ 141,842**
Fortitude Re funds withheld assets								**$ 19,294**
Total fixed maturities								**$ 161,136**
December 31, 2022								
Other fixed maturity securities	$ 46,059	$ 44,068	$ 90,127	$ 5,081	$ 5,910	$ 925	$ 11,916	$ 102,043
Mortgage-backed, asset-backed and collateralized	29,367	5,768	35,135	336	273	2,930	3,539	38,674
Total[(c)]	$ 75,426	$ 49,836	$ 125,262	$ 5,417	$ 6,183	$ 3,855	$ 15,455	$ 140,717
Fortitude Re funds withheld assets								$ 19,824
Total fixed maturities								$ 160,541

(a) Includes $2.9 billion and $3.0 billion at June 30, 2023 and December 31, 2022, respectively, of certain RMBS that had experienced deterioration in credit quality since its origination but prior to Corebridge's acquisition. These securities are currently rated as investment grade under the NAIC SVO framework.

(b) Includes $88 million of consolidated CLOs as of June 30, 2023 and $3.4 billion as of December 31, 2022. These are assets of consolidated investment entities and do not represent direct investment of Corebridge's insurance subsidiaries.

(c) Excludes $12 million and $21 million of fixed maturity securities for which no NAIC Designation is available at June 30, 2023 and December 31, 2022, respectively.

The following table presents the fixed maturity security portfolio categorized by composite Corebridge credit rating (as described below), at fair value for our insurance operating subsidiaries:

Composite Corebridge Credit Rating For Our Insurance Operating Subsidiaries (in millions)	AAA/AA/A	BBB	Total Investment Grade	BB	B	CCC and Lower	Total Below Investment Grade	Total
June 30, 2023								
Other fixed maturity securities	**$ 47,955**	**$ 44,133**	**$ 92,088**	**$ 4,165**	**$ 3,092**	**$ 398**	**$ 7,655**	**$ 99,743**
Mortgage-backed, asset-backed and collateralized	**33,208**	**6,150**	**39,358**	**365**	**221**	**2,851**	**3,437**	**42,795**
Total fixed maturities*	**$ 81,163**	**$ 50,283**	**$ 131,446**	**$ 4,530**	**$ 3,313**	**$ 3,249**	**$ 11,092**	**$ 142,538**
December 31, 2022								
Other fixed maturity securities	$ 46,060	$ 44,410	$ 90,470	$ 4,577	$ 3,236	$ 700	$ 8,513	$ 98,983
Mortgage-backed, asset-backed and collateralized	29,869	5,886	35,755	401	276	3,037	3,714	39,469
Total fixed maturities*	$ 75,929	$ 50,296	$ 126,225	$ 4,978	$ 3,512	$ 3,737	$ 12,227	$ 138,452

* Excludes $12 million and $21 million of fixed maturity securities for which no NAIC Designation is available at June 30, 2023 and December 31, 2022, respectively.

For a discussion of credit risks associated with investments, see "Business—Investment Management—Credit Risk" in the June 2023 Registration Statement.

The following tables present the composite Corebridge credit ratings of our fixed maturity securities calculated based on their fair value:

Excluding Fortitude Funds Withheld Assets *(in millions)*	Available for Sale June 30, 2023	Available for Sale December 31, 2022	Other Fixed Maturity Securities, at Fair Value June 30, 2023	Other Fixed Maturity Securities, at Fair Value December 31, 2022	Total June 30, 2023	Total December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	$ 2,562	$ 2,493	$ —	$ —	$ 2,562	$ 2,493
AA	20,173	17,600	16	16	20,189	17,616
A	25,201	25,950	—	—	25,201	25,950
BBB	43,786	44,065	3	3	43,789	44,068
Below investment grade	7,740	11,855	5	7	7,745	11,862
Non-rated	—	73	—	2	—	75
Total	$ 99,462	$ 102,036	$ 24	$ 28	$ 99,486	$ 102,064
Mortgage-backed, asset-backed and collateralized						
AAA	$ 12,193	$ 11,418	$ 21	$ 22	$ 12,214	$ 11,440
AA	13,766	11,737	85	90	13,851	11,827
A	6,622	6,009	106	91	6,728	6,100
BBB	6,094	5,736	52	32	6,146	5,768
Below investment grade	3,346	3,391	69	21	3,415	3,412
Non-rated	14	127	—	—	14	127
Total	$ 42,035	$ 38,418	$ 333	$ 256	$ 42,368	$ 38,674
Total						
AAA	$ 14,755	$ 13,911	$ 21	$ 22	$ 14,776	$ 13,933
AA	33,939	29,337	101	106	34,040	29,443
A	31,823	31,959	106	91	31,929	32,050
BBB	49,880	49,801	55	35	49,935	49,836
Below investment grade	11,086	15,246	74	28	11,160	15,274
Non-rated	14	200	—	2	14	202
Total	$ 141,497	$ 140,454	$ 357	$ 284	$ 141,854	$ 140,738

Fortitude Re Funds Withheld Assets *(in millions)*	Available for Sale		Other Fixed Maturity Securities, at Fair Value		Total	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	$ 420	$ 439	$ 25	$ 22	$ 445	$ 461
AA	3,572	3,272	660	706	4,232	3,978
A	3,501	4,022	130	168	3,631	4,190
BBB	5,246	5,734	1,137	935	6,383	6,669
Below investment grade	555	705	427	420	982	1,125
Non-rated	—	—	4	2	4	2
Total	$ 13,294	$ 14,172	$ 2,383	$ 2,253	$ 15,677	$ 16,425
Mortgage-backed, asset-backed and collateralized						
AAA	$ 207	$ 222	$ 217	$ 88	$ 424	$ 310
AA	738	727	522	478	1,260	1,205
A	250	289	192	146	442	435
BBB	359	348	513	459	872	807
Below investment grade	562	581	56	60	618	641
Non-rated	1	—	—	1	1	1
Total	$ 2,117	$ 2,167	$ 1,500	$ 1,232	$ 3,617	$ 3,399
Total						
AAA	$ 627	$ 661	$ 242	$ 110	$ 869	$ 771
AA	4,310	3,999	1,182	1,184	5,492	5,183
A	3,751	4,311	322	314	4,073	4,625
BBB	5,605	6,082	1,650	1,394	7,255	7,476
Below investment grade	1,117	1,286	483	480	1,600	1,766
Non-rated	1	—	4	3	5	3
Total	$ 15,411	$ 16,339	$ 3,883	$ 3,485	$ 19,294	$ 19,824

Total *(in millions)*	Available for Sale June 30, 2023	 December 31, 2022	Other Fixed Maturity Securities, at Fair Value June 30, 2023	 December 31, 2022	Total June 30, 2023	 December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	**$ 2,982**	$ 2,932	**$ 25**	$ 22	**$ 3,007**	$ 2,954
AA	**23,745**	20,872	**676**	722	**24,421**	21,594
A	**28,702**	29,972	**130**	168	**28,832**	30,140
BBB	**49,032**	49,799	**1,140**	938	**50,172**	50,737
Below investment grade	**8,295**	12,560	**432**	427	**8,727**	12,987
Non-rated	**—**	73	**4**	4	**4**	77
Total	**$ 112,756**	$ 116,208	**$ 2,407**	$ 2,281	**$ 115,163**	$ 118,489
Mortgage-backed, asset-backed and collateralized						
AAA	**$ 12,400**	$ 11,640	**$ 238**	$ 110	**$ 12,638**	$ 11,750
AA	**14,504**	12,464	**607**	568	**15,111**	13,032
A	**6,872**	6,298	**298**	237	**7,170**	6,535
BBB	**6,453**	6,084	**565**	491	**7,018**	6,575
Below investment grade	**3,908**	3,972	**125**	81	**4,033**	4,053
Non-rated	**15**	127	**—**	1	**15**	128
Total	**$ 44,152**	$ 40,585	**$ 1,833**	$ 1,488	**$ 45,985**	$ 42,073
Total						
AAA	**$ 15,382**	$ 14,572	**$ 263**	$ 132	**$ 15,645**	$ 14,704
AA	**38,249**	33,336	**1,283**	1,290	**39,532**	34,626
A	**35,574**	36,270	**428**	405	**36,002**	36,675
BBB	**55,485**	55,883	**1,705**	1,429	**57,190**	57,312
Below investment grade	**12,203**	16,532	**557**	508	**12,760**	17,040
Non-rated	**15**	200	**4**	5	**19**	205
Total	**$ 156,908**	$ 156,793	**$ 4,240**	$ 3,769	**$ 161,148**	$ 160,562

* Consists of assets including U.S. government and government sponsored entities, obligations of states, municipalities and political subdivisions, non-U.S. governments, and corporate debt.

The following table presents the fair value of our aggregate credit exposures to non-U.S. governments for our fixed maturity securities:

(in millions)	June 30, 2023 Excluding Fortitude Re Funds Withheld Assets	 Fortitude Re Funds Withheld Assets	 Total	December 31, 2022 Excluding Fortitude Re Funds Withheld Assets	 Fortitude Re Funds Withheld Assets	 Total
Chile	**$ 348**	**$ 14**	**$ 362**	$ 343	$ 19	$ 362
Indonesia	**330**	**24**	**354**	381	34	415
Mexico	**251**	**13**	**264**	239	27	266
United Arab Emirates	**216**	**8**	**224**	298	12	310
Qatar	**195**	**76**	**271**	218	87	305
France	**194**	**17**	**211**	149	17	166
Saudi Arabia	**183**	**20**	**203**	200	22	222
Norway	**176**	**—**	**176**	162	—	162
Panama	**153**	**28**	**181**	150	29	179
Peru	**140**	**8**	**148**	133	24	157
Other	**1,560**	**119**	**1,679**	1,704	166	1,870
Total*	**$ 3,746**	**$ 327**	**$ 4,073**	$ 3,977	$ 437	$ 4,414

* Includes bonds available for sale and other bond securities.

Investments in Corporate Debt Securities

The following table presents the industry categories of our available-for-sale corporate debt securities:

	June 30, 2023			December 31, 2022		
	Fair Value			Fair Value		
(in millions)	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Industry Category:						
Financial institutions	$ 24,056	$ 2,423	$ 26,479	$ 23,751	$ 2,699	$ 26,450
Utilities	13,414	2,552	15,966	13,579	2,708	16,287
Communications	5,642	718	6,360	5,718	767	6,485
Consumer noncyclical	12,057	1,425	13,482	12,466	1,525	13,991
Capital goods	4,076	413	4,489	4,491	462	4,953
Energy	7,926	1,098	9,024	7,361	1,126	8,487
Consumer cyclical	4,901	516	5,417	6,820	581	7,401
Basic materials	3,004	386	3,390	3,285	467	3,752
Other	14,503	2,483	16,986	14,468	2,418	16,886
Total*	$ 89,579	$ 12,014	$ 101,593	$ 91,939	$ 12,753	$ 104,692

* 92% and 89% of investments were rated investment grade at June 30, 2023 and December 31, 2022, respectively.

Our investments in the energy category, as a percentage of total investments in available-for-sale fixed maturities, were 9% and 8% at June 30, 2023 and December 31, 2022, respectively. While the energy investments are primarily investment grade and are actively managed, the category continues to experience volatility that could adversely affect credit quality and fair value.

Investments in RMBS

The following table presents our RMBS available-for-sale securities:

	June 30, 2023		December 31, 2022	
(in millions)	**Fair Value**	**Percent of Total**	Fair Value	Percent of Total
Agency RMBS	**$ 4,351**	**37%**	$ 4,478	40%
AAA	**4,209**		4,345	
AA	**134**		133	
A	**6**		—	
BBB	**2**		—	
Below investment grade	**—**		—	
Non-rated	**—**		—	
Alt-A RMBS	**2,742**	**23%**	2,641	24%
AAA	**170**		24	
AA	**692**		689	
A	**36**		35	
BBB	**40**		41	
Below investment grade	**1,804**		1,852	
Non-rated	**—**		—	
Subprime RMBS	**1,175**	**10%**	1,217	11%
AAA	**—**		—	
AA	**61**		68	
A	**58**		65	
BBB	**41**		51	
Below investment grade	**1,016**		1,033	
Non-rated	**(1)**		—	
Prime non-agency	**1,804**	**15%**	1,471	13%
AAA	**694**		331	
AA	**830**		803	
A	**123**		136	
BBB	**31**		57	
Below investment grade	**126**		144	
Non-rated	**—**		—	
Other housing related	**1,767**	**15%**	1,315	12%
AAA	**1,103**		795	
AA	**353**		230	
A	**235**		206	
BBB	**64**		77	
Below investment grade	**12**		6	
Non-rated	**—**		1	
Total RMBS excluding Fortitude Re funds withheld assets	**11,839**	**100 %**	11,122	100%
Total RMBS Fortitude Re funds withheld assets	**806**		822	
Total RMBS[(a)(b)]	**$ 12,645**		$ 11,944	

(a) Includes $2.9 billion and $3.0 billion at June 30, 2023 and December 31, 2022, respectively, of certain RMBS that had experienced deterioration in credit quality since their origination but prior to Corebridge's acquisition. These securities are currently rated as investment grade under the NAIC SVO framework.

(b) The weighted average expected life was 6 years at June 30, 2023 and 6 years at December 31, 2022.

Our underwriting principles for investing in RMBS, other ABS and CLOs take into consideration the quality of the originator, the manager, the servicer, security credit ratings, underlying characteristics of the mortgages, borrower characteristics and the level of credit enhancement in the transaction.

Investments in CMBS

The following table presents our CMBS available for sale securities:

	June 30, 2023		December 31, 2022	
(in millions)	**Fair Value**	**Percent of Total**	Fair Value	Percent of Total
CMBS (traditional)	**$ 8,006**	**87 %**	$ 8,085	85 %
AAA	**3,675**		3,875	
AA	**2,663**		2,642	
A	**746**		732	
BBB	**680**		564	
Below investment grade	**242**		272	
Non-rated	**—**		—	
Agency	**848**	**9 %**	1,017	11 %
AAA	**426**		484	
AA	**422**		525	
A	**—**		—	
BBB	**—**		8	
Below investment grade	**—**		—	
Non-rated	**—**		—	
Other	**409**	**4 %**	426	4 %
AAA	**89**		105	
AA	**132**		131	
A	**97**		97	
BBB	**91**		93	
Below investment grade	**—**		—	
Non-rated	**—**		—	
Total excluding Fortitude Re funds withheld assets	**9,263**	**100 %**	9,528	100 %
Total Fortitude Re funds withheld assets	**505**		540	
Total	**$ 9,768**		$ 10,068	

The fair value of CMBS holdings decreased slightly during the six months ended June 30, 2023. The majority of our investments in CMBS are in tranches that contain substantial protection features through collateral subordination. The majority of CMBS holdings are traditional conduit transactions, broadly diversified across property types and geographical areas.

Investments in ABS/CLOs

The following table presents our ABS/CLO available for sale securities by collateral type:

	June 30, 2023		December 31, 2022	
(in millions)	Fair Value	Percent of Total	Fair Value	Percent of Total
CDO - bank loan (CLO)	$ 9,429	45 %	$ 7,893	44 %
AAA	1,394		1,056	
AA	4,722		4,049	
A	2,709		2,384	
BBB	556		400	
Below investment grade	48		4	
Non-rated	—		—	
CDO - other	145	1 %	100	1 %
AAA	—		—	
AA	125		100	
A	—		—	
BBB	1		—	
Below investment grade	4		—	
Non-rated	15		—	
ABS	11,359	54 %	9,775	55 %
AAA	433		403	
AA	3,632		2,367	
A	2,612		2,354	
BBB	4,588		4,445	
Below investment grade	94		80	
Non-rated	—		126	
Total excluding Fortitude Re funds withheld assets	20,933	100 %	17,768	100 %
Total Fortitude Re funds withheld assets	806		805	
Total	$ 21,739		$ 18,573	

Unrealized Losses of Fixed Maturity Securities

The following tables show the aging of the unrealized losses on available-for-sale fixed maturity securities, the extent to which the fair value is less than amortized cost or cost, and the number of respective items in each category:

June 30, 2023	Less Than or Equal to 20% of Cost[b]			Greater Than 20% to 50% of Cost[b]			Greater Than 50% of Cost[b]			Total		
Aging[a] *(dollars in millions)*	Cost[c]	Unrealized Loss	Items[d]	Cost[c]	Unrealized Loss	Items[d]	Cost[c]	Unrealized Loss	Items[d]	Cost[c]	Unrealized Loss[d]	Items[d]
Investment-grade bonds												
0-6 months	$ 16,689	$ 703	1,733	$ 2,988	$ 860	247	$ 69	$ 46	4	$ 19,746	$ 1,609	1,984
7-11 months	47,274	4,613	5,564	24,832	7,163	2,379	369	196	21	72,475	11,972	7,964
12 months or more	28,612	2,861	2,785	11,331	3,173	703	20	11	2	39,963	6,045	3,490
Total	92,575	8,177	10,082	39,151	11,196	3,329	458	253	27	132,184	19,626	13,438
Below-investment-grade bonds												
0-6 months	1,543	40	262	70	19	10	25	20	8	1,638	79	280
7-11 months	3,200	248	1,011	470	144	155	11	7	6	3,681	399	1,172
12 months or more	2,981	183	400	268	78	22	27	21	8	3,276	282	430
Total	7,724	471	1,673	808	241	187	63	48	22	8,595	760	1,882
Total bonds												
0-6 months	18,232	743	1,995	3,058	879	257	94	66	12	21,384	1,688	2,264
7-11 months	50,474	4,861	6,575	25,302	7,307	2,534	380	203	27	76,156	12,371	9,136
12 months or more	31,593	3,044	3,185	11,599	3,251	725	47	32	10	43,239	6,327	3,920
Total excluding Fortitude Re funds withheld assets	$ 100,299	$ 8,648	11,755	$ 39,959	$ 11,437	3,516	$ 521	$ 301	49	$ 140,779	$ 20,386	15,320
Total Fortitude Re funds withheld assets										$ 17,092	$ (43,994)	922
Total										$ 157,871	$ (23,608)	16,242

December 31, 2022 Aging[(a)] *(dollars in millions)*	Less Than or Equal to 20% of cost[(b)] Cost[(c)]	Unrealized loss	Items[(d)]	Greater than 20% to 50% of cost[(b)] Cost[(c)]	Unrealized loss	Items[(d)]	Greater than 50% of cost[(b)] Cost[(c)]	Unrealized loss	Items[(d)]	Total Cost[(c)]	Unrealized loss[(d)]	Items[(d)]
Investment-grade bonds												
0-6 months	$ 58,919	$ 5,036	6,736	$ 30,974	$ 9,161	2,999	$ 447	$ 238	25	$ 90,340	$ 14,435	9,760
7-11 months	22,018	2,112	2,197	3,126	836	159	21	13	1	25,165	2,961	2,357
12 months or more	7,759	942	716	9,398	2,667	690	20	11	3	17,177	3,620	1,409
Total	88,696	8,090	9,649	43,498	12,664	3,848	488	262	29	132,682	21,016	13,526
Below-investment-grade bonds												
0-6 months	5,310	354	1,492	823	235	222	39	28	17	6,172	617	1,731
7-11 months	3,544	182	1,201	95	24	51	7	5	7	3,646	211	1,259
12 months or more	3,395	225	1,017	321	87	73	9	8	9	3,725	320	1,099
Total	12,249	761	3,710	1,239	346	346	55	41	33	13,543	1,148	4,089
Total bonds												
0-6 months	64,229	5,390	8,228	31,797	9,396	3,221	486	266	42	96,512	15,052	11,491
7-11 months	25,562	2,294	3,398	3,221	860	210	28	18	8	28,811	3,172	3,616
12 months or more	11,154	1,167	1,733	9,719	2,754	763	29	19	12	20,902	3,940	2,508
Total excluding Fortitude Re funds withheld assets	$ 100,945	$ 8,851	13,359	$ 44,737	$ 13,010	4,194	$ 543	$ 303	62	$ 146,225	$ 22,164	17,615
Total Fortitude Re funds withheld assets										$ 18,296	$ 3,593	1,057
Total										$ 164,521	$ 25,757	18,672

(a) Represents the number of consecutive months that fair value has been less than amortized cost or cost by any amount.

(b) Represents the percentage by which fair value is less than amortized cost or cost at June 30, 2023 and December 31, 2022.

(c) For bonds, represents amortized cost net of allowance.

(d) Item count is by CUSIP by subsidiary.

The allowance for credit losses was $21 million and $7 million for investment grade bonds, and $69 million and $141 million for below-investment-grade bonds as of June 30, 2023 and December 31, 2022, respectively.

Change in Unrealized Gains and Losses on Investments

The change in net unrealized gains and losses on investments for the three and six months ended June 30, 2023, was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended June 30, 2023, net unrealized losses related to fixed maturity securities were $1.8 billion due primarily to a significant increase in interest rates and widening of credit spreads. For the six months ended June 30, 2023, net unrealized gains were $2.2 billion due primarily to credit spreads narrowing.

The change in net unrealized gains and losses on investments for the three and six months ended June 30, 2022 was primarily attributable to decreases in the fair value of fixed maturity securities. For the three months ended June 30, 2022, net unrealized losses related to fixed maturity securities increased by $15.4 billion due primarily to an increase in rates and widening of credit spreads. For the six months ended June 30, 2022, net unrealized losses related to fixed maturity securities increased by $32.3 billion due primarily to an increase in interest rates.

For further discussion of our investment portfolio, see Notes 4 and 5 to the condensed consolidated financial statements.

Commercial Mortgage Loans

At June 30, 2023 and December 31, 2022, we had direct commercial mortgage loan exposure of $33.8 billion and $33.0 billion, respectively. At June 30, 2023 and December 31, 2022, we had an allowance for credit losses of $621 million and $531 million, respectively.

The following tables present the commercial mortgage loan exposure by location and class of loan based on amortized cost:

		Class							
Excluding Fortitude Re Funds Withheld Assets (dollars in millions)	**Number of Loans**	**Apartments**	**Offices**	**Retail**	**Industrial**	**Hotel**	**Others**	**Total**	**Percent of Total**
June 30, 2023									
State:									
New York	**71**	**$ 1,351**	**$ 3,714**	**$ 280**	**$ 396**	**$ 71**	**$ —**	**$ 5,812**	**19 %**
California	**56**	**689**	**824**	**105**	**1,094**	**583**	**13**	**3,308**	**11 %**
New Jersey	**61**	**1,908**	**73**	**275**	**548**	**7**	**21**	**2,832**	**9 %**
Texas	**37**	**749**	**614**	**132**	**153**	**18**	**—**	**1,666**	**5 %**
Massachusetts	**19**	**547**	**437**	**474**	**15**	**—**	**—**	**1,473**	**5 %**
Florida	**56**	**526**	**118**	**211**	**150**	**456**	**—**	**1,461**	**5 %**
Illinois	**20**	**499**	**351**	**3**	**40**	**—**	**21**	**914**	**3 %**
Pennsylvania	**18**	**123**	**94**	**209**	**188**	**24**	**—**	**638**	**2 %**
Ohio	**19**	**79**	**6**	**81**	**407**	**—**	**—**	**573**	**2 %**
Colorado	**12**	**272**	**62**	**—**	**—**	**144**	**—**	**478**	**2 %**
Other States	**104**	**2,068**	**264**	**512**	**689**	**145**	**36**	**3,714**	**12 %**
Foreign	**79**	**3,932**	**1,052**	**656**	**1,342**	**292**	**225**	**7,499**	**25 %**
Total(b)	**552**	**$ 12,743**	**$ 7,609**	**$ 2,938**	**$ 5,022**	**$ 1,740**	**$ 316**	**$ 30,368**	**100 %**
Fortitude Re funds withheld assets								**$ 3,477**	
Total Commercial Mortgages								**$ 33,845**	
December 31, 2022									
State:									
New York	72	$ 1,355	$ 3,820	$ 282	$ 357	$ 71	$ —	$ 5,885	20 %
California	51	507	653	112	1,129	611	13	3,025	10 %
New Jersey	59	1,829	143	322	436	7	22	2,759	9 %
Texas	41	692	687	137	155	143	—	1,814	6 %
Massachusetts	16	465	328	470	15	—	—	1,278	4 %
Florida	51	344	119	212	151	355	—	1,181	4 %
Illinois	20	487	353	3	41	—	20	904	3 %
Pennsylvania	16	77	94	189	190	24	—	574	2 %
Ohio	19	80	7	83	408	—	—	578	2 %
Colorado	12	261	63	—	—	145	—	469	1 %
Other States	108	1,827	270	550	652	121	19	3,439	12 %
Foreign	90	4,212	1,423	327	1,264	284	216	7,726	27 %
Total(a)(b)	555	$ 12,136	$ 7,960	$ 2,687	$ 4,798	$ 1,761	$ 290	$ 29,632	100 %
Fortitude Re funds withheld assets								$ 3,361	
Total Commercial Mortgages								$ 32,993	

(a) Reflects updated loan count as of December 31, 2022.

(b) Does not reflect allowance for credit losses.

The following tables present debt service coverage ratios and loan-to-value ratios for commercial mortgages:

	Debt Service Coverage Ratios[a]			
(in millions)	>1.20X	1.00X - 1.20X	<1.00X	Total
June 30, 2023				
Loan-to-value ratios[b]				
Less than 65%	$ 18,594	$ 3,445	$ 517	$ 22,556
65% to 75%	4,860	331	433	5,624
76% to 80%	594	—	45	639
Greater than 80%	925	172	452	1,549
Total commercial mortgages excluding Fortitude Re[c]	$ 24,973	$ 3,948	$ 1,447	$ 30,368
Total commercial mortgages including Fortitude Re				$ 3,477
Total commercial mortgages				$ 33,845
December 31, 2022				
Loan-to-value ratios[b]				
Less than 65%	$ 18,524	$ 2,817	$ 628	$ 21,969
65% to 75%	4,497	429	435	5,361
76% to 80%	314	—	46	360
Greater than 80%	1,338	154	450	1,942
Total commercial mortgages excluding Fortitude Re[c]	$ 24,673	$ 3,400	$ 1,559	$ 29,632
Total commercial mortgages including Fortitude Re				$ 3,361
Total commercial mortgages				$ 32,993

(a) The debt service coverage ratio compares a property's net operating income to its debt service payments, including principal and interest. Our weighted average debt service coverage ratio was 1.9X and 1.9X at June 30, 2023 and December 31, 2022, respectively. The debt service coverage ratios have been updated within the last three months.

(b) The loan-to-value ratio compares the current unpaid principal balance of the loan to the estimated fair value of the underlying property collateralizing the loan. Our weighted average loan-to-value ratio was 58% and 59% at June 30, 2023 and December 31, 2022, respectively. The loan-to-value ratios have been updated within the last three to nine months.

(c) Does not reflect allowance for credit losses.

Residential Mortgage Loans

At June 30, 2023 and December 31, 2022, we had direct residential mortgage loan exposure of $7.5 billion and $5.9 billion, respectively.

The following tables present credit quality performance indicators for residential mortgages by year of vintage:

June 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
FICO:[a]							
780 and greater	$ 285	$ 492	$ 2,314	$ 637	$ 240	$ 513	$ 4,481
720 - 779	664	564	538	169	79	199	2,213
660 - 719	170	249	88	38	25	98	668
600 - 659	2	21	7	7	6	38	81
Less than 600	—	—	1	1	2	9	13
Total residential mortgages[b][c]	$ 1,121	$ 1,326	$ 2,948	$ 852	$ 352	$ 857	$ 7,456

December 31, 2022 (in millions)		2022		2021		2020		2019		2018		Prior		Total
FICO:[a]														
780 and greater	$	294	$	2,141	$	652	$	229	$	76	$	437	$	3,829
720 - 779		536		711		167		75		32		134		1,655
660 - 719		163		79		28		16		9		47		342
600 - 659		2		4		2		1		2		13		24
Less than 600		—		—		—		1		—		5		6
Total residential mortgages[b][c]	$	995	$	2,935	$	849	$	322	$	119	$	636	$	5,856

(a) Fair Isaac Corporation (“FICO”) is the credit quality indicator used to evaluate consumer credit risk for residential mortgage loan borrowers and have been updated within the last three months.

(b) There are no residential mortgage loans under Fortitude Re funds withheld assets.

(c) Does not include allowance for credit losses.

For additional discussion on commercial mortgage loans, see Note 6 to the condensed consolidated financial statements.

For additional discussion on credit losses, see Note 5 to the condensed consolidated financial statements.

Net Realized Gains and Losses

Three Months Ended June 30,	**2023**						2022					
(in millions)		**Excluding Fortitude Re Funds Withheld Assets**		**Fortitude Re Funds Withheld Assets**		**Total**		Excluding Fortitude Re Funds Withheld Assets		Fortitude Re Funds Withheld Assets		Total
Sales of fixed maturity securities	**$**	**(195)**	**$**	**(46)**	**$**	**(241)**	$	(183)	$	(103)	$	(286)
Change in allowance for credit losses on fixed maturity securities		**(26)**		**(2)**		**(28)**		(21)		—		(21)
Change in allowance for credit losses on loans		**(48)**		**(8)**		**(56)**		13		6		19
Foreign exchange transactions, net of related hedges		**(115)**		**2**		**(113)**		398		32		430
Index-linked interest credited embedded derivatives, net of related hedges		**(141)**		**—**		**(141)**		(20)		—		(20)
All other derivatives and hedge accounting*		**258**		**(77)**		**181**		(3)		4		1
Sale of alternative investments and real estate		**3**		**(1)**		**2**		2		2		4
Other		**(48)**		**2**		**(46)**		—		(1)		(1)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative		**(312)**		**(130)**		**(442)**		186		(60)		126
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative		**—**		**122**		**122**		—		2,394		2,394
Net realized gains (losses)	**$**	**(312)**	**$**	**(8)**	**$**	**(320)**	$	186	$	2,334	$	2,520

Six Months Ended June 30,	**2023**						2022					
(in millions)		**Excluding Fortitude Re Funds Withheld Assets**		**Fortitude Re Funds Withheld Assets**		**Total**		Excluding Fortitude Re Funds Withheld Assets		Fortitude Re Funds Withheld Assets		Total
Sales of fixed maturity securities	**$**	**(271)**	**$**	**(63)**	**$**	**(334)**	$	(262)	$	(123)	$	(385)
Change in allowance for credit losses on fixed maturity securities		**(43)**		**(2)**		**(45)**		(47)		(40)		(87)
Change in allowance for credit losses on loans		**(82)**		**(27)**		**(109)**		(13)		—		(13)
Foreign exchange transactions, net of related hedges		**(104)**		**9**		**(95)**		509		38		547
Index-linked interest credited embedded derivatives, net of related hedges		**(319)**		**—**		**(319)**		185		—		185
All other derivatives and hedge accounting*		**94**		**(29)**		**65**		(15)		(62)		(77)
Sale of alternative investments and real estate		**8**		**—**		**8**		10		3		13
Other		**(48)**		**2**		**(46)**		(8)		1		(7)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative		**(765)**		**(110)**		**(875)**		359		(183)		176
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative		**—**		**(903)**		**(903)**		—		5,231		5,231
Net realized gains (losses)	**$**	**(765)**	**$**	**(1,013)**	**$**	**(1,778)**	$	359	$	5,048	$	5,407

* Derivative activity related to hedging MRBs is recorded in Change in the fair value of market risk benefits, net. *For additional disclosures about MRBs, see Note 12.*

Higher net realized losses excluding Fortitude Re funds withheld assets in the three and six months ended June 30, 2023 compared to same periods in the prior year were due primarily to higher derivatives losses versus derivatives gains in the prior year period.

Index-linked interest credited embedded derivatives, net of related hedges, reflected losses in the three and six months ended June 30, 2023 compared to gains in the same period in the prior year. Fair value gains or losses in the hedging portfolio are typically not fully offset by increases or decreases in liabilities due to the non-performance or “own credit” risk adjustment used in the valuation of index-linked interest credited embedded derivatives, which are not hedged as part of our economic hedging program, and other risk margins used for valuation that cause the embedded derivatives to be less sensitive to changes in market rates than the hedge portfolio.

Net realized losses on Fortitude Re funds withheld assets primarily reflect changes in the valuation of the modified coinsurance and funds withheld assets. Increases in the valuation of these assets result in losses to Corebridge as the appreciation on the assets under those reinsurance arrangements must be transferred to Fortitude Re.

For further discussion of our investment portfolio, see Note 5 to the condensed consolidated financial statements.

Other Invested Assets

We seek to enhance returns through investment in a diversified portfolio of alternative asset classes, including private equity, real estate equity and hedge funds.

The following table presents the carrying value of our other invested assets by type:

	June 30, 2023			December 31, 2022		
(in millions)	**Excluding Fortitude Re Funds Withheld Assets**	**Fortitude Re Funds Withheld Assets**	**Total**	Excluding Fortitude Re Funds Withheld Assets	Fortitude Re Funds Withheld Assets	Total
Alternative investments[(a)(b)]	**$ 6,118**	**$ 1,940**	**$ 8,058**	$ 6,121	$ 1,893	$ 8,014
Investment real estate[(c)]	**1,752**	**126**	**1,878**	1,698	133	1,831
All other investments[(d)]	**594**	**—**	**594**	573	—	573
Total	**$ 8,464**	**$ 2,066**	**$ 10,530**	$ 8,392	$ 2,026	$ 10,418

(a) At June 30, 2023, included hedge funds of $604 million and private equity funds of $7.5 billion. At December 31, 2022, included hedge funds of $884 million and private equity funds of $7.1 billion.

(b) At June 30, 2023, 61% of our hedge fund portfolio is available for redemption in 2023. The remaining 39% will be available for redemption between 2024 and 2028. At December 31, 2022, approximately 77% of our hedge fund portfolio is available for redemption in 2023. The remaining 23% will be available for redemption between 2024 and 2028.

(c) Net of accumulated depreciation of $626 million and $616 million at June 30, 2023 and December 31, 2022, respectively. The accumulated depreciation related to the investment real estate held by affordable housing partnerships is $106 million and $124 million at June 30, 2023 and December 31, 2022, respectively.

(d) Includes Corebridge’s ownership interest in Fortitude Holdings, which is recorded using the measurement alternative for equity securities. Our investment in Fortitude Holdings totaled $156 million and $156 million at June 30, 2023 and December 31, 2022, respectively.

Derivatives and Hedge Accounting

We use derivatives and other financial instruments as part of our financial risk management programs and as part of our investment operations. Interest rate derivatives (such as interest rate swaps) are used to manage interest rate risk associated with both embedded derivatives and MRBs contained in insurance contract liabilities and fixed maturity securities as well as other interest rate sensitive assets and liabilities. Foreign exchange derivatives (principally foreign exchange forwards and swaps) are used to economically mitigate risk associated with foreign denominated investments, net capital exposures and foreign currency transactions. Equity derivatives are used to mitigate financial risk embedded in certain insurance liabilities and economically hedge certain investments. We use credit derivatives to manage our credit exposures. The derivatives are effective economic hedges of the exposures that they are meant to offset. In addition to hedging activities, we also enter into derivative instruments with respect to investment operations, which may include, among other things, CDSs and purchases of investments with embedded derivatives, such as equity linked notes and convertible bonds.

We designated certain derivatives entered into with related parties as fair value hedges of available-for-sale investment securities held by our insurance subsidiaries. The fair value hedges include foreign currency forwards and cross-currency swaps designated as hedges of the change in fair value of foreign currency denominated available-for-sale securities attributable to changes in foreign exchange rates. We also designated certain interest rate swaps entered into with both third parties and related parties as fair value hedges of fixed rate GICs and commercial mortgage loans attributable to changes in benchmark interest rates.

Credit risk associated with derivative counterparties exists for a derivative contract when that contract has a positive fair value to us. The maximum potential exposure may increase or decrease during the life of the derivative commitments as a function of maturity and market conditions. All derivative transactions must be transacted within counterparty limits.

We utilize various credit enhancements, including guarantees, collateral, credit triggers and margin agreements, to reduce the credit risk related to outstanding financial derivative transactions. We require credit enhancements in connection with specific transactions based on, among other things, the creditworthiness of the counterparties and the transaction size and maturity. Furthermore, we enter into certain agreements that have the benefit of set-off and close-out netting provisions, such as ISDA Master Agreements. These provisions provide that, in the case of an early termination of a transaction, we can set off receivables from a counterparty against payables to the same counterparty arising out of all covered transactions. As a result, where a legally enforceable netting agreement exists, the fair value of the transaction with the counterparty represents the net sum of estimated fair values.

For additional information on embedded derivatives, see Notes 4 and 9 to the condensed consolidated financial statements.

The following table presents the notional amounts of our derivatives and the fair value of derivative assets and liabilities in the Condensed Consolidated Balance Sheets:

	June 30, 2023				December 31, 2022			
	Gross Derivative Assets		Gross Derivative Liabilities		Gross Derivative Assets		Gross Derivative Liabilities	
(in millions)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Derivatives designated as hedging instruments[(a)]								
Interest rate contracts	$ 617	$ 210	$ 1,433	$ 38	$ 155	$ 202	$ 1,798	$ 77
Foreign exchange contracts	4,731	488	1,379	31	3,166	523	3,095	162
Derivatives not designated as hedging instruments[(a)]								
Interest rate contracts	25,297	520	18,341	1,464	23,916	481	16,263	1,859
Foreign exchange contracts	5,789	592	6,730	306	4,357	643	6,126	428
Equity contracts	29,178	1,274	15,485	349	26,041	417	9,962	27
Credit contracts	—	—	—	—	—	—	—	—
Other contracts[(b)]	46,017	15	—	—	47,128	15	48	—
Total derivatives, excluding Fortitude Re funds withheld	$ 111,629	$ 3,099	$ 43,368	$ 2,188	$ 104,763	$ 2,281	$ 37,292	$ 2,553
Total derivatives, Fortitude Re funds withheld	$ 4,431	$ 985	$ 6,750	$ 797	$ 4,382	$ 971	$ 6,096	$ 782
Total derivatives, gross	$ 116,060	$ 4,084	$ 50,118	$ 2,985	$ 109,145	$ 3,252	$ 43,388	$ 3,335
Counterparty netting[(c)]		(2,790)		(2,790)		(2,547)		(2,547)
Cash collateral[(d)]		(838)		(43)		(406)		(691)
Total derivatives on Condensed Consolidated Balance Sheets[(e)]		$ 456		$ 152		$ 299		$ 97

(a) Fair value amounts are shown before the effects of counterparty netting adjustments and offsetting cash collateral.

(b) Consists primarily of SVWs and contracts with multiple underlying exposures.

(c) Represents netting of derivative exposures covered by a qualifying master netting agreement.

(d) Represents cash collateral posted and received that is eligible for netting.

(e) Freestanding derivatives only, excludes embedded derivatives. Derivative instrument assets and liabilities are recorded in Other assets and Other liabilities, respectively. Fair value of assets related to bifurcated embedded derivatives was zero at both June 30, 2023 and December 31, 2022. Fair value of liabilities related to bifurcated embedded derivatives was $8.3 billion and $6.7 billion, respectively, at June 30, 2023 and December 31, 2022. A bifurcated embedded derivative is generally presented with the host contract in the Condensed Consolidated Balance Sheets. Embedded derivatives are primarily related to guarantee features in fixed index annuities and index universal life contracts, which include equity and interest rate components and the funds withheld arrangement with Fortitude Re. For additional information, *see Note* 7 to the condensed consolidated financial statements.

For additional information, see Note 9 to the condensed consolidated financial statements.

Future Policy Benefits, Policyholder Contract Deposits and Market Risk Benefits

SIGNIFICANT REINSURANCE AGREEMENTS, VARIABLE ANNUITY GUARANTEED BENEFITS AND HEDGING RESULTS AND ACTUARIAL UPDATES

The following section provides discussion of our significant reinsurance agreements, variable annuity guaranteed benefits and hedging results and actuarial updates regarding our business segments.

Significant Reinsurance Agreements

In the first quarter of 2018, AIG entered into a series of reinsurance transactions with Fortitude Re related to certain run-off operations (i.e., non-core insurance lines for which policies are still in force until they lapse or otherwise terminate but new policies are no longer issued). As of June 30, 2023 and December 31, 2022, approximately $26.7 billion and $26.8 billion, respectively, of liabilities from our run-off lines (i.e., certain annuities written prior to April 2013, along with exposures to whole life, LTC and exited accident and health product lines) related to business written by multiple wholly owned AIG subsidiaries had been ceded to Fortitude Re under these reinsurance transactions. We currently own a less than 3% indirect interest in Fortitude Re.

Refer to “Significant Factors Impacting Our Results” for additional information on the Fortitude Re reinsurance agreements.

Effective July 1, 2016, AGL entered into an agreement to cede approximately $5 billion of statutory reserves for certain whole life policies to an unaffiliated reinsurer. Effective December 31, 2016, AGL recaptured term and universal life reserves of $16 billion from AGC, subject to the NAIC’s Model Regulation “Valuation of Life Insurance Policies” (“Regulation XXX”) and NAIC Actuarial Guideline 38 (“Guideline AXXX”) and ceded approximately $14 billion of such statutory reserves to the same unaffiliated reinsurer under an amendment to the July 1, 2016 agreement. Effective March 31, 2023, AGL recaptured term life reserves of $1 billion issued from 2017 to 2019 from AGC subject to the NAIC’s Model Regulation “Valuation of Life Insurance Policies” (“Regulation XXX”) and ceded approximately $1 billion of such statutory reserves to the same unaffiliated reinsurer under an amendment to the July 1, 2016 agreement.

For a summary of significant reinsurers, see “Accounting Policies and Pronouncements—Critical Accounting Estimates—Reinsurance Recoverable” in the June 2023 Registration Statement.

For a summary of statutory permitted practices, see “Notes to Consolidated Financial Statements—Statutory Financial Data and Restrictions—Statutory Permitted Accounting Practice” in the June 2023 Registration Statement.

Variable Annuity Guaranteed Benefits and Hedging Results

Our Individual Retirement and Group Retirement businesses offer variable annuity products with riders that provide guaranteed benefits. The liabilities are accounted for as MRBs and measured at fair value. The fair value of the MRBs may fluctuate significantly based on market interest rates, equity prices, credit spreads, market volatility, policyholder behavior and other factors.

In addition to risk-mitigating features in our variable annuity product design, we have an economic hedging program designed to manage market risk from GMWBs, including exposures to changes in interest rates, equity prices, credit spreads and volatility. The hedging program includes all in-force GMWB policies and utilizes derivative instruments, including but not limited to equity options, futures contracts and interest rate swap and option contracts, as well as fixed maturity securities.

For additional discussion of market risk management related to these product features, see “—Quantitative and Qualitative Disclosures about Market Risk.”

Differences in Valuation of MRBs and Economic Hedge Target

Our variable annuity hedging program utilizes an economic hedge target, which represents an estimate of the underlying economic risks in our GMWB riders. The economic hedge target differs from the GAAP valuation of the MRBs, creating volatility in our net income (loss) primarily due to the following:

- the MRBs include both the GMWB riders and the GMDB riders while the hedge program is targeting the economic risks of just the GMWB rider.
- the hedge program is designed to offset most moves in the GMWB economic liability and therefore has a lower sensitivity to equity market changes than the MRBs;
- the economic hedge target includes 100% of the GMWB rider fees in present value calculations;
- the GAAP valuation reflects those fees attributed to the MRBs such that the initial value at contract issue equals zero. Since the MRB includes GMWBs and GMDBs these attributed fees are typically larger than just the GMWB rider fees;

- the economic hedge target uses best estimate actuarial assumptions and excludes explicit risk margins used for GAAP valuation, such as margins for policyholder behavior, mortality and volatility; and
- the economic hedge target excludes our own credit risk changes (non-performance adjustments) used in the GAAP valuation, which are recognized in OCI. The GAAP valuation has different sensitivities to movements in interest rates and other market factors, and to changes from actuarial assumption updates, than the economic hedge target.

For more information on our valuation methodology for MRBs, see Note 4 to the condensed consolidated financial statements.

The market value of the hedge portfolio compared to the economic hedge target at any point in time may be different and is not expected to be fully offsetting. In addition to the derivatives held in conjunction with the variable annuity hedging program, we generally have cash and invested assets available to cover future claims payable under these guarantees. The primary sources of difference between the change in the fair value of the hedging portfolio and the economic hedge target include:

- basis risk due to the variance between expected and actual fund returns, which may be either positive or negative;
- realized volatility versus implied volatility;
- actual versus expected changes in the hedge target driven by assumptions not subject to hedging, particularly policyholder behavior; and
- risk exposures that we have elected not to explicitly or fully hedge.

The following table presents a reconciliation between the fair value of the GAAP MRBs and the value of our economic hedge target:

	At June 30,	At December 31,
(in millions)	**2023**	2022
Reconciliation of market risk benefits and economic hedge target:		
Market risk benefits liability, net	**$ 1,169**	$ 1,657
Exclude non-performance risk adjustment	**(516)**	(479)
Market risk benefits liability, excluding NPA	**653**	1,178
Adjustments for risk margins and differences in valuation	**318**	(281)
Economic hedge target liability	**$ 971**	$ 897

Impact on Pre-tax Income (Loss)

The impact on our pre-tax income (loss) of variable annuity guaranteed benefits and related hedging results includes changes in the fair value of MRBs and changes in the fair value of related derivative hedging instruments, and along with attributed rider fees and net of benefits associated with MRBs are together recognized in Change in the fair value of market risk benefits, net, with the exception of our own credit risk changes, which are recognized in OCI. Changes in the fair value of market risk benefits, net are excluded from APTOI of Individual Retirement and Group Retirement.

The change in the fair value of the MRBs and the change in the value of the hedging portfolio are not expected to be fully offsetting, primarily due to the differences in valuation between the economic hedge target, the GAAP MRBs and the fair value of the hedging portfolio, as discussed above. When corporate credit spreads widen, the change in the NPA spread generally reduces the fair value of the MRBs liabilities, resulting in a gain in AOCI, and when corporate credit spreads tighten, the change in the NPA spread generally increases the fair value of the MRBs liabilities, resulting in a loss in AOCI. In addition to changes driven by credit market-related movements in the NPA spread, the NPA balance also reflects changes in business activity and in the net amount at risk from the underlying guaranteed living benefits.

Change in Economic Hedge Target

The increase in the economic hedge target liability in the six months ended June 30, 2023, was primarily driven by tightening credit spreads, and lower equity volatility.

Liquidity and Capital Resources

OVERVIEW

Liquidity is defined as cash and unencumbered assets that can be monetized in a short period of time at a reasonable cost. In addition to the on-balance-sheet liquid assets, liquidity resources include availability under committed bank credit facilities.

Capital refers to the long-term financial resources available to support the operation of our businesses, fund business growth, and cover financial and operational needs that arise from adverse circumstances.

We aim to manage our liquidity and capital resources prudently through a well-defined risk management framework that involves various target operating thresholds, as well as minimum requirements during periods of stress.

We believe that we have sufficient liquidity and capital resources to satisfy future requirements and meet our obligations to policyholders, customers, creditors and debt-holders, including those arising from reasonably foreseeable contingencies or events.

For a discussion regarding risks associated with liquidity and capital, *see "Risk Factors—Risks Relating to Our Investment Portfolio, Liquidity, Capital and Credit" in the June 2023 Registration Statement*.

LIQUIDITY AND CAPITAL RESOURCES OF COREBRIDGE PARENT AND INTERMEDIATE HOLDING COMPANIES

As of June 30, 2023 and December 31, 2022, Corebridge Parent and its non-regulated intermediate holding companies ("Corebridge Hold Cos.") had $4.1 billion and $4.0 billion, respectively, in liquidity sources. These liquidity sources were primarily held in the form of cash and short-term investments and included a $2.5 billion committed revolving credit facility as of June 30, 2023 and December 31, 2022. Corebridge Hold Cos.' primary sources of liquidity are dividends, loans and other payments from subsidiaries and credit facilities. Corebridge Hold Cos.' primary uses of liquidity are for debt service, capital and liability management, and operating expenses.

Corebridge Parent expects to maintain liquidity that is sufficient to cover one year of its expenses. We expect the Corebridge Hold Cos. may access the debt and preferred equity markets from time to time to meet funding requirements as needed.

We utilize our capital resources to support our businesses, with the majority of capital held by our insurance businesses. Corebridge Hold Cos. intend to manage capital between Corebridge Hold Cos. and our insurance companies through internal, Board-approved policies as well as management standards. In addition, AIG has an unconditional capital maintenance agreement in place with AGC. Nevertheless, regulatory and other legal restrictions could limit our ability to transfer capital freely, either to or from our subsidiaries.

As of June 30, 2023, Corebridge Parent and certain of our subsidiaries were parties to several letter of credit agreements with various financial institutions which issue letters of credit from time to time in support of our insurance companies. Letters of credit issued in support of our subsidiaries (primarily, insurance companies) totaled $158 million and $272 million at June 30, 2023 and December 31, 2022, respectively.

The following table presents Corebridge Hold Cos.' liquidity sources:

(in millions)	June 30, 2023	At December 31, 2022
Cash and short-term investments	$ 1,551	$ 1,495
Total Corebridge Hold Cos. liquidity	1,551	1,495
Available capacity under committed, revolving credit facility	2,500	2,500
Total Corebridge Hold Cos. liquidity sources	$ 4,051	$ 3,995

COREBRIDGE HOLD COS. LIQUIDITY AND CAPITAL RESOURCES HIGHLIGHTS

SOURCES

During the three and six months ended June 30, 2023, Corebridge Hold Cos. received $500 million and $1.0 billion in dividends from subsidiaries, respectively. During the three and six months ended June 30, 2022, Corebridge Hold Cos. received $500 million and $1.2 billion in dividends from subsidiaries, respectively.

On April 5, 2022, Corebridge Parent issued $6.5 billion aggregate principal amount of senior unsecured notes.

USES

Interest Payments

We made interest payments on our debt instruments totaling $185 million and $222 million during the three and six months ended June 30, 2023, respectively. We made interest payments on our debt instruments totaling $13 million and $28 million during the three and six months ended June 30, 2022, respectively.

In April 2022, we repaid approximately $6.4 billion of the $8.3 billion promissory note issued in November 2021.

Dividends

During the three and six months ended June 30, 2023, Corebridge Parent paid cash dividends of $0.85 and $1.08 per share of its common stock totaling $551 million and $700 million, including a special dividend of $0.62 per share. During the three and six months ended June 30, 2022, Corebridge Parent paid cash dividends of $290 million and $580 million, respectively.

Repurchase of Common Stock

During the six months ended June 30, 2023, Corebridge Parent repurchased approximately 12.2 million shares of its common stock, for an aggregate purchase price of approximately $200 million.

Tax Sharing Payments

We distributed tax sharing payments of $5 million and $8 million to AIG in the three and six months ended June 30, 2022, respectively. Following the IPO, AIG owned less than 80% interest in Corebridge, resulting in tax deconsolidation of Corebridge from the AIG Consolidated Tax Group. As such, as of September 15, 2022, we are no longer distributing tax sharing payments to AIG for tax liabilities of subsequent periods. With respect to historic tax periods and tax periods prior to the tax deconsolidation from AIG, Corebridge and AIG will make tax payments to each other pursuant to the Tax Matters Agreement dated September 14, 2022.

LIQUIDITY AND CAPITAL RESOURCES OF COREBRIDGE INSURANCE SUBSIDIARIES

Insurance Companies

We believe that our insurance companies have sufficient liquidity and capital resources to satisfy reasonably foreseeable future liquidity requirements and meet their obligations, including those arising from reasonably foreseeable contingencies or events, through cash from operations and, to the extent necessary, monetization of invested assets. Our insurance companies' liquidity resources are primarily held in the form of cash, short-term investments and publicly traded, investment grade-rated fixed maturity securities.

The liquidity of each of our material insurance companies is monitored through various internal liquidity risk measures. The primary sources of liquidity are premiums, deposits, fees, reinsurance recoverables, investment income and maturities. The primary uses of liquidity are paid losses, reinsurance payments, benefit claims, surrenders, withdrawals, interest payments, dividends, expenses, investment purchases and collateral requirements.

Certain of our U.S. insurance companies are members of the FHLBs in their respective districts. Our borrowings from FHLBs are non-puttable and are used to supplement liquidity or for other uses deemed appropriate by management. Our U.S. insurance companies had $5.1 billion and $4.6 billion which were due to FHLBs in their respective districts at June 30, 2023 and December 31, 2022, respectively, under funding agreements which were reported in policyholder contract deposits. These investment contracts do not have mortality or morbidity risk. Proceeds from funding agreements are generally invested in investments intended to generate spread income. In addition, our U.S. insurance companies had no outstanding borrowings in the form of cash advances from FHLBs at June 30, 2023.

Certain of our U.S. insurance companies have securities lending programs that lend securities from their investment portfolios to supplement liquidity or for other uses deemed appropriate by management. Under these programs, these U.S. insurance companies lend securities to financial institutions and receive cash as collateral equal to 102% of the fair value of the loaned securities. Cash collateral received is kept in cash or invested in short-term investments or used for short-term liquidity purposes.

The aggregate amount of securities that a U.S. insurance company can lend under its program at any time is limited to 5% of its general account statutory-basis admitted assets. Our U.S. insurance companies had no securities subject to these agreements at June 30, 2023 and no liabilities to borrowers for collateral received at June 30, 2023.

Our U.S. insurance companies distributed tax sharing payments of $326 million and $834 million to AIG, Inc. in the three and six months ended June 30, 2022, respectively.

We manage our combined insurance subsidiary capital to a minimum target Life Fleet RBC ratio of 400%. AGC serves as an affiliate reinsurance company for the Life Fleet covering (i) AGL's life insurance policies issued between January 1, 2017 and December 31, 2019 subject to Regulation AXXX and (ii) life insurance policies issued between January 1, 2020 and December 31, 2021 subject to Principle Based Reserving requirements. AGC's RBC ratio includes the full statutory reserves associated with the above regulations which are in excess of economic reserves. The surplus of AGC is composed predominantly of holding company stock. Given that AGC has no primary operations outside of this internal reinsurance, we believe that excluding AGC from the Life Fleet RBC ratio calculation presents a more accurate view of the overall capital position of our U.S. operating entities. Our Life Fleet RBC ratio was above our minimum target Life Fleet RBC ratio of 400% as of December 31, 2022.

The following table presents normalized distributions:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Subsidiary dividends paid	**$ 500**	$ 500	**$ 1,000**	$ 1,200
Tax sharing payments related to utilization of tax attributes	**—**	126	**—**	273
Normalized distributions	**$ 500**	$ 626	**$ 1,000**	$ 1,473

Dividend Restrictions

Payments of dividends to Corebridge Hold Cos. by our U.S. insurance subsidiaries are subject to certain restrictions imposed by laws and regulations of their respective states. With respect to our domestic insurance subsidiaries, the payment of a dividend may require formal notice to the insurance department of the state in which the particular insurance subsidiary is domiciled, and prior approval of such insurance regulator is required when the amount of the dividend is above certain regulatory thresholds. See "*Business — U.S. Regulation — State Insurance Regulation" in the June 2023 Registration Statement.* Other foreign jurisdictions may restrict the ability of our foreign insurance subsidiaries to pay dividends.

To our knowledge, no Corebridge insurance company is currently on any regulatory or similar "watch list" with regard to solvency.

ANALYSIS OF SOURCES AND USES OF CASH

Our primary sources and uses of liquidity are summarized as follows:

	Six Months Ended June 30,	
(in millions)	**2023**	2022
Sources:		
Operating activities, net	**$ 1,572**	$ 535
Net changes in policyholder account balances	**3,119**	3,024
Issuance of long-term debt	**—**	6,461
Issuance of debt of consolidated investment entities	**146**	789
Contributions from noncontrolling interests	**43**	23
Issuance of short-term debt	**—**	12
Effect of exchange rate changes on cash and restricted cash	**3**	—
Total Sources	**4,883**	10,844
Uses:		
Investing activities, net	**(890)**	(2,455)
Repayments of debt of consolidated investment entities	**(290)**	(917)
Repayments of short-term debt	**—**	(6,450)
Distributions to noncontrolling interests	**(54)**	(236)
Dividends paid on common stock	**(700)**	(580)
Net change in securities lending and repurchase agreements	**(2,524)**	(223)
Repurchase of common stock	**(200)**	—
Financing other, net	**(70)**	(51)
Effect of exchange rate changes on cash and restricted cash	**—**	(4)
Total Uses	**(4,728)**	(10,916)
Net increase (decrease) in cash and cash equivalents	**$ 155**	$ (72)

Operating Activities

Cash inflows from operating activities primarily include insurance premiums, fees and investment income. Cash outflows from operating activities primarily include benefit payments and general operating expenses. Operating cash flow will fluctuate based on the timing of premiums received and benefit payments to policyholders, as well as other core business activities.

Investing Activities

Cash inflows from investing activities primarily include sales and maturities of underlying assets, mainly fixed maturities available for sale and principal payments on mortgage and other loans. The primary cash outflows for investing activities relate to the purchases of new securities, mainly fixed maturities available for sale.

Financing Activities

Cash inflows from financing activities primarily include policyholder deposits on investment-type contracts, issuances of debt and inflows from the settlement of securities lending and repurchase agreements. Cash outflows primarily relate to policyholder withdrawal activity on investment-type contracts, repayments of debt of consolidated investment entities, repayments of short and long-term debt, and noncontrolling interests and outflows for the settlement of securities lending and repurchase agreements.

CONTRACTUAL OBLIGATIONS

As of June 30, 2023, there have been no material changes in our contractual obligations from December 31, 2022, a description of which may be found in *"Management's Discussion and Analysis of Financial Condition and Results of Operation —Liquidity and Capital Resources — Contractual Obligations" in the June 2023 Registration Statement.*

SHORT-TERM AND LONG-TERM DEBT

We expect to repay the short-term and long-term debt maturities and interest accrued on these borrowings through cash flows generated from invested assets, future cash flows from operations, and future debt and other financing arrangements.

The following tables provide the rollforward of our total debt outstanding:

(in millions)	Maturity Date(s)	Balance at December 31, 2022	Issuances	Maturities and Repayments	Other Changes	Balance at June 30, 2023
Short-term debt issued by Corebridge:						
Three-Year DDTL Facility*	2023	$ 1,500	$ —	$ —	$ —	**$ 1,500**
Total short-term debt		1,500	—	—	—	**1,500**
Long-term debt issued by Corebridge:						
Senior unsecured notes	2025-2052	6,500	—	—	—	**6,500**
Hybrid junior subordinated notes	2052	1,000	—	—	—	**1,000**
Long-term debt issued by Corebridge subsidiaries:						
AIGLH notes	2025-2029	200	—	—	—	**200**
AIGLH junior subordinated debentures	2030-2046	227	—	—	—	**227**
Total long-term debt		7,927	—	—	—	**7,927**
Debt issuance costs		(59)	—	—	5	**(54)**
Total long-term debt, net of debt issuance costs		7,868	—	—	5	**7,873**
Total debt, net of issuance costs		$ 9,368	$ —	$ —	$ 5	**$ 9,373**

* On September 15, 2022, Corebridge Parent borrowed an aggregate principal amount of $1.5 billion under the Three-Year DDTL Facility for a thirty day period. We continued this borrowing for additional interest periods and at the present time through August 21, 2023. We have the ability to further continue this borrowing through February 25, 2025.

DELAYED DRAW TERM LOAN

On September 15, 2022, Corebridge Parent borrowed an aggregate principal amount of $1.5 billion under the Three-Year DDTL Facility. For the current interest period, the Three-Year DDTL Facility will end on August 21, 2023, unless prior to that date Corebridge Parent elects to continue the loan, or a portion of it, for an additional interest period. For the current interest period, the Three-Year DDTL Facility bears interest at a rate per annum equal to the Adjusted Term SOFR Rate (as defined in the Three-Year DDTL Agreement) plus the Applicable Rate (as defined in the Three-Year DDTL Agreement) of 1.000%, which is based on the then-applicable credit ratings of our senior unsecured long-term indebtedness. The Three-Year DDTL Facility matures on February 25, 2025.

REVOLVING CREDIT AGREEMENT

On May 12, 2022, Corebridge Parent entered into a Revolving Credit Agreement. The Revolving Credit Agreement provides for a five-year total commitment of $2.5 billion, consisting of standby letters of credit and/or revolving credit borrowings without any limits on the type of borrowings. Under circumstances described in the Revolving Credit Agreement, the aggregate commitments may be increased by up to $500 million, for a total commitment under the Revolving Credit Agreement of $3.0 billion. Loans under the Revolving Credit Agreement will mature on May 12, 2027. Under the Revolving Credit Agreement, the applicable rate, commitment fee and letter of credit fee are determined by reference to the credit ratings of Corebridge Parent's senior, unsecured, long-term indebtedness. Borrowings bear interest at a rate per annum equal to (i) in the case of U.S. dollar borrowings, Term SOFR plus an applicable credit spread adjustment plus an applicable rate or an alternative base rate plus an applicable rate; (ii) in the case of Sterling borrowings, SONIA plus an applicable credit spread adjustment plus an applicable rate; (iii) in the case of Euro borrowings, European Union interbank Offer Rate plus an applicable rate; and (iv) in the case of Japanese Yen, Tokyo Interbank Offered Rate plus an applicable rate. The alternative base rate is equal to the highest of (a) the New York Federal Reserve Bank Rate plus 0.50%, (b) the rate of interest in effect as quoted by The Wall Street Journal as the "Prime Rate" in the United States and (c) Term SOFR plus a credit spread adjustment of 0.100% plus an additional 1.00%.

The Revolving Credit Agreement requires Corebridge Parent to maintain a specified minimum consolidated net worth and subjects Corebridge to a specified limit on consolidated total debt to consolidated total capitalization, subject to certain limitations and exceptions. In addition, the Revolving Credit Agreement contains certain customary affirmative and negative covenants, including limitations with respect to the incurrence of certain types of liens and certain fundamental changes. Amounts due under the Revolving Credit Agreement may be accelerated upon an "event of default," as defined in the Revolving Credit Agreement, such as failure to pay amounts owed thereunder when due, breach of a covenant, material inaccuracy of a representation, or occurrence of bankruptcy or insolvency, subject in some cases to cure periods.

For additional information on debt outstanding and revolving credit facilities, see Note 15 to the Consolidated Financial Statements in the June 2023 Registration Statement.

DEBT OF CONSOLIDATED INVESTMENT ENTITIES

Our non-financial debt includes debt of consolidated investment entities and such debt does not represent our contractual obligation and is non-recourse to Corebridge. This non-financial debt includes notes and bonds payables supported by cash and investments held by us and certain of our non-insurance subsidiaries for the repayment of those obligations.

(in millions)	Balance at December, 2022	Issuances	Maturities and Repayments	Effect of Foreign Exchange	Other Changes[c]	**Balance at June, 2023**
Debt of consolidated investment entities – not guaranteed by Corebridge[a][b]	$ 5,958	$ 146	$ (290)	$ 35	$ (3,195)	**$ 2,654**

(a) At June 30, 2023, includes debt of consolidated investment entities related to real estate investments of $1.4 billion and other securitization vehicles of $1.2 billion.

(b) In relation to the debt of consolidated investment entities ("VIEs") not guaranteed by Corebridge, creditors or beneficial interest holders of VIEs generally only have recourse to the assets and cash flows of the VIEs and do not have recourse to us.

(c) During the six months ended June 30, 2023, Corebridge deconsolidated certain consolidated investment entities, as part of the sale of AIG Credit Management, LLC with $3.2 billion in liabilities.

CREDIT RATINGS

Credit ratings estimate a company's ability to meet its obligations and may directly affect the cost and availability of financing to that company.

The following table presents the credit ratings of Corebridge Parent as of the date of this filing:

Hybrid Junior Subordinated Long-Term Debt			**Senior Unsecured Long-Term Debt**		
Moody's[a]	**S&P[b]**	**Fitch[c]**	**Moody's[a]**	**S&P[b]**	**Fitch[c]**
Baa3 (Stable)	BBB- (Stable)	BBB- (Stable)	Baa2 (Stable)	BBB+ (Stable)	BBB+ (Stable)

(a) Moody's appends numerical modifiers 1, 2 and 3 to the generic rating categories to show relative position within the rating categories.

(b) S&P ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

(c) Fitch ratings may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

These credit ratings are current opinions of the rating agencies. They may be changed, suspended or withdrawn at any time by the rating agencies because of changes in, or unavailability of, information or based on other circumstances. Ratings may also be withdrawn at our request.

We are party to some agreements that contain “ratings triggers.” Depending on the ratings maintained by one or more rating agencies, these triggers could result in (i) the termination or limitation of credit availability or a requirement for accelerated repayment, (ii) the termination of business contracts or (iii) a requirement to post collateral for the benefit of counterparties.

In the event of a downgrade of our long-term debt ratings or our insurance subsidiaries’ IFS ratings, we would be required to post additional collateral under some derivative and other transactions, or certain of the counterparties of such other of our subsidiaries would be permitted to terminate such transactions early.

The actual amount of collateral that we would be required to post to counterparties in the event of such downgrades, or the aggregate amount of payments that we could be required to make, depends on market conditions, the fair value of outstanding affected transactions and other factors prevailing at the time of the downgrade.

INSURER FINANCIAL STRENGTH RATINGS

IFS ratings estimate an insurance company’s ability to pay its obligations under an insurance policy.

The following table presents the ratings of our primary insurance subsidiaries as of the date of this filing:

	A.M. Best	S&P	Fitch	Moody’s
American General Life Insurance Company	A	A+	A+	A2
The Variable Annuity Life Insurance Company	A	A+	A+	A2
The United States Life Insurance Company in the City of New York	A	A+	A+	A2

These IFS ratings are current opinions of the rating agencies. They may be changed, suspended or withdrawn at any time by the rating agencies as a result of changes in, or unavailability of, information or based on other circumstances.

OFF-BALANCE-SHEET ARRANGEMENTS AND COMMERCIAL COMMITMENTS

As June 30, 2023, there have been no material changes in our off-balance-sheet arrangements and commercial commitments from December 31, 2022, a description of which may be found in *“Management’s Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Off-Balance Sheet Arrangements and Commercial Commitments” in the June 2023 Registration Statement*.

Accounting Policies and Pronouncements

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires the application of accounting policies that often involve a significant degree of judgment. On a regular basis, we review estimates and assumptions used in the preparation of financial statements. Actual results may differ from these estimates under different assumptions or conditions. *For a detailed discussion of our significant accounting policies and accounting pronouncements, see Note 2 to the Consolidated Financial Statements in the June 2023 Registration Statement and Note 2 to the condensed consolidated financial statements.*

The accounting policies that we believe are most dependent on the application of estimates and assumptions, which are critical accounting estimates, are related to the determination of:

- fair value measurements of certain financial assets and liabilities;
- valuation of MRBs related to guaranteed benefit features of variable annuity products, fixed annuity products and fixed index annuity products;
- valuation of embedded derivative liabilities for fixed index annuity and index universal life products;
- valuation of future policy benefit liabilities and recognition of remeasurement gains and losses;
- reinsurance assets, including the allowance for credit losses;
- goodwill impairment;
- allowance for credit losses primarily on loans and available for sale fixed maturity securities; and
- income tax assets and liabilities, including recoverability of our net deferred tax asset and the predictability of future tax operating profitability of the character necessary to realize the net deferred tax asset.

There were no changes to our critical accounting estimates with the exception of the items listed below which were impacted by the adoption of LDTI. *For additional information on our critical accounting estimates not impacted by LDTI, see "Management's Discussion and Analysis of Financial Condition and Results of Operation—Accounting Policies and Pronouncements—Critical Accounting Estimates" in the June 2023 Registration Statement.*

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our business, results of operations, financial condition and liquidity could be materially affected.

MARKET RISK BENEFITS

Annuity products offered by our Individual Retirement and Group Retirement segments offer guaranteed benefit features ("GMxBs"). These guaranteed features include GMDBs that are payable in the event of death and GMWBs that guarantee lifetime withdrawals regardless of fixed account and separate account value performance.

For additional information on these features, see Note 15 to the condensed consolidated financial statements.

GMxBs are recognized as MRBs and can be assets or liabilities and represent the expected value of benefits in excess of the projected account value, with changes in fair value of MRBs recognized in the condensed consolidated Statements of Income (Loss) and the portion of the fair value change attributable to our own credit risk recognized in OCI.

The Company's exposure to the guaranteed amounts is equal to the amount by which the contract holder's account balance is below the amount provided by the guaranteed feature. A deferred annuity contract may include more than one type of GMxB; for example, it may have both a GMDB and a GMWB. However, a policyholder can generally only receive payout from one guaranteed feature on a contract containing a death benefit and a living benefit, i.e., the features are generally mutually exclusive (except a surviving spouse who has a rider to potentially collect both a GMDB upon their spouse's death and a GMWB during his or her lifetime). A policyholder cannot purchase more than one living benefit on one contract. Declines in the equity markets, increased volatility and a low interest rate environment generally increase the Company's exposure to potential benefits under the guaranteed features, leading to an increase in the liabilities for those benefits.

For sensitivity analysis which includes the sensitivity of liabilities for guaranteed benefit features to changes in the assumptions for interest rates, equity returns, volatility, and mortality, see "*—Valuation of Market Risk Benefits and Embedded Derivatives for Fixed Index Annuity and Index Universal Life Products.*"

For additional discussion of market risk management related to these product features, see "—Quantitative and Qualitative Disclosures about Market Risk" in the June 2023 Registration Statement.

The valuation methodology and assumptions used to measure our GMxBs is presented in the following table:

Fair Value Methodology	Guaranteed minimum benefits on annuity products are MRBs that are required to be measured at fair value with changes in the fair value of the liabilities recorded in changes in the fair value of MRBs, except for changes related to the Company's own credit risk which are recorded in AOCI. The fair value of these benefits is based on assumptions that a market participant would use in valuing these MRBs. The Company applies a non-option-based approach for variable products, and an option-based approach for fixed index and fixed products. Under the non-option-based approach, a portion of actual fees (i.e., attributed fees) is determined such that the present value of expected benefits less attributed fees is zero at issue. This calculated ratio is locked in and utilized in each policy valuation going forward and results in an MRB value of zero at policy issue. Under the option-based approach, the MRB value at issue represents the present value of expected benefits after account value exhaustion. There is no calculated attributed fee ratio under this approach; as such, the calculated MRB liability at inception requires an equal and offsetting adjustment to the underlying host contract. Consistent with the non-option-based approach, this results in no gains or losses recognized upon policy issuance. The fair value of the MRBs, which are Level 3 assets and liabilities, is based on a risk-neutral framework and incorporates actuarial and capital market assumptions related to projected cash flows over the expected lives of the contracts. For additional information on how we value for MRBs, see Note 12 to the condensed consolidated financial statements, and for information on fair value measurement of these MRBs, including how we incorporate our own non-performance risk, see Note 4 to the condensed consolidated financial statements.
Key Assumptions	Key assumptions include: • interest rates; • equity market returns; • market volatility; • credit spreads; • equity / interest rate correlation; • policyholder behavior, including mortality, lapses, withdrawals and benefit utilization. Estimates of future policyholder behavior are subject to judgment and based primarily on our historical experience; and • in applying asset growth assumptions for the valuation of MRBs, we use market-consistent assumptions calibrated to observable interest rate and equity option prices For the fixed index annuity GMxB liability, policyholder funds are projected assuming growth equal to current option values for the current crediting period followed by option budgets for all subsequent crediting periods. Policyholder fund growth projected assuming credited rates are expected to be maintained at a target pricing spread, subject to guaranteed minimums.

VALUATION OF EMBEDDED DERIVATIVES FOR FIXED INDEX ANNUITY AND INDEX UNIVERSAL LIFE PRODUCTS

Fixed index annuity and life products provide growth potential based in part on the performance of market indices. Certain fixed index annuity products offer optional guaranteed benefit features similar to those offered on variable annuity products. Policyholders may elect to rebalance among the various accounts within the product at specified renewal dates. At the end of each index term, we generally have the opportunity to re-price the index component by establishing different participation rates or caps on index credited rates. The index crediting feature of these products results in the recognition of an embedded derivative that is required to be bifurcated from the host contract and carried at fair value with changes in the fair value of the liabilities recorded in Net realized gains (losses). Option pricing models are used to estimate fair value, taking into account assumptions for future index growth rates, volatility of the index, future interest rates, and our ability to adjust the participation rate and the cap on index credited rates in light of market conditions and policyholder behavior assumptions.

For additional discussion of market risk management related to these product features, see "—Quantitative and Qualitative Disclosures about Market Risk" included herein.

The following table summarizes the sensitivity of changes in certain assumptions for MRBs, Liability for future policyholder benefits, net of reinsurance and embedded derivatives related to index-linked interest credited features, measured as the related hypothetical impact for the six months ended June 30, 2023 balances and the resulting hypothetical impact on pre-tax income and OCI, before hedging:

June 30, 2023	Market Risk Benefits Related to Guaranteed Benefits	Liability for Future Policyholder Benefits Net of Reinsurance	Embedded Derivatives Related to Index-Linked Interest Credited Features	Pre-Tax Income	OCI
(in millions)					
Assumptions:					
Equity Return[(a)]					
Effect of an increase by 20%	**$ 1,351**	**$ —**	**$ (1,005)**	**$ 148**	**$ 198**
Effect of a decrease by 20%	**$ (1,498)**	**$ —**	**$ 997**	**$ (527)**	**$ 26**
Interest Rate[(b)]					
Effect of an increase by 1%	**$ 1,776**	**$ 2,299**	**$ 707**	**$ 2,245**	**$ 2,537**
Effect of a decrease by 1%	**$ (2,090)**	**$ (2,929)**	**$ (883)**	**$ (2,961)**	**$ (2,941)**

(a) Represents the net impact of a 20% increase or decrease in the S&P 500 index.

(b) Represents the net impact of a 1% parallel shift in the yield curve.

The sensitivities of 20% and 1% are included for illustrative purposes only and do not reflect the changes in net investment spreads, equity return, volatility, interest rate, mortality or lapse used by us in our fair value analyses to value other applicable liabilities. Changes different from those illustrated may occur in any period and by different products.

The analysis of MRBs and embedded derivatives is a dynamic process that considers all relevant factors and assumptions described above. We estimate each of the above factors individually, without the effect of any correlation among the key assumptions. An assessment of sensitivity associated with changes in any single assumption would not necessarily be an indicator of future results. The effects on pre-tax income in the sensitivity analysis table above do not reflect the related effects from our economic hedging program, which utilizes derivative and other financial instruments and is designed so that changes in value of those instruments move in the opposite direction of changes in the guaranteed benefit MRBs and embedded derivative liabilities.

For a further discussion on guaranteed benefit product features and the related hedging program, see "—Quantitative and Qualitative Disclosures about Market Risk" included herein and Notes 4, 9 and 11 to the condensed consolidated financial statements.

FUTURE POLICY BENEFITS FOR LIFE AND ACCIDENT AND HEALTH INSURANCE CONTRACTS

Long-duration traditional products primarily include whole life insurance, term life insurance, and certain payout annuities for which the payment period is life-contingent, which include certain of our single premium immediate annuities, including PRT business and structured settlements. In addition, these products also include accident and health, and LTC insurance. The LTC block is in run-off and has been fully reinsured with Fortitude Re.

Updating NPR - Remeasurement gains and losses: Generally, future policy benefits are payable over an extended period of time and related liabilities are calculated as the present value of future benefits less the present value of future net premiums (portion of the gross premium required to provide for all benefits and expenses). The assumptions used to calculate the benefit liabilities are initially set when a policy is issued and an NPR is established. Benefit liabilities are subsequently remeasured periodically to reflect changes in policy assumptions and actual versus expected experience and are recognized as remeasurement gains and losses, a component of policyholder benefits. The assumptions include mortality, morbidity and persistency. These assumptions are typically consistent with pricing inputs at policy issuance. Liabilities are accreted using an upper-medium grade (low credit risk) fixed income instrument yield that is locked-in at policy issuance. The liabilities are remeasured at the balance sheet date using a current upper-medium grade yield with changes in the liabilities reported in OCI.

For universal life policies with secondary guarantees: We recognize certain liabilities in addition to policyholder account balances. For universal life policies with secondary guarantees, as well as other universal life policies for which profits followed by losses are expected at contract inception, a liability is recognized based on a benefit ratio of (a) the present value of total expected payments, in excess of the account value, over the life of the contract, divided by (b) the present value of total expected assessments over the life of the contract. Universal life account balances are reported in Policyholder contract deposits, while these additional liabilities related to universal life products are reported within Future policy benefits in the Condensed Consolidated Balance Sheets. These additional liabilities are also adjusted to reflect the effect of unrealized gains or losses on fixed maturity securities available for sale on accumulated assessments, with related changes recognized through OCI. The policyholder behavior assumptions for these liabilities include mortality, lapses and premium persistency. The capital market assumptions used for the liability for universal life secondary guarantees include discount rates and net earned rates.

ADOPTION OF ACCOUNTING PRONOUNCEMENTS

See Note 2 to the condensed consolidated financial statements.

Glossary

AIG Consolidated Tax Group — the U.S. federal income tax group of which AIG is the common parent.

Credit support annex — a legal document generally associated with an ISDA Master Agreement that provides for collateral postings which could vary depending on ratings and threshold levels.

Reserves Related to Unrealized Appreciation of Investments — an adjustment to benefit reserves for investment-oriented products is recognized to reflect the application of the benefit ratio to the accumulated assessments that would have been recorded if fixed maturity securities available for sale were sold.

Deferred policy acquisition costs — deferred costs that are incremental and directly related to the successful acquisition of new business or renewal of existing business.

Deferred sales inducement — represents enhanced crediting rates or bonus payments to contract holders on certain annuity and investment contract products that meet the criteria to be deferred and amortized over the life of the contract.

Fee income — is defined as policy fees plus advisory fees plus other fee income. For our Institutional Markets segment, its SVW products generate fee income.

Financial debt — represents the sum of short-term debt and long-term debt, net of debt issuance costs, not including (x) Debt of consolidated investment entities—not guaranteed by Corebridge; (y) debt supported by assets and issued for purposes of earning spread income, such as GICs and FABNs; and (z) operating debt utilized to fund daily operations, i.e., self-liquidating forms of financing such as securities lending, reverse repurchase and captive reinsurance reserve financing arrangements.

Financial leverage ratio — the ratio of financial debt to the sum of financial debt plus Adjusted Book Value plus non-redeemable noncontrolling interests.

Guaranteed investment contract — a contract whereby the issuer provides a guaranteed repayment of principal and a fixed or floating interest rate for a predetermined period of time.

Guaranteed minimum death benefit — a benefit that guarantees the annuity beneficiary will receive a certain value upon death of the annuitant. The GMDB feature may provide a death benefit of either (a) total deposits made to the contract, less any partial withdrawals plus a minimum return (and in rare instances, no minimum return); (b) return of premium whereby the benefit is the greater of the current account value or premiums paid less any partial withdrawals; (c) rollups whereby the benefit is the greater of current account value or premiums paid (adjusted for withdrawals) accumulated at contractually specified rates up to specified ages; or (d) the highest contract value attained, typically on any anniversary date less any subsequent withdrawals following the contract anniversary.

Guaranteed minimum withdrawal benefit — a type of living benefit that guarantees that withdrawals from the contract may be taken up to a contractually guaranteed amount, even if the account value subsequently falls to zero, provided that during each contract year total withdrawals do not exceed an annual withdrawal amount specified in the contract. Once the account value is depleted under the conditions of the GMWB, the policy continues to provide a protected income payment.

ISDA Master Agreement — an agreement between two counterparties, which may have multiple derivative transactions with each other governed by such agreement, that generally provides for the net settlement of all or a specified group of these derivative transactions, as well as pledged collateral, through a single payment, in a single currency, in the event of a default on, or affecting any, one derivative transaction or a termination event affecting all, or a specified group of, derivative transactions.

Loan-to-value ratio — principal amount of loan amount divided by appraised value of collateral securing the loan.

Market risk benefit — is an amount that a policyholder would receive in addition to the account balance upon the occurrence of a specific event or circumstance, such as death, annuitization, or periodic withdrawal that involves protection from other-than-nominal capital market risk.

Master netting agreement — an agreement between two counterparties who have multiple derivative contracts with each other that provides for the net settlement of all contracts covered by such agreement, as well as pledged collateral, through a single payment, in a single currency, in the event of default on or upon termination of any one such contract.

Non-performance Risk Adjustment — adjusts the valuation of derivatives and MRBs to account for non-performance risk in the fair value measurement of all MRBs and derivative net liability positions.

Noncontrolling interests — the portion of equity ownership in a consolidated subsidiary not attributable to the controlling parent company.

Policy fees — an amount added to a policy premium, or deducted from a policy cash value or contract holder account, to reflect the cost of issuing a policy, establishing the required records and sending premium notices and other related expenses.

Reinsurance — the practice whereby one insurer, the reinsurer, in consideration of a premium paid to that insurer, agrees to indemnify another insurer, the ceding company, for part or all of the liability of the ceding company under one or more policies or contracts of insurance which it has issued.

Risk-based capital — a formula designed to measure the adequacy of an insurer's statutory surplus compared to the risks inherent in its business.

Spread income — is defined as net investment income less interest credited to policyholder account balances, exclusive of amortization of deferred sales inducement assets. Spread income is comprised of both base spread income and variable investment income. For our Institutional Markets segment, its structured settlements, PRT and GIC products generate spread income, which includes premiums, net investment income, less interest credited and policyholder benefits and excludes the annual assumption update.

Surrender charge — a charge levied against an investor for the early withdrawal of funds from a life insurance or annuity contract, or for the cancellation of the agreement.

Surrender rate — represents annualized surrenders and withdrawals as a percentage of average account value and Group Retirement mutual fund assets under administration.

Underwriting margin — for our Life Insurance segment includes premiums, policy fees, other income, net investment income, less interest credited to policyholder account balances and policyholder benefits and excludes the annual assumption update. For our Institutional Markets segment, its Corporate Markets products generate underwriting margin, which includes premiums, net investment income, policy and advisory fee income, less interest credited and policyholder benefits and excludes the annual assumption update.

Value of business acquired — present value of projected future gross profits from in-force policies of acquired businesses.

Certain Important Terms

We use the following capitalized terms in this report

"AGC" means AGC Life Insurance Company, a Missouri insurance company;

"AGC Group" means AGC and its directly owned life insurance subsidiaries;

"AGL" means American General Life Insurance Company, a Texas insurance company;

"AGREIC" means AIG Global Real Estate Investment Corporation;

"AHAC" means American Home Assurance Company, a consolidated subsidiary of AIG;

"AIG" means AIG, Inc. and its subsidiaries, other than Corebridge and Corebridge's subsidiaries, unless the context refers to AIG, Inc. only;

"AIG Bermuda" means AIG Life of Bermuda, Ltd, a Bermuda insurance company;

"AIG Group" means American International Group, Inc. and its subsidiaries, including Corebridge Parent and Corebridge Parent's subsidiaries;

"AIG, Inc." means American International Group, Inc., a Delaware corporation;

"AIGLH" means AIG Life Holdings, Inc., a Texas corporation;

"AIG Life (United Kingdom)" means AIG Life Ltd, a U.K. insurance company, and its subsidiary;

"AIGM" means AIG Markets, Inc., a consolidated subsidiary of AIG;

"AIGT" means AIG Technologies, Inc., a New Hampshire corporation;

"AIRCO" means American International Reinsurance Company, Ltd., a consolidated subsidiary of AIG;

"AMG" means AIG Asset Management (U.S.), LLC;

"BlackRock" means BlackRock Financial Management, Inc.;

"Blackstone" means Blackstone Inc. and its subsidiaries;

"Blackstone IM" means Blackstone ISG-1 Advisors L.L.C.;

"Cap Corp" means AIG Capital Corporation, a Delaware corporation;

"Corebridge", "we," "us," "our" or the "Company" means Corebridge and its subsidiaries, unless the context refers to Corebridge Parent;

"Corebridge FD" means Corebridge Financial Distributors;

"Corebridge Parent" means Corebridge Financial, Inc. (formerly known as SAFG Retirement Services, Inc.), a Delaware corporation;

"Eastgreen" means Eastgreen Inc.;

"Fortitude Re" means Fortitude Reinsurance Company Ltd., a Bermuda insurance company. AIG formed Fortitude Re in 2018 and sold substantially all of its ownership interest in Fortitude Re's parent company in two transactions in 2018 and 2020 so that we currently own a less than a 3% indirect interest in Fortitude Re. In February 2018, AGL, VALIC and USL entered into modco reinsurance agreements with Fortitude Re and AIG Bermuda novated its assumption of certain long-duration contracts from an affiliated entity to Fortitude Re. In the modco agreements, the investments supporting the reinsurance agreements, which reflect the majority of the consideration that would be paid to the reinsurer for entering into the transaction, are withheld by, and therefore continue to reside on the balance sheet of, the ceding company (i.e., AGL, VALIC and USL), thereby creating an obligation for the ceding company to pay the reinsurer (i.e., Fortitude Re) at a later date;

"Fortitude Re Bermuda" means FGH Parent, L.P., a Bermuda exempted limited partnership and the indirect parent of Fortitude Re;

“Fortitude Re Embedded Derivative” means the embedded derivative contained within the funds withheld payable to Fortitude Re. Because we maintain ownership of the investments supporting our reinsurance agreements with Fortitude Re, we reflect our existing accounting for these assets, which consist primarily of available-for-sale securities, on our balance sheet. We have established a funds withheld payable to Fortitude Re while simultaneously establishing a reinsurance asset representing liabilities for the insurance coverage that Fortitude Re has assumed. The funds withheld payable contains an embedded derivative and changes in fair value of this derivative are recognized in Net realized gains (losses) on Fortitude Re funds withheld embedded derivative. This embedded derivative is considered a total return swap with contractual returns that are attributable to various assets, primarily available-for-sale securities, associated with these reinsurance agreements.

“Laya” means Laya Healthcare Limited, an Irish insurance intermediary, and its subsidiary;

“Lexington” means Lexington Insurance Company, an AIG subsidiary;

“Life Fleet” means AGL, USL and VALIC;

“Majority Interest Fortitude Sale” means the sale by AIG of substantially all of its interests in Fortitude Re's parent company to Carlyle FRL, L.P., an investment fund advised by an affiliate of The Carlyle Group Inc., and T&D United Capital Co., Ltd., a subsidiary of T&D Holdings, Inc., under the terms of a membership interest purchase agreement entered into on November 25, 2019 by and among AIG; Fortitude Group Holdings, LLC; Carlyle FRL, L.P.; The Carlyle Group Inc.; T&D United Capital Co., Ltd.; and T&D Holdings, Inc. We currently own less than a 3% indirect interest in Fortitude Re;

“NUFIC” means National Union Fire Insurance Company of Pittsburgh, PA, a consolidated subsidiary of AIG;

“NYDFS” means New York State Department of Financial Services;

“NYSE” means the New York Stock Exchange;

“Reorganization” means the transactions described under “The Reorganization Transactions”;

“USL” means The United States Life Insurance Company in the City of New York, a New York insurance company;

“VALIC” means The Variable Annuity Life Insurance Company, a Texas insurance company; and

“VALIC Financial Advisors” means VALIC Financial Advisors, Inc., a Texas corporation;

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Acronyms

- **“AATOI” —** adjusted after-tax operating income attributable to our common stockholders;
- **“ABS”** — asset-backed securities;
- **“APTOI” —** adjusted pre-tax operating income;
- **“AUA” —** assets under administration;
- **“AUM” —** assets under management;
- **“AUMA” —** assets under management and administration;
- **“BMA” —** Bermuda Monetary Authority;
- **“CDO” —** collateralized debt obligations;
- **“CDS” —** credit default swap;
- **“CLO” —** collateralized loan obligations;
- **“CMBS” —** commercial mortgage-backed securities;
- **“DAC” —** deferred policy acquisition costs;
- **“DSI” —** deferred sales inducement;
- **“FABN”—** funding-agreement back notes;
- **“FASB” —** the Financial Accounting Standards Board;
- **“GAAP” —** accounting principles generally accepted in the United States of America;
- **“GIC” —** guaranteed investment contract;
- **“GMDB” —** guaranteed minimum death benefits;
- **“GMWB” —** guaranteed minimum withdrawal benefits;
- **“ISDA” —** the International Swaps and Derivatives Association, Inc.;
- **“MBS” —** mortgage-backed securities;
- **“MRB” —** market risk benefits;
- **“NAIC” —** National Association of Insurance Commissioners;
- **“NPA” —** Non-performance Risk Adjustment;
- **“PRT” —** pension risk transfer;
- **“RBC” —** Risk-Based Capital;
- **“RMBS” —** residential mortgage-backed securities;
- **“S&P” —** Standard & Poor’s Financial Services LLC;
- **“SEC” —** the U.S. Securities and Exchange Commission;
- **“SVW” —** stable value wrap;
- **“URR” —** unearned revenue reserve;
- **“VIE” —** variable interest entity;
- **“VIX” —** volatility index; and
- **“VOBA” —** value of business acquired.

ITEM 3 | Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the quantitative and qualitative disclosures about market risk described in *"Quantitative and Qualitative Disclosures About Market Risk" in the June 2023 Registration Statement*.

ITEM 4 | Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by Corebridge management, with the participation of Corebridge's Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2023. Based on this evaluation, Corebridge's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2023.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the first quarter of 2023, Corebridge adopted LDTI, which resulted in a change to our recognition and measurement of long-duration contracts. In connection with the adoption of this standard, Corebridge changed processes, systems and controls related to certain of our long-duration contracts. Many of these controls are similar to those previously maintained under the historical GAAP framework but have been updated to reflect changes necessitated by the adoption of LDTI. There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) that have occurred during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

ITEM 1 | Legal Proceedings

For information regarding certain legal proceedings pending against us, see Note 14 to the condensed consolidated financial statements in this Quarterly Report.

ITEM 1A | Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors discussed in "Risk Factors" in the June 2023 Registration Statement.

ITEM 2 | Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases made by or on behalf of Corebridge Parent or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of Corebridge Common Stock during the three months ended June 30, 2023:

Period	Total Number of Shares Repurchased	Average Price Paid per Share*	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
04/01/23 through 04/30/23	—	$ —	—	$ —
05/01/23 through 05/31/23	—	—	—	—
06/01/23 through 06/30/23	12,187,690	16.41	12,187,690	800
Total	12,187,690	$ 16.41	12,187,690	$ 800

* Excludes excise tax of $2 million due to the Inflation Reduction Act of 2022 for the three months ended June 30, 2023.

During the three months ended June 30, 2023, Corebridge Parent repurchased approximately 12.2 million shares of Corebridge Common Stock, par value $0.01 per share for an aggregate purchase price of $200 million, pursuant to the Share Repurchase Program under which Corebridge Parent may, from time to time, purchase up to $1.0 billion of its common stock but is not obligated to purchase any particular number of shares.

As of June 30, 2023, approximately $800 million remained under the authorization or the Share Repurchase Program.

Shares may be repurchased from time to time in the open market, private purchases, through forward, derivative, accelerated repurchase or automatic repurchase transactions or otherwise. Certain of our share repurchases have been and may from time to time be effected through Exchange Act Rule 10b5-1 repurchase plans. The timing of any future share repurchases will depend on market conditions, our business and strategic plans, financial condition, results of operations, liquidity and other factors.

ITEM 5 | Other Information

Not Applicable.

Exhibit Index

Exhibit Number	Description
10.1*	Offer Letter, dated as of June 19, 2023, between Corebridge Financial, Inc. and Chris Smith.
10.2*	Corebridge Executive Severance Plan, as amended and restated June 27, 2023.
10.3	Share Repurchase Agreement, dated as of June 21, 2023, by and among Corebridge Financial, Inc., American International Group, Inc. and Argon Holdco LLC, incorporated by reference to Exhibit 10.1 to Corebridge Financial, Inc.'s Current Report on Form 8-K, filed on June 22, 2023.
31.1*	13a-14(a) and Rule 15d-14(a) Certifications.
32.1**	Section 1350 Certifications.
101**	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022, (ii) the Condensed Consolidated Statements of Income (Loss) for the six months ended June 30, 2023 and 2022, (iii) the Condensed Consolidated Statements of Equity for the six months ended June 30, 2023 and 2022, (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2023 and 2022, (v) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the six months ended June 30, 2023 and 2022, and (vi) the Notes to the Condensed Consolidated Financial Statements
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in exhibits 101).
*	Filed herewith.
**	This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, as amended.
†	Identifies each management contract or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COREBRIDGE FINANCIAL, INC.
(Registrant)
/s/ ELIAS HABAYEB
Elias Habayeb
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ CHRISTOPHER FILIAGGI
Christopher Filiaggi
Senior Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Dated August 4, 2023

Exhibit 10.1

Corebridge Financial, Inc.
2929 Allen Parkway
Houston, Texas 77019

Alan Smith
EVP and Chief Human Resources Officer Alan.Smith@corebridgefinancial.com

June 19, 2023

Chris Smith chrissmithdt@gmail.com

Dear Chris,

We are pleased to confirm the terms of your offer of employment with Corebridge Financial, Inc. ("Corebridge Financial") or one of its subsidiaries (collectively, the "Company").

- *Start Date.* Your start date will be on or about June 26, 2023 ("Start Date").
- *Position.* On your Start Date, you will serve as EVP and Chief Operating Officer, a grade 28 position. In this capacity, you will be a member of the Corebridge Financial Executive Leadership Team and report directly to the Chief Executive Officer of Corebridge Financial, Kevin Hogan.
- *Location & Employer.* You will be based in 30 Hudson Street Jersey City, NJ and employed directly by American General Life Insurance Company (your "Employer").
- *Total Direct Compensation.* Your initial annual target direct compensation will be US$2,000,000 as follows:
  - Base Salary. Your initial base cash salary will be at a rate of US$600,000 year.
  - Short Term Incentive. Your target annual short-term incentive ("STI") award will be US$600,000 which amount will be pro-rated based on the number of months (including partial months) that you work for the Company in the calendar year of hire if your hire date is on or after July 1 (no pro-ration applies for hire dates from January 1 to June 30); if your actual start date is on or after October 1, you will not be eligible for an STI award for the year of hire. Your STI award and eligibility will be subject to the terms and conditions of the Corebridge Short-Term Incentive Plan, as in effect from time to time. Your STI award is contingent on you being an active employee on the date STI awards are made and will be payable when STI awards are regularly paid to similarly situated active employees.

As a member of the Corebridge Financial Executive Leadership Team, your STI Award will be based on a combination of Company-based performance metrics and individual- based performance metrics. Your individual award can range between 0-200% of your STI target and will be subject to the approval of the Board of Directors or its designee.

- Long Term Incentive. Your target annual long-term incentive ("LTI") award will be US$800,000 for the year following the year in which you actually start employment. Your LTI award grant is subject to approval of the Board of Directors or its designee and on you being an active employee of the Company on the date of grant. Any LTI award will be subject to the terms and conditions of the relevant long-term incentive plan and the a w a r d agreement governing the grant.

- *Equity Award.* As part of this offer, you will receive a new hire restricted stock unit (RSU) award with an initial grant value of US$500,000 subject to approval by the Board of Directors or its designee. The award will vest as follows:

  - US$166,667 vesting in March 2025
  - US$166,667 vesting in March 2026
  - US$166,666 vesting in March 2027

  This LTI award grant is subject to you being an active employee of the Company on the date of grant and will be subject to the terms and conditions of the relevant long-term incentive plan and the a w a r d agreement governing the grant.

- *Benefits.* You will be entitled to benefits consistent with similarly situated senior executives of the Company and reimbursement of reasonable business expenses, in each case in accordance with applicable Company programs and policies as in effect from time to time.

- *Paid Time Off.* You will be eligible for 30 days of PTO on an annual basis, accruing in accordance with the terms set forth in the Employee Handbook.

- *Executive Severance Plan*. You may also be eligible for benefits under the Company's Executive Severance Plan, for covered terminations under that plan.

- *Notice Period.* You agree that if you voluntarily resign, you will give six months' written notice to the Company of your resignation, which may be working notice or non-working notice at the Company's sole discretion and which notice period is waivable by the Company at the Company's sole discretion. If you execute an LTIP award agreement containing a different notice period than the notice period contained in this offer letter, the notice period in the LTIP award agreement will govern.

- *Clawback Policy*. Any bonus, equity or equity-based award or other incentive compensation granted to you will be subject to the Corebridge Clawback Policy (and any other Company policies as may be in effect from time to time).

- *Indemnification and Cooperation*. During and after your employment, the Company will indemnify you in your capacity as a director, officer, employee, or agent of the Company to the fullest extent permitted by applicable law and Corebridge Financial's charter and by- laws and will provide you with director and officer liability insurance coverage (including post-termination/post-director service tail coverage) on the same basis as other similarly situated officers.

  You agree (whether during or after your employment with the Company) to reasonably cooperate with the Company in connection with any litigation or regulatory matter or with any government authority on any matter, in each case, pertaining to the Company and with respect to which you may have relevant knowledge, provided that, in connection with such cooperation, the Company will reimburse your reasonable expenses.

- *Tax Matters.* Tax will be withheld by the Company under applicable tax requirements for any payments or deliveries under this letter. To the extent any taxable expense reimbursement or in-kind benefits under this letter is subject to Section 409A of the U.S. Internal Revenue Code of 1986, the amount thereof eligible in one taxable year shall not affect the amount eligible for any other taxable year, in no event shall any expenses be reimbursed after the last day of the taxable year following the taxable year in which you incurred such expenses and in no event shall any right to reimbursement or receipt of in- kind benefits be subject to liquidation or exchange for another benefit. Each payment under this letter will be treated as a separate payment for purposes of Section 409A.

  In the event that any payments or benefits otherwise payable to you (1) constitute "parachute payments" within the meaning of Section 280G of the Code, and (2) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and benefits will be either (x) delivered in full, or (y) delivered as to such lesser extent that would result in no portion of such payments and benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by you on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. Any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to you. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards.

- *No Guarantee of Employment or Target Direct Compensation.* This offer letter is not a guarantee of employment or target direct compensation for a fixed term.

- *Entire Agreement.* This offer letter constitutes the Company's only statement relating to its offer of employment to you and supersedes any previous communications or representations, oral or written, from or on behalf of the Company.

- *Miscellaneous Representations*. You confirm and represent to the Company by signing this letter, that: (a) you are under no obligation or arrangement (including any restrictive covenants with any prior employer or any other entity) that would prevent you from becoming an employee of or that would adversely impact your ability to perform the expected services on behalf of the Company other than as previously disclosed in writing to the Company; (b) you have not taken (or failed to return) any confidential information belonging to your prior employer or any other entity, and, to the extent you remain in possession of any such information, you will never use or disclose such information to the Company or any of its employees, agents or affiliates; (c) you understand and accept all of the terms and conditions of this offer; and (d) you acknowledge that your Employer is an intended third party beneficiary of this offer letter.

- *Non-Solicitation*. This offer and your employment with your Employer are contingent on your entering into the enclosed Non-Solicitation and Non- Disclosure Agreement.

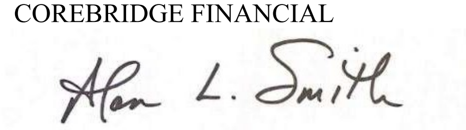
- *Employment Dispute Resolution*. You are a participant in the Company's Employment Dispute Resolution ("EDR") program, which provides for various ways to address work- related disputes, including mediation and arbitration, through the American Arbitration Association ("AAA"). Information on the company's EDR Program is available to employees via the Company Intranet and can be made available to you prior to your date of hire upon request.

- *Background Investigation*. Your role is deemed a Position of Trust. Therefore, this offer is contingent upon the successful results of a background screen in accordance with Corebridge Financial's Position of Trust Background Screening policy, which may include, but may not be limited to, verification of employment, professional certifications, designations or licenses, criminal and credit history, educational background, and proof of eligibility to work in the United States. If you accept this offer and are allowed to start your employment while these conditions or contingencies remain pending, this offer may be rescinded, and your employment terminated if they are not subsequently successfully completed.

We look forward to welcoming you to Corebridge Financial and wish you every success in your new role.

Sincerely,

COREBRIDGE FINANCIAL



Alan L. Smith

I agree with and accept the foregoing terms.

June 20, 2023

Chris Smith | Date

Exhibit 10.2

COREBRIDGE EXECUTIVE SEVERANCE PLAN
Amended and Restated June 27, 2023

The Board of Directors (the "***Board***") of Corebridge Financial, Inc., a Delaware corporation (the "***Company***"), adopted this Corebridge Executive Severance Plan (the "***Plan***"), effective as January 1, 2023 (the "***Effective Date***"). Capitalized terms not defined herein have the meanings provided in the Glossary of Terms.

I. Purpose

The Plan is maintained for the purpose of providing severance payments and benefits for a select group of management or highly compensated employees covered by the Plan whose employment is terminated under the circumstances set forth in the Plan.

II. Term

The Plan became effective on the Effective Date and shall continue until terminated by the Board or a committee thereof as may be designated by the Board from time to time to administer the Plan (the Board and any such designated committee of the Board referred to herein as the "***Committee***").

III. Eligibility

The employees eligible to participate in the Plan at any time (the "***Eligible Employees***") shall be comprised of each employee who (1) is a full-time employee in grade level 27 or above, or who is a full-time employee and was in grade level 27 or above in the twelve (12) months immediately prior to the date of termination, at the time of the termination of his or her employment or (2) was eligible to participate in the American International Group, Inc. Amended and Restated Executive Severance Plan, first effective as of March 11, 2008 and as amended as of December 4, 2012 (an "***Old AIG Plan Participant***"). Notwithstanding the foregoing, if an employee has an employment agreement (or other agreement or arrangement) that provides for payment of severance in connection with a "Covered Termination" (as defined in Section IV below), the employee will not be an Eligible Employee; *provided* that payment of statutorily required severance shall not prohibit an employee from being an Eligible Employee.

IV. Severance

Subject to Section IV.E below, an Eligible Employee shall be entitled to receive the benefits described in this Section IV if he or she experiences a "Covered Termination"; *provided* that such benefits shall be modified as contemplated by Section IV.I of the Plan to comply with local laws, bylaws, statutes, regulations, codes of practice or applicable guidance issued by a governmental department or regulatory authority (together referred to as "***Local Law***") for any employee whose primary worksite is outside of the United States but is not classified as a Mobile Overseas Personnel; and *provided*, *further*, that any Eligible Employee who experiences a "Covered Termination" and is entitled to statutorily required severance shall receive the greater of such statutorily required severance and the benefits described in this Section IV or shall have his or her benefits described in this Section IV reduced by the statutorily required severance paid to the Eligible Employee, as required by applicable law.

A "***Covered Termination***" shall mean:

(1) for all Eligible Employees, a termination of service during the term of the Plan for any reason other than the Eligible Employee's: (a) death; (b) Disability; (c) resignation (including any resignation that an Eligible Employee may assert was a constructive discharge); or (d) termination by the Company or its subsidiaries for Cause (for purposes of the Plan, the term subsidiaries shall be deemed to include both direct and indirect subsidiaries); and

(2) notwithstanding paragraph (1) above, for any Eligible Employees in grade level 27 or above, such Eligible Employee's termination of service during the term of the Plan as a result of resignation from his or her employment for Good Reason.

A "***CIC Covered Termination***" shall mean a Covered Termination within twenty-four (24) months following a Change in Control.

Unless otherwise stated in the Plan, for purposes of an Eligible Employee's employment under the Plan, "***termination***" of employment or service shall mean the date upon which the Eligible Employee ceases to perform his or her employment duties and responsibilities for the Company and/or each of its subsidiaries and, to the extent consistent with the foregoing, shall be the "last day worked/end work date" that is coded in the payroll system applicable to the Eligible Employee. Solely for purposes of this Plan, an Eligible Employee's grade level shall be deemed to be the highest grade level at which the Eligible Employee was employed in the twelve (12) months immediately prior to his or her date of termination.

A. Accrued Wages and Expense Reimbursements

If an Eligible Employee experiences a Covered Termination, the Eligible Employee shall receive: (1) accrued wages due through the date of termination in accordance with the Eligible Employee's employer's normal payroll practices; (2) reimbursement for any unreimbursed business expenses properly incurred by the Eligible Employee prior to the date of termination in accordance with Company policy (and for which the Eligible Employee has submitted proper documentation as may be required by the Company, with such documentation and each reimbursement to occur not later than one (1) year after the Eligible Employee's date of termination); and (3) any accrued but unused vacation pay in a lump sum paid within two and one-half (2½) months after the end of the calendar year in which the Eligible Employee's date of termination occurs (the "***Termination Year***").

B. Severance, Generally

Except as provided in Section IV.C below, in the event of a Covered Termination, an Eligible Employee shall be entitled to receive the following:

1. With respect to an Eligible Employee's annual short-term incentive award ("***STI Award***") under the American International Group, Inc. ("***AIG***") or Corebridge Financial, Inc. Short-Term Incentive Plan applicable to the Eligible Employee (the "***STI Plan***"), an Eligible Employee shall receive:

(a) The "***Prior Year Incentive***" as calculated below.

(i) If the date of termination is after the end of the applicable STI Plan performance year, but prior to the Threshold/First Payment Date with respect to an STI Award, an amount equal to the Eligible Employee's STI Target for such performance year as adjusted for the actual performance of the Company and/or applicable business unit or function, as determined by the Chief Executive Officer of the Company (the "***CEO***") in his or her sole discretion (except that, with respect to Eligible Employees whom the CEO designates as being members of his or her executive leadership team (the "***ELT***"), such determination shall be made by the Committee in its sole discretion).

(x) For purposes of this section, Threshold/First Payment Date will mean the date such STI Award is paid.

(y) For purposes of this section, an Eligible Employee's "***STI Target***" will mean the target annual incentive amount assigned to such Eligible Employee for a performance year pursuant to the STI Plan.

(ii) In all events, such amounts will be paid at the same time as they are paid to similarly situated active employees with similar STI Awards, and will be subject to the same deferral, clawback and repayment terms. For point of clarity, the Prior Year Incentive payments to the Eligible Employees covered under the Corebridge Clawback Policy (the "***Company Clawback Policy***"), as may be amended from time to time, are subject to forfeiture and/or repayment to the extent provided for in such policy.

(b) The "***Pro Rata Incentive***" for the Termination Year as calculated below.

(i) Subject to paragraph (b)(ii) immediately below, for the Termination Year, a Pro-Rated portion of an amount equal to (A) in the event of a Covered Termination other than a CIC Covered Termination, the Eligible Employee's STI Target as adjusted for the actual performance of the Company and/or applicable business unit or function, as determined by the CEO in his or her sole discretion (except that, with respect to the Eligible Employees whom the CEO classifies as being members of his or her ELT, such determination shall be made by the Committee in its sole discretion) (the "***Performance Adjusted STI Target***"), or (B) in the event of a CIC Covered Termination, the greater of the Eligible Employee's STI Target and the Performance Adjusted STI Target.

(x) For purposes of this section, "***Pro Rated***" will mean a fraction the numerator of which is the number of full months in the Termination Year that the Eligible Employee was actively employed or on an approved leave of absence during which the Eligible Employee was receiving salary continuation from a Company payroll and the denominator of which is twelve (12).

(y) If the Covered Termination occurs within twelve (12) months following a reduction in the Eligible Employee's annual base salary and/or short-term incentive opportunity (other than a reduction resulting from a Board approved program generally applicable to similarly situated employees), for purposes of this section, the STI Target shall be the greater of the Eligible Employee's STI Target in effect on the date of the Covered Termination and the Eligible Employee's STI Target in effect on the day immediately prior to such reduction.

(ii) To the extent an Eligible Employee experiences a Covered Termination (other than a CIC Covered Termination) prior to April 1 of the Termination Year, no Pro Rata Incentive shall be paid (*it being understood* that to the extent an Eligible Employee experiences a CIC Covered Termination, the Eligible Employee will be entitled to the Pro Rata Incentive set forth in paragraph (b)(i)).

(iii) All Pro Rata Incentive payments will be paid at the same time or times as they are paid to similarly situated active employees with similar STI Awards, and will be subject to the same deferral, clawback and repayment terms. For point of clarity, the Pro Rata Incentive payments to the Eligible Employees covered under the Company Clawback Policy, as may be amended from time to time, are subject to forfeiture and/or repayment to the extent provided for in such policy.

For the avoidance of doubt, in no event shall an Eligible Employee be entitled to a duplication of any amounts payable under this paragraph (1)(b) or paragraph (1)(a) above and under the terms of the STI Plan as a result of his or her Covered Termination.

2. A lump sum cash payment equal to the product of: (a) a "Multiplier" (as defined below) times (b) the sum of:

(i) the greater of actual base salary earned by the Eligible Employee over the twelve (12) months immediately prior to the date of termination and the Eligible Employee's annualized base salary rate as of the date of termination; plus

(ii) (A) in the event of a Covered Termination other than a CIC Covered Termination, the average of the Eligible Employee's annual short-term incentive bonus actually paid for the three (3) most recently completed calendar years preceding the Termination Year for which annual short-term incentive bonuses had generally been paid, or (B) in the event of a CIC Covered Termination, the greater of (x) the Eligible Employee's STI Target for the Termination Year, and (y) the average of the Eligible Employee's annual short-term incentive bonus actually paid for the three (3) most recently completed calendar years preceding the Termination Year for which annual short-term incentive bonuses had generally been paid.

Such amount will be paid as soon as practicable following the Covered Termination but in no event later than sixty (60) days thereafter. In the event of any unanticipated circumstances that result in the Company, in its sole discretion, paying such amount later than sixty (60) days following the Covered Termination, in no event will such amount be paid later than March 15th of the year immediately following the Termination Year. Notwithstanding the foregoing, (x) if the Covered Termination occurs within twelve (12) months following a reduction in the Eligible Employee's annual base salary and/or short-term incentive opportunity (other than a reduction resulting from a Board-approved program generally applicable to similarly situated employees), the payment due under this paragraph (2) shall be calculated as if the Covered Termination occurred on the day immediately prior to such reduction (using the Eligible Employee's grade level on the day immediately prior to such reduction for purposes of the Multiplier) and (y) if an Eligible Employee resigns for Good Reason after twelve (12) months but before twenty-four (24) months following the event giving rise to Good Reason, the amount described in clause (i) of this paragraph (2) shall be the greater of actual base salary earned by the Eligible Employee over the twelve (12) months immediately prior to the event giving rise to Good Reason and the Eligible Employee's annualized base salary rate immediately prior to the event giving rise to Good Reason.

The "***Multiplier***" shall be as follows:

(a) For an Eligible Employee in grade level 27 or 28: (a) 1 in the event of a Covered Termination; or (b) 1.5 in the event of a CIC Covered Termination; and

(b) For an Eligible Employee in grade level 29 or above: (a) 1.5 in the event of a Covered Termination; or (b) 2 in the event of CIC Covered Termination.

3. For purposes of paragraph (1)(b) above, if no STI Target is established for an Eligible Employee for the Termination Year, in lieu of the STI Target, the Pro Rata Incentive shall be calculated using the average of the Eligible Employee's annual short-term incentive bonuses paid with respect to the three (3) most recently completed calendar years preceding the Termination Year for which annual short-term incentive bonuses had generally been paid; *provided* that (x) if the Eligible Employee was not employed for all years that would otherwise be included in the average, the Eligible Employee's STI Target with respect to the most recently completed calendar year preceding the Termination Year in which the Eligible Employee was employed shall be used and (y) if the Eligible Employee received no annual short-term incentive bonus for one of the years that would otherwise be included in the average as a result of an approved leave of absence, the Eligible Employee's STI Target with respect to the most recently completed calendar year preceding the Termination Year in which such condition did not apply shall be used.

4. With respect to paragraph 2 above, (a) if the Eligible Employee was not employed for all years that would otherwise be included in the average, the average shall be computed based on each such year in which the Eligible Employee was employed; (b) if the Eligible Employee earns or is awarded no short-term incentive bonus for one of the years that would otherwise be included in the average as a result of an approved leave of absence, the average shall be computed by using the three (3) most recently completed calendar years preceding the calendar year of termination in which such condition did not apply; and (c) if an Eligible Employee was not employed long enough for the Eligible

Employee's first short-term incentive bonus to be paid, the Eligible Employee's target short-term incentive bonus shall be used in lieu of the average described above.

5. Notwithstanding anything contained herein to the contrary, if an Eligible Employee was employed by AIG or any of its subsidiaries prior to the Effective Date, to the extent applicable, the average of such Eligible Employee's annual short-term incentive bonuses shall include bonus amounts paid by AIG or its subsidiaries for periods prior to the Effective Date.

C. Severance for Old AIG Plan Participants

1. If an Old AIG Plan Participant experiences a Covered Termination, he or she shall receive (a) the Prior Year Incentive (if applicable), (b) the Pro Rata Incentive and (c) severance equal to (i) for an Old AIG Plan Participant below grade level 27, the "Old AIG Plan Benefit" (as defined below) or (ii) for an Old AIG Plan Participant in grade level 27 or above, (x) the Old AIG Plan Benefit plus (y) the difference, if any, between the amount provided in Section IV.B(2) and the "Old AIG Plan Benefit" (the "***New Plan Payment***").

2. The "***Old AIG Plan Benefit***" shall be the sum of the following, divided by twelve (12), and then multiplied by the number of months in the "Severance Period" (as defined below) applicable to the Old AIG Plan Participant:

(a) Annual base salary as of the date of termination; plus

(b) The average of the Old AIG Plan Participant's "Annual Cash Bonuses" (as defined below) awarded and paid with respect to the three (3) most recently completed calendar years preceding the Termination Year (including any year in which the bonus was zero); *provided* that: (i) if the date of termination occurs during a calendar year before the time that Annual Cash Bonuses have generally been paid out to employees for the prior calendar year's performance, the average shall be computed based on the second, third and fourth calendar years prior to the calendar year in which the termination occurs, (ii) if the Old AIG Plan Participant was not employed for all years that would otherwise be included in the average, the average shall be computed based on each such year in which the Old AIG Plan Participant was employed and (iii) if the Old AIG Plan Participant earns or is awarded no bonus for one of the years that would otherwise be included in the average as a result of an approved leave of absence, the average shall be computed by using the three (3) most recently completed calendar years preceding the Termination Year in which such condition did not apply. Solely for purposes of the Plan, "***Annual Cash Bonus***" means any performance based, year-end cash bonus or a cash bonus in lieu of a year-end cash bonus, and the amount of any Annual Cash Bonus awarded and paid shall include any amount of such bonus voluntarily deferred by the Old AIG Plan Participant, as applicable.

Notwithstanding anything contained herein to the contrary, if an Eligible Employee was employed by AIG or any of its subsidiaries prior to the Effective Date, to the extent applicable, the average of such Eligible Employee's annual short-term incentive bonuses shall include bonus amounts paid by AIG or its subsidiaries for periods prior to the Effective Date.

3. The "***Severance Period***" shall be:

(a) For each Old AIG Plan Participant who was a Senior Vice President or higher of AIG as of January 1, 2014 (the "***Transition Date***") (or, if earlier, the date of termination), twenty-four (24) months; and

(b) For all other Old AIG Plan Participants, one (1) month per year of service with the Company up to a maximum of twelve (12) months, except that (i) no Old AIG Plan Participant shall have a Severance Period of less than six (6) months regardless of years of service and (ii) any Old AIG Plan Participant who was also eligible to receive benefits under the American International Group, Inc. Executive Severance Plan that was terminated as of June 26, 2008 (the "***Initial Plan***") shall be entitled to a Severance Period that is no shorter than what would have been provided to such Old AIG Plan Participant under the terms of the Initial Plan if such Old AIG Plan Participant had been terminated on December 31, 2007. For the avoidance of doubt, the Severance Period for an Old AIG Plan Participant who is a Senior Vice President solely of a subsidiary of AIG (and not of AIG) shall be determined under this Section IV.C(3)(b).

For Covered Terminations on or after the Transition Date, the Old AIG Plan Benefit will be paid in a lump sum in accordance with the payment timing set forth in Section IV.B(2).

Any New Plan Payment will be paid in a lump sum in accordance with the payment timing set forth in Section IV.B(2) (*provided* that any Pro Rata Incentive will be paid in accordance with the payment timing set forth in Section IV.B(1)(b) and any Prior Year Incentive will be paid in accordance with the payment timing set forth in Section IV.B(1)(a)).

D. Continued Health and Life Insurance Coverage and Participation in Retiree Health and Retiree Life for Eligible Employees

If an Eligible Employee experiences a Covered Termination, the Eligible Employee shall be entitled to continued health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***"), if applicable, for a period in accordance with the requirements under COBRA; *provided*, *however*, that the Eligible Employee shall be solely responsible for paying the full cost of the monthly premiums for such COBRA coverage; and *provided, further*, that such coverage shall not be provided if during such period the Eligible Employee is or becomes ineligible under the provisions of COBRA for continuing coverage. Any Eligible Employee who experiences a Covered Termination will receive one (1) year of additional service credit and credit for additional age solely for purposes of determining the Eligible Employee's eligibility to participate in the Company's retiree health plan and, if eligible, may choose to participate in such plan as of his or her date of termination at the applicable rate or pay for COBRA coverage, if applicable. If such an Eligible Employee chooses to opt out of participating in the Company's retiree health plan, including, but not limited to electing COBRA coverage in lieu of participating in the Company's retiree health plan,, the Eligible Employee will waive the right to participate in the Company's retiree health plan at a later time.

If an Eligible Employee experiences a Covered Termination, the Eligible Employee shall also be entitled to an additional lump-sum payment of forty thousand dollars ($40,000) (the "***Supplemental Health & Life Payment***"). The Supplemental Health & Life Payment may, among other things, be payable towards COBRA healthcare and life insurance coverage after the Eligible Employee's date of termination.

E. Limitations on Severance; Reductions of Severance

The amounts described in Subsections B through D of this Section IV (collectively referred to as "***Severance***") are subject to the provisions set forth under Section V, as well as to the Eligible Employee's continued compliance with any applicable release and/or restrictive covenant agreement (referred to generically as the "***Release***") that the Company may require under other compensation arrangements, any applicable employment agreement or the release pursuant to Section VI below. Failure to execute or adhere to such a Release, or the revocation of such a Release, by the Eligible Employee shall result in a forfeiture of all Severance under the Plan. (For the avoidance of doubt, any severance installment or other Severance benefit due under the terms of the Plan shall be forfeited to the extent such payment would have otherwise been due but for the Eligible Employee's failure to provide the Company with a duly executed and effective Release.) Nothing herein shall preclude the Company in its sole discretion from requiring the Eligible Employee to enter into other such releases or agreements as a condition to receiving Severance under the Plan.

F. Code Section 409A

Payments under the Plan are intended to satisfy the "short-term deferral exception" under section 409A of the Internal Revenue Code of 1986, as amended ("***Code section 409A***").

The Plan Administrator (as defined in Section VII.A) will have full authority to give effect to the intent of this Section IV.F.

G. Covenants and for "Cause" Terminations

Notwithstanding anything to the contrary in the Plan, (1) if at any time the Eligible Employee breaches any of the provisions of a Release, or revokes it, or (2) if within one (1) year after the last payment of Severance under the Plan, with respect to any Eligible Employee under the purview of the Committee, the Committee or, with respect to any other Eligible Employee, the Senior C&B Executive determines that grounds existed, on or prior to the date of termination of the Eligible Employee's employment with the Company, including prior to the Effective Date, for the Company to terminate the Eligible Employee's employment for "Cause":

(a) no further payments or benefits shall be due under this Section IV; and

(b) the Eligible Employee shall be obligated to repay to the Company, immediately and in a cash lump sum, the amount of any Severance benefits (other than any amounts received by the Eligible Employee under Section IV.D) previously received by the Eligible Employee (which shall, for the avoidance of doubt, be calculated on a pre-tax basis);

provided that the Eligible Employee shall in all events be entitled to receive accrued wages, expense reimbursement and accrued but unused vacation pay as set forth in Section IV.A above.

H. No Rights

Other than as provided in this Section IV, an Eligible Employee shall have no rights to any compensation or any other benefits under the Plan. All other benefits, if any, due to the Eligible Employee following the date of termination shall be determined in accordance with the plans, policies and practices of the Company or any subsidiary of the Company in effect on the date of termination. Whether the Eligible Employee's employment has terminated for purposes of any Company plan or arrangement shall be determined on the basis of the applicable terms of the plan or arrangement.

I. Non U.S. Participants

To the extent the Local Laws of a country or non-U.S. jurisdiction in which an Eligible Employee works would prohibit any provision, feature or requirement of the Plan, or such Local Laws, an applicable collective bargaining of similar collective agreement, the determination of a court or other adjudicative body or an Eligible Employee's contract of employment would require that the benefits provided under the Plan be duplicative of or in addition to other Company or subsidiary or employer provided or paid severance benefits or termination-related benefits to which such Eligible Employee is entitled, the Committee hereby delegates to the Senior HR Attorney and the Senior C&B Executive, the responsibility to develop a written appendix to the Plan specific to such country or non-U.S. jurisdiction that addresses the problematic provision, feature or requirement while maintaining as much of the intent and goals of the Plan as possible and also complying with Local Laws. The Senior HR Attorney and Senior C&B Executive will share such appendix with all Eligible Employees in such country or non-U.S. jurisdiction, and will maintain an inventory of all such appendices. The Senior HR Attorney and the Senior C&B Executive shall periodically review such appendices to confirm that they remain permissible, enforceable, and in accordance with Local Law.

V. No Duplication; No Mitigation

A. No Duplication

The Plan is not intended to, and shall not result in any duplication of payments or benefits to any Eligible Employee. The Committee shall be authorized to interpret the Plan to give effect to the preceding sentence.

B. No Mitigation

In order for an Eligible Employee to receive the Severance described in the Plan, the Eligible Employee shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Company under the Plan, and there shall be no offset against any amounts due under the Plan on account of any remuneration attributable to any subsequent employment that the Eligible Employee may obtain.

C. Certain Excise Taxes Associated with a Change of Control

In the event it is determined that any payment or benefit (within the meaning of Section 280G(B)(2) of the Code) to an Eligible Employee or for his or her benefit paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise in connection with, or arising out of, the Employee's employment ("***Payments***"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Eligible Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "***Excise Tax***"), then the total Payments shall be reduced to the extent the payment of such amounts would cause the Eligible Employee's total Payments to constitute an "excess parachute payment" under Section 280G of the Code and by reason of such excess parachute payment the Eligible Employee would be subject to an Excise Tax, but only if the after-tax value of the Payments calculated with the foregoing restriction exceed those calculated without the foregoing restriction. Any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to the Eligible Employee. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards. If two (2) or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. All determinations under this paragraph shall be made at the expense of the Company by a nationally recognized public accounting or consulting firm selected by the Company. Such determination shall be binding upon the Eligible Employee and the Company in the absence of manifest error. To the extent the terms of this paragraph conflict with the terms of an equity award granted pursuant to the Eligible Employee, this paragraph shall control.

VI. Release and Restrictive Covenant Agreement

The Company may require and condition payment of the Severance on the Eligible Employee's execution of a Release in the form attached to the Plan as Exhibit A, as such Release may be modified by the Senior HR Attorney and the Senior C&B Executive or their designee(s); *provided*, *however*, that such Release must be executed within sixty (60) days after the date of termination; *provided*, *further*, that if the Local Laws of a country or non-U.S. jurisdiction in which an Eligible Employee works would not permit all or a portion of the Release to be structured or executed in the form attached hereto, the Senior HR Attorney and the Senior C&B Executive or their designee(s) shall have the discretion to create a release that incorporates as much of the Release as possible while also complying with such Local Laws.

VII. Plan Administration

A. Committee

The Plan shall be interpreted, administered and operated by the Committee, which shall have the complete authority, in its sole discretion, subject to the express provisions of the Plan, to interpret the Plan, adopt any rules and regulations for carrying out the Plan as may be appropriate and decide any and all matters and make any and all determinations arising under or otherwise necessary or advisable for the administration of the Plan. All interpretations and decisions by the Committee shall be final, conclusive and binding on all parties affected thereby, and shall supersede any decisions or actions by the "Claims Administrator" (as defined below). Notwithstanding the foregoing, the Committee shall have the right to delegate to any individual member of the Committee or to any executive of the Company any of the Committee's authority under the Plan; *provided* that no person shall act as Plan Administrator in any matter directly relating to his or her eligibility or amount of Severance under the Plan. The Committee and/or the member of the Committee or the executive of the Company delegated any authority under the Plan shall be referred to in the Plan as the "***Plan Administrator***."

B. Expenses and Liabilities

All expenses and liabilities that the Plan Administrator and the Claims Administrator incur in connection with the administration of the Plan shall be borne by the Company. The Plan Administrator and the Claims Administrator may employ attorneys, consultants, accountants, appraisers, brokers or other persons in connection with such administration, and the Plan Administrator, the Claims Administrator, the Company and the Company's officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. No member of the Committee or any executive delegated by the Committee as Plan Administrator or the Claims Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, and all members of the Committee and any executive delegated by the Committee as the Plan Administrator or the Claims Administrator shall be fully protected by the Company in respect of any such action, determination or interpretation to the extent permitted by (a) the Company's certificate of incorporation; (b) the Company's bylaws; and (c) applicable law.

VIII. Termination and Amendment

A. Termination

The Committee may terminate the Plan in accordance with Section II; *provided* that no termination shall adversely affect the payments or benefits to which any Eligible Employee has become entitled by virtue of a Covered Termination occurring before the time of termination of the Plan.

B. Amendment

In addition, the Committee may, at any time, amend the Plan in any manner it determines in good faith is necessary or appropriate. For the avoidance of doubt, amendments under the preceding sentence may be material and adverse to the Eligible Employees. In addition, if an employee was not an Eligible Employee because he or she had an employment agreement (or other agreement or arrangement) that contemplated payment of severance with respect to any termination, the Committee may amend the Plan to exclude such employee without notice to such employee (notwithstanding the expiration of such agreement or arrangement) if it determines that in good faith that such exclusion is necessary to comply with Code section 409A.

Notwithstanding the foregoing, the Committee's rights and powers to amend the Plan shall be delegated to the Senior C&B Executive who shall have the right to amend the Plan with respect to (i) amendments required by relevant law, regulation or ruling, (ii) amendments that are not expected to have a material financial impact on the Company, (iii) amendments that can reasonably be characterized as technical or ministerial in nature, or (iv) amendments that have previously been approved in concept by the Committee. Notwithstanding the foregoing delegation, the Senior C&B Executive shall not have the power to make an amendment to the Plan that could reasonably be expected to result in a termination of the Plan or a change in the structure or the powers, duties or responsibilities of the Committee, unless such amendment is approved or ratified by the Committee.

C. Notice of Termination or Amendment

The Company shall not be required to provide notice to any person related to the termination or amendment of the Plan.

IX. Claims and Appeals Procedures

The following claim review and claim appeal procedures apply to all claims of any nature related to the Plan. For purposes of the Plan, the "***Claims Administrator***" is the Company's most senior executive whose responsibility it is to oversee both the Corporate Compensation Department and the Corporate Benefits Department; *provided, however*, if that aforementioned position is vacant, then the Company's senior most executive whose responsibility it is to oversee all Human Resources matters of the Company on a global basis shall be the Claims Administrator, and if both of the immediately aforementioned positions are vacant, then the CEO shall appoint an individual to be the Claims Administrator. The Claims Administrator, in his or her discretion, may delegate in writing the Claims Administrator responsibilities to a committee comprised of three (3) individuals selected from among the human resources personnel and human resources attorneys of the Company and its subsidiaries, who shall act as Claims Administrator.

A. Initial Claim

To the extent that an Eligible Employee believes that he or she is entitled to a benefit under the Plan that such Eligible Employee has not received, such Eligible Employee may file a claim for benefits under the Plan, as provided in this Section IX of the Plan.

1. *Procedure for Filing a Claim*

An Eligible Employee must submit a claim in writing on the appropriate claim form (or in such other manner acceptable to the Claims Administrator), along with any supporting comments, documents, records and other information, to the Claims Administrator in person or by messenger.

If an Eligible Employee fails to properly file a claim for a benefit under the Plan, the Eligible Employee shall be considered not to have exhausted all administrative remedies under the Plan, and shall not be able to bring any legal action for the benefit. Claims and appeals of denied claims may be pursued by an Eligible Employee, or if approved by the Claims Administrator, by an Eligible Employee's authorized representative.

2. *Initial Claim Review*

The Claims Administrator shall conduct the initial claim review. The Claims Administrator shall consider the applicable terms and provisions of the Plan and amendments to the Plan, and any information and evidence presented by the Eligible Employee and any other relevant information.

3. *Initial Benefit Determination*

(a) *Timing of Notification on Initial Claim*

The Claims Administrator shall notify an Eligible Employee about his or her claim within a reasonable period of time, but, in any event, within ninety (90) days after the Plan Administrator or Claims Administrator, as the case may be, receives the Eligible Employee's claim, unless the Claims Administrator determines that special circumstances require an extension of time for processing the claim. If the Claims Administrator determines that an extension is needed, the Eligible Employee shall be notified before the end of the initial ninety (90)-day period. The notification shall say what special circumstances require an extension of time. The Eligible Employee shall be told the date by which the Claims Administrator expects to render the determination, which in any event shall be within ninety (90) days from the end of the initial ninety (90)-day period.

If such an extension is necessary because an Eligible Employee did not submit the information necessary to decide the claim, the time period in which the Plan Administrator is required to make a decision shall be frozen from the date on which the notification is sent to the Eligible Employee until the Eligible Employee responds to the request for additional information. If the Eligible Employee fails to provide the necessary information in a reasonable period of time, the Plan Administrator may, in its discretion, decide the Eligible Employee's claim based on the information already provided.

(b) *Manner and Content of Notification of Denied Claim*

In the event the Claims Administrator denies an Eligible Employee's claim for benefits, the Claims Administrator shall provide an Eligible Employee with written or electronic notice of any denial, in accordance with applicable U.S. Department of Labor regulations. The notification shall include:

(i) the specific reason or reasons for the denial;

(ii) reference to the specific provision(s) of the Plan on which the determination is based;

(iii) a description of any additional material or information necessary for an Eligible Employee to revise the claim and an explanation of why such material or information is necessary; and

(iv) a description of the Plan's review procedures and the time limits applicable to such procedures.

4. *Claims Processing*

In the event the Claims Administrator approves an Eligible Employee's claim for benefits, the Claims Administrator shall provide the Release that the Eligible Employee must sign pursuant Section VI of the Plan, and shall coordinate with the applicable Company payroll department, the Company benefits department, and any other Company entity or counsel as necessary to implement the terms of Section IV of the Plan.

B. Review of Initial Benefit Denial

1. *Procedure for Filing an Appeal of a Denial*

Any appeal of a denial must be delivered to the Plan Administrator within sixty (60) days after an Eligible Employee receives notice of denial. Failure to appeal within the sixty (60)-day period shall be considered a failure to exhaust all administrative remedies under the Plan and shall make an Eligible Employee unable to bring a legal action to recover a benefit under the Plan. An Eligible Employee's appeal must be in writing, using the appropriate form provided by the Plan Administrator (or in such other manner acceptable to the Plan Administrator). The request for an appeal must be filed with the Plan Administrator in person or by messenger, in either case, evidenced by written receipt or by first-class postage-paid mail and return receipt requested, to the Plan Administrator.

2. *Review Procedures for Denials*

The Plan Administrator shall provide a review that takes into account all comments, documents, records and other information submitted by an Eligible Employee without regard to whether such information was submitted or considered in the initial benefit determination. An Eligible Employee shall have the opportunity to submit written comments, documents, records and other information relating to the claim and shall be provided, upon request and free of charge, reasonable access to and copies of all relevant documents.

3. *Timing of Notification of Benefit Determination on Review*

The Plan Administrator shall notify an Eligible Employee of the Plan Administrator's decision within a reasonable period of time, but in any event within sixty (60) days after the Plan Administrator receives the Eligible Employee's request for review, unless the Plan Administrator determines that special circumstances require more time for processing the review of the adverse benefit determination.

If the Plan Administrator determines that an extension is required, the Plan Administrator shall tell an Eligible Employee in writing before the end of the initial sixty (60)-day period. The Plan Administrator shall tell the Eligible Employee the special circumstances that require an extension of time, and the date by which the Plan Administrator expects to render the determination on review, which in any event shall be within sixty (60) days from the end of the initial sixty (60)-day period.

If such an extension is necessary because an Eligible Employee did not submit the information necessary to decide the claim, the time period in which the Plan Administrator is required to make a decision shall be frozen from the date on which the notification is sent to the Eligible

Employee until the Eligible Employee responds to the request for additional information. If the Eligible Employee fails to provide the necessary information in a reasonable period of time, the Plan Administrator may, in its discretion, decide the Eligible Employee's claim based on the information already provided.

4. *Manner and Content of Notification of Benefit Determination on Review*

The Plan Administrator shall provide a notice of the Plan's benefit determination on review, in accordance with applicable U.S. Department of Labor regulations. If an Eligible Employee's appeal is denied, the notification shall include:

(a) the specific reason or reasons for the denial;

(b) reference to the specific provision(s) of the Plan on which the determination is based; and

(c) a statement that the Eligible Employee is entitled to receive, upon request and free of charge, reasonable access to and copies of all relevant documents.

If an Eligible Employee's appeal is approved, the Plan Administrator shall forward the claim to the Claims Administrator for processing in accordance with Section IX.A.4 above.

C. Legal Action

An Eligible Employee cannot bring any action to recover any benefit under the Plan if the Eligible Employee does not file a valid claim for a benefit and seek timely review of a denial of that claim. Any court action by an Eligible Employee to enforce the Eligible Employee's rights under the Plan following a Change in Control shall be subject to a de novo standard of review, and an Eligible Employee shall be reimbursed for reasonable attorneys' fees and costs incurred in seeking to enforce his or her rights under the Plan to the extent he or she prevails as to the material issues in such dispute. The reimbursement of attorneys' fees shall be made promptly following delivery of an invoice therefor.

X. Withholding Taxes

The Company may withhold from any amounts payable under the Plan such federal, state, local or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

XI. Miscellaneous

A. No Effect on Other Benefits

Any Severance received by an Eligible Employee under the Plan shall not be counted as compensation for purposes of determining benefits under other benefit plans, programs, policies and agreements, except to the extent expressly provided therein or in the Plan.

B. Unfunded Obligation

Any Severance and benefits provided under the Plan shall constitute an unfunded obligation of the Company. Severance and other benefits paid under the Plan will be made, when due, entirely by the Company from its general assets. The Plan shall constitute solely an unsecured promise by the Company to provide Severance to Eligible Employees to the extent provided herein. For the avoidance of doubt, any pension, health or life insurance benefits to which an Eligible Employee may be entitled under the Plan shall be provided under other applicable employee benefit plans of the Company. The Plan does not provide the substantive benefits under such other employee benefit plans, and nothing in the Plan shall restrict the Company's ability to amend, modify or terminate such other employee benefit plans.

C. Employment Status

The Plan does not create an employment relationship between any Eligible Employee and the Company or any of its subsidiaries. The Plan is not a contract of employment, is not part of a contract of employment (unless such contract explicitly incorporates the Plan into such contract), does not guarantee the Eligible Employee employment for any specified period and does not limit the right of the Company or any subsidiary of the Company to terminate the employment of the Eligible Employee at any time for any reason or no reason or to change the status of any Eligible Employee's employment or to change any employment policies.

D. Section Headings

The section headings contained in the Plan are included solely for convenience of reference and shall not in any way affect the meaning of any provision of the Plan.

E. Governing Law

It is intended that the Plan be an "employee welfare benefit plan" within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***") maintained for the purpose of providing benefits for a select group of management or highly compensated employees, and the Plan shall be administered in a manner consistent with such intent. The Plan Administrator shall provide any documents relating to the Plan to the Secretary of the U.S. Department of Labor upon request. The Plan and all rights under the Plan shall be governed and construed in accordance with ERISA, and, to the extent not preempted by federal law, with the laws of the State of New York. The Plan shall also be subject to all applicable non-U.S. laws as to Eligible Employees located outside of the United States.

In the event that any provision of the Plan is not permitted by the Local Laws of a country or jurisdiction in which an Eligible Employee works, such Local Law shall supersede or modify (as applicable) that provision of the Plan with respect to that Eligible Employee.

F. Assignment

The Plan shall inure to the benefit of and shall be enforceable by an Eligible Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If an Eligible Employee should die while any amount is still payable to the Eligible Employee under the Plan had the Eligible Employee continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan, or as determined by the Committee, to the Eligible Employee's estate. An Eligible Employee's rights under the Plan shall not otherwise be transferable or subject to lien or attachment.

Glossary of Terms

"***Cause***" shall mean (i) the Eligible Employee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations; (ii) the Eligible Employee's engagement in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act); (iii) the Eligible Employee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Company or any of its subsidiaries or affiliates is a member; or (iv) the Eligible Employee's material violation of the Company's codes or conduct or any other Company policy as in effect from time to time. The determination as to whether Cause has occurred shall be made by the Committee, with respect to any Eligible Employee under the purview of the Committee, or the Senior C&B Executive, with respect to any other Eligible Employee, in each case, in its or his or her sole discretion. The Committee or Senior C&B Executive, as applicable, shall also have the authority in his or her sole discretion to waive the consequences of the existence or occurrence of any of the events, acts or omissions constituting Cause.

"***Change in Control***" shall mean the occurrence of any of the following events:

(i) Individuals who, on the Effective Date, constitute the Board (the "***Incumbent Directors***") cease for any reason to constitute at least a majority of the Board; *provided* that any person becoming a director subsequent to the Effective Date, whose election or nomination for election was approved by a vote of at least two-thirds ($^2/_3$) of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; *provided*, *however*, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(ii) Any "person" (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act other than AIG or its subsidiaries), becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board ("***Company Voting Securities***"); *provided*, *however*, that the event described in this paragraph (ii) shall not be deemed to be a Change in Control by virtue of an acquisition of Company Voting Securities: (A) by the Company or any subsidiary of the Company; (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary of the Company; or (C) by any underwriter temporarily holding securities pursuant to an offering of such securities;

(iii) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a "***Business Combination***") that results in any person becoming the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the total voting power of the outstanding voting securities eligible to elect directors of the entity resulting from such Business Combination;

(iv) The consummation of a sale of all or substantially all of the Company's assets (other than to an affiliate of the Company); or

(v) The Company's stockholders approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person holds or acquires beneficial ownership of more than fifty percent (50%) of the Company Voting Securities as a result of a "Company share repurchase program" or other acquisition of Company Voting Securities by the Company which reduces the total number of Company Voting Securities outstanding; *provided* that if after such acquisition by the Company such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

For the avoidance of doubt, neither the initial public offering nor any subsequent public offering of Company Voting Securities by AIG, Argon Holdco LLC or their respective affiliates that is not also a Change in Control described in clause (ii) or (iii) of this definition of Change in Control shall constitute a Change in Control for purposes of the Plan and the Awards.

"***Disability***" shall mean a period of medically determined physical or mental impairment that is expected to result in death or last for a period of not less than twelve (12) months during which the Eligible Employee qualifies for income replacement benefits under the Eligible Employee's employer's long-term disability plan for at least three (3) months, or, if the Eligible Employee does not participate in such a plan, a period of disability during which the Eligible Employee is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended from time to time, or any successor thereto, and the applicable rules and regulations thereunder.

"***Good Reason***" shall mean, without an Eligible Employee's written consent, a reduction of more than twenty percent (20%) in the Eligible Employee's annual target direct compensation opportunity (including annual base salary, short-term incentive opportunity and long-term incentive opportunity); *provided* that such reduction will not constitute Good Reason if it results from a Board-approved program generally applicable to similarly situated employees; *provided, further*, that in the event of CIC Covered Termination, Good Reason shall also mean (i) a material diminution in the Eligible Employee's authority, duties or responsibilities following the Change in Control, *provided* that a change in the Eligible Employee's reporting relationship will not constitute Good Reason unless it affects an Eligible Employee whom the Company has classified as an executive vice president or above; or (ii) a relocation of the office at which the Eligible Employee performs his or her services to a location that increases his or her one-way commute by more than fifty (50) miles following a Change in Control. Notwithstanding the foregoing, a termination for Good Reason shall not have occurred unless (a) the Eligible Employee gives written notice to the Company of termination of employment within thirty (30) days after the Eligible Employee first becomes aware of the occurrence of the circumstances constituting Good Reason, specifying in detail the circumstances constituting Good Reason, and the Company has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason, and (b) the Eligible Employee's "separation from service" (within the meaning of Code section 409A) occurs no later than two (2) years following the initial existence of the circumstances giving rise to Good Reason.

"***Senior C&B Executive***" means the Company's most senior executive whose responsibility it is to oversee both the Corporate Compensation Department and the Corporate Benefits Department. In the event that no individual holds such position, "Senior C&B Executive" will instead refer to the Company's most senior executive whose responsibility it is to oversee the U.S. Human Resources Department.

"***Senior HR Attorney***" means the Company's most senior attorney whose responsibility it is to oversee Human Resource/employment matters and in the event that no individual holds this position, Senior HR Attorney shall refer to the General Counsel.

Plan History

Date	Description
January 1, 2023	Adoption
May 9, 2023	Amended Non-Compete Provision in Release
June 27, 2023	Amended Retiree Health Provisions in Plan and Release

EXHIBIT A

COREBRIDGE FINANCIAL, INC.
RELEASE AND RESTRICTIVE COVENANT AGREEMENT

This Release and Restrictive Covenant Agreement (the "***Agreement***") is entered into by and between **_________________________** (the "***Employee***") and Corebridge Financial, Inc., a Delaware Corporation (the "***Company***").

Each capitalized term not otherwise defined herein has the same meaning as set forth in the Corebridge Financial, Inc. Executive Severance Plan.

I. Termination of Employment

The Employee's employment with the Company and each of its subsidiaries and affiliates (collectively, "***Corebridge***") shall terminate on _______________ (the "***Termination Date***") and, as of that date, the Employee shall cease performing the Employee's employment duties and responsibilities for Corebridge and shall no longer report to work for Corebridge.

II. Severance

The Employee shall receive a lump sum severance payment in the gross amount of $_______________, less applicable tax withholdings paid out as soon as practicable following the date this Agreement **[FOR EMPLOYEES 40 AND OLDER:** becomes effective,] [**FOR EMPLOYEES UNDER 40,** is fully executed], but in no event later than March 15th of the year immediately following the Termination Year.

[***IF TERMINATED AFTER MARCH 31ST*** The Employee shall also receive a prorated annual short-term incentive bonus for the Termination Year calculated in accordance with Section IV.B(1)(b) of the Plan and payable when such incentives are regularly paid to similarly-situated active employees.]

[***IF TERMINATED BEFORE PRIOR YEAR'S STI IS PAID:*** The Employee shall also receive a lump sum cash payment equal to the Employee's annual short-term incentive bonus for the prior year if such bonus has not been paid as of the date of termination calculated in accordance with Section IV.B(1)(a) of the Plan and payable when annual short-term incentive bonuses for the prior year are regularly paid to similarly-situated active employees.]

[INSERT FOR GRADES 27+: Any bonus or incentive compensation paid to Employee is subject to the Corebridge Clawback Policy as may be amended from time to time.]

The Employee shall also receive a Supplemental Health & Life Payment of $40,000, less applicable tax withholdings, which may, among other things, be used to pay for COBRA and life insurance coverage after the Termination Date. The Employee shall also be paid any accrued: (i) wages, (ii) reimbursed expenses and (iii) unused paid time off ("***PTO***") as of the Termination Date. The Employee shall not accrue any PTO after the Termination Date.

III. Other Benefits

Nothing in this Agreement modifies or affects any of the terms of any benefit plans or programs (defined as medical, life, pension and 401(k) plans or programs and including, without limitation, Corebridge's right to alter the terms of such plans or programs). No further deductions or employer matching contributions shall be made on behalf of the Employee to the Corebridge Financial, Inc. Retirement Savings 401(k) Plan (the "***401(k) Plan***") as of the last day of the pay period in which the Termination Date occurs.

The Employee shall no longer participate in or be eligible for coverage under the short-term and long-term disability programs in which the Employee participates as of immediately prior to Termination Date and the 401(k) Plan. After the Termination Date, the Employee may decide, under the 401(k) Plan, whether to elect a rollover or distribution of the Employee's account balance or to keep the account balance in the 401(k) Plan.

As set forth in Section IV.D of the Plan, the Employee shall be entitled to continued health insurance coverage under COBRA for a period in accordance with the requirements under COBRA unless the Employee is or becomes ineligible under the provisions of COBRA for continuing coverage. The Employee shall be solely responsible for paying the full cost of the monthly premiums for COBRA coverage. In addition, the Employee shall be entitled to one (1) year of additional service credit and credit for additional age solely for purposes of determining the Employee's eligibility to participate in the Corebridge retiree medical program and, if eligible, may choose to participate in such Corebridge retiree medical program as of the Termination Date at the applicable rate or pay for COBRA coverage. If the Employee chooses to opt out of participating in the Corebridge retiree medical program, including, but not limited to paying for COBRA coverage in lieu of participating in the Corebridge retiree medical program, the Employee waives the right to participate in the Corebridge retiree medical program at a later time.

[INSERT IF EMPLOYEE HAS LEADERSHIP CONTINUITY AWARD: The Employee shall receive a continuity incentive award under the Corebridge Leadership Continuity Plan in the amount of $_________ (less applicable tax withholdings), payable as soon as practicable following the Termination Date but in no event later than March 15th of the year immediately following the Termination Year, i.e., 20__].

The Company agrees to provide outplacement services to Employee with RiseSmart in accordance with the terms of the contract between Corebridge and RiseSmart. However, such services shall commence only at the request of Employee to RiseSmart no later than one year following the Termination Date.

Except as set forth in this Agreement and the Plan, there are no other payments or benefits due to the Employee from Corebridge. The Employee acknowledges and agrees that Corebridge has made no representations to the Employee as to the applicability of Code section 409A to any of the payments or benefits provided to the Employee pursuant to the Plan or this Agreement.

IV. Release of Claims

In consideration of the payments and benefits described in Section IV of the Plan and Section II of this Agreement, to which the Employee agrees the Employee is not entitled until and unless the Employee executes this Agreement and any applicable revocation period has expired, the Employee, for and on behalf of the Employee and the Employee's heirs and assigns, subject to the following two sentences hereof, agrees to all the terms and conditions of this Agreement and hereby waives and releases any common law, statutory or other complaints, claims, or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which the Employee ever had, now has or may have against Corebridge or AIG and their respective shareholders (other than C.V. Starr & Co., Inc. and Starr International Company, Inc.), successors, predecessors, assigns, directors, officers, partners, members, employees, agents benefit plans, or the Plan (collectively, the "***Releasees***"), arising on or before the date of the Employee's execution of this Agreement, including, without limitation, any complaint, or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 ("***ADEA***," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans With Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, [the New Jersey Conscientious Employee Protection Act/the District of Columbia Human Rights Act/the West Virginia Rights Act/the Massachusetts Wage Act, (M.G.L. ch. 149 §§148, et seq.), the Massachusetts Fair Employment Practices Act (M.G.L. ch. 151B § 1, et seq.), the Massachusetts Civil Rights Act (M.G.L. ch. 12 §§11H and 11I), the Massachusetts Equal Rights Act (M.G.L. ch. 93 §102, and M.G.L. ch. 214 § 1C), the Massachusetts Labor and Industries Act (M.G.L. ch. 149 § 1, et seq.), the Massachusetts Privacy Act (M.G.L. ch. 214 §1B)], all as amended; and all other federal, state, local and foreign laws and regulations. By signing this Agreement, the Employee acknowledges that the Employee intends to waive and release any rights known or unknown that the Employee may have against the Releasees under these and any other laws; *provided* that the Employee does not waive or release claims with respect to the right to enforce the Employee's rights under this Agreement or with respect to any rights to indemnification under the Company's certificate of incorporation and by-laws or with respect to claims that the law does not permit Employee to waive by signing this Agreement (the “***Unreleased Claims***”). Nothing herein modifies or affects any vested rights that Employee may have under any applicable retirement plan, 401(k) plan, incentive plan or deferred compensation plan; nor does this Agreement and Release confer any such rights with respect to such plans, which are governed by the terms of the respective plans (and any agreements under such plans).

[For California Employees Only]

<u>All Existing Claims Waived</u>. Employee acknowledges that Employee may hereafter discover claims in addition to or different from those which Employee now knows or believes to exist with respect to the subject matter of this Release and which, if known or suspected at the time of executing this Release, may have materially affected Employee’s decision to execute this Release. Employee hereby waives any such claims. This is an express waiver of California Civil Code § 1542, which reads as follows:

> “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her must have materially affected his or her settlement with the debtor or released party.”

V. Proceedings

The Employee acknowledges that the Employee has not filed any complaint, charge, claim or proceeding, except with respect to an Unreleased Claim, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a “***Proceeding***”). The Employee represents that the Employee is not aware of any basis on which such a Proceeding could reasonably be instituted. By signing this Agreement the Employee:

(a) acknowledges that the Employee shall not initiate or cause to be initiated on his or her behalf any Proceeding and shall not participate in any Proceeding, in each case, except as set forth below or as required by law; and

(b) waives any right to recover any monetary damages or other individual relief arising out of any Proceeding.

Notwithstanding the above, nothing in this Agreement shall:

(x) limit or affect the Employee’s right to challenge the validity of the Employee’s Release set forth in <u>Section IV</u> above under the ADEA or the Older Workers Benefit Protection Act; or

(y) prevent the Employee from filing a charge or complaint with, or participating in any investigation or proceeding conducted by, the EEOC, the National Labor Relations Board or other federal, state or local governmental or regulatory agencies.

VI. Time to Consider

The payments and benefits payable to the Employee under this Agreement include consideration provided to the Employee over and above anything of value to which the Employee already is entitled. The Employee acknowledges that the Employee has been advised that the Employee has **[FOR ONE-OFF TERMINATION AND ANY EMPLOYEE UNDER 40:** 21 days] [**IF TERMINATION IS PART OF RIF OF MORE THAN ONE EMPLOYEE AND EMPLOYEE IS 40 OR OLDER:** 45 days] from the date of the Employee’s receipt of this Agreement to consider all the provisions of this Agreement **[INSERT IF TERMINATION IS PART OF RIF OF MORE THAN ONE EMPLOYEE: AND EMPLOYEE IS 40 OR OLDER:** , and that Employee has received the attached Exhibit A].

THE EMPLOYEE FURTHER ACKNOWLEDGES THAT THE EMPLOYEE HAS READ THIS AGREEMENT CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO CONSULT AN

ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW THE EMPLOYEE IS GIVING UP CERTAIN RIGHTS WHICH THE EMPLOYEE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION IV OF THIS AGREEMENT AND THE OTHER PROVISIONS HEREOF. THE EMPLOYEE ACKNOWLEDGES THAT THE EMPLOYEE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS AGREEMENT, AND THE EMPLOYEE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

VII. Revocation [for Employees age forty (40) and over]

The Employee hereby acknowledges and understands that the Employee shall have seven (7) days from the date of the Employee's execution of this Agreement to revoke this Agreement (including, without limitation, any and all claims arising under the ADEA) by providing written notice of revocation delivered to Chris Banthin no later than 5:00 pm on the seventh day after the Employee has signed the Agreement. Neither the Company nor any other person is obligated to provide any benefits to the Employee pursuant to Section IV of the Plan or this Agreement until eight (8) days have passed since the Employee's signing of this Agreement without the Employee having revoked this Agreement. If the Employee revokes this Agreement pursuant to this Section, the Employee shall be deemed not to have accepted the terms of this Agreement, and no action shall be required of Corebridge under any section of this Agreement. This Agreement will not become effective and enforceable until the eighth day after Employee's signature (if not revoked pursuant to the terms of this paragraph).

VIII. No Admission

This Agreement does not constitute an admission of liability or wrongdoing of any kind by the Employee or Corebridge.

IX. Restrictive Covenants

A. Non-Solicitation/Non-Competition

The Employee acknowledges and recognizes the highly competitive nature of the businesses of Corebridge and, in light of the confidential information received during employment with Corebridge and the valuable benefits received under this Agreement, accordingly agrees as follows:

1. During the period commencing on the Employee's Termination Date and ending on the one-year anniversary of such date (the "***Restricted Period***"), the Employee shall not, directly or indirectly, regardless of who initiates the communication, solicit, participate in the solicitation or recruitment of, or in any manner encourage or provide assistance to any employee, consultant, registered representative, or agent of Corebridge to terminate his or her employment or other relationship with Corebridge or to leave its employ or other relationship with Corebridge for any engagement in any capacity or for any other person or entity, without Corebridge's written consent.

2. During the period commencing on the Employee's Termination Date and ending on the six-month anniversary of such date, the Employee shall not, directly or indirectly:

   (a) engage in any "Competitive Business" (defined below) for the Employee's own account;

   (b) enter the employ of, or render any services to, any person engaged in any Competitive Business;

   (c) acquire a financial interest in, or otherwise become actively involved with, any person engaged in any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

   (d) interfere with business relationships between Corebridge and customers or suppliers of, or consultants to Corebridge.

3. For purposes of this Section IX, a "***Competitive Business***" a means, as of any date, including during the Restricted Period, any person or entity (including any joint venture, partnership, firm, corporation or limited liability company) that engages in or proposes to engage in the following activities in any geographical area in which Corebridge does such business:

(a) the individual retirement business, including the manufacture, issuance and sale of fixed, fixed index and variable annuities;

(b) the group retirement business, including: (A) the provision of retirement plans and services to employees of tax-exempt and public sector organizations within the K-12, higher education, healthcare, government and other tax-exempt markets, (B) the manufacture, issuance and sale of group annuities and (C) the provision of financial planning, brokerage and advisory services to individuals;

(c) the life and accident and health insurance business, including the manufacture, issuance and sale of life insurance policies;

(d) the institutional life and retirement insurance market, including the offering of pension risk transfer products, institutional life insurance sold through the bank-owned life insurance and corporate-owned life insurance markets, stable value wraps and structured settlements;

(e) the underwriting, reinsurance, marketing or sale of (y) any form of insurance of any kind that Corebridge as of such date does, or proposes to, underwrite, reinsure, market or sell (any such form of insurance, an "Corebridge Insurance Product"), or (z) any other form of insurance that is marketed or sold in competition with any Corebridge Insurance Product;

(f) the investment and financial services business, including retirement services and mutual fund or brokerage services;

(g) the property and casualty insurance business, including commercial insurance, business insurance, personal insurance and specialty insurance; or

(e) any other business that as of such date is a direct and material competitor of one of Corebridge's businesses.

4. Notwithstanding anything to the contrary in this Agreement, the Employee may directly or indirectly, own, solely as an investment, securities of any person engaged in the business of Corebridge which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Employee (a) is not a controlling person of, or a member of a group which controls, such person and (b) does not, directly or indirectly, own one percent (1%) or more of any class of securities of such person.

5. The Employee understands that the provisions of this Section IX.A may limit the Employee's ability to earn a livelihood in a business similar to the business of Corebridge but the Employee nevertheless agrees and hereby acknowledges that:

(a) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Corebridge;

(b) such provisions contain reasonable limitations as to time and scope of activity to be restrained;

(c) such provisions are not harmful to the general public; and

(d) such provisions are not unduly burdensome to the Employee. In consideration of the foregoing and in light of the Employee's education, skills and abilities, the Employee agrees that the Employee shall not assert that, and it should not be considered that, any provisions of Section IX.A otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

6. It is expressly understood and agreed that, although the Employee and the Company consider the restrictions contained in this Section IX.A to be reasonable, if a judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Section IX.A or elsewhere in this Agreement is an unenforceable restriction against the Employee, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

B. Nondisparagement

The Employee agrees (whether during or after the Employee's employment with Corebridge) not to issue, circulate, publish or utter any disparaging statements, remarks or rumors about the Releasees. Nothing in this Agreement shall prevent Employee from making or publishing any truthful statement (a) when required by law, subpoena or court order or at the request of an administrative agency or legislature, (b) in the course of any legal, arbitral, administrative, legislative or regulatory proceeding, (c) to any governmental authority, regulatory agency or self-regulatory organization, (d) in connection with any investigation by Corebridge, or (e) where a prohibition or limitation on such communication is unlawful. Nothing in this paragraph limits the Employee's rights identified in section X.D. of this Agreement.

C. Code of Conduct

The Employee agrees to abide by all of the terms of the Company's Code of Conduct or the Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics that continue to apply after termination of employment.

D. Confidentiality/Company Property

The Employee acknowledges that the disclosure of this Agreement or any of the terms hereof could prejudice Corebridge and would be detrimental to Corebridge's continuing relationship with its employees. Accordingly, the Employee agrees not to discuss or divulge either the existence or contents of this Agreement (except, if required, Employee may disclose the contents of Section IX.A only, in connection with prospective employment) to anyone other than the Employee's immediate family, attorneys, tax and financial advisors, governmental authorities or regulators or as may be legally required, except as provided below, and further agrees to use the Employee's best efforts to ensure that none of Employee's immediate family, attorneys, or tax and financial advisors will reveal its existence or contents to anyone else. The Employee shall not, without the prior written consent of Corebridge, use, divulge, disclose or make accessible to any other person, firm, partnership, corporation or other entity, any "Confidential Information" (as defined below), or any "Personal Information" (as defined below); *provided* that the Employee may disclose Confidential Information, or Personal Information when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of Corebridge, as the case may be, or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information; *provided*, *further*, that in the event that the Employee is ordered by a court or other government agency to disclose any Confidential Information or Personal Information, the Employee shall (if permitted to do so by applicable law):

(a) promptly notify Corebridge of such order;

(b) at the written request of Corebridge, diligently contest such order at the sole expense of Corebridge; and

(c) at the written request of Corebridge, seek to obtain, at the sole expense of Corebridge, such confidential treatment as may be available under applicable laws for any information disclosed under such order.

Nothing in this Agreement or any Corebridge policy prohibits or restricts the Employee from communicating with or responding to any inquiry by the Securities and Exchange Commission, law enforcement, the Equal Employment Opportunity Commission.

Upon the Termination Date the Employee shall return Corebridge property, including, without limitation, files, records, disks and any media containing Confidential Information or Personal Information. For purposes of this Section IX.D:

"***Confidential Information***" means an item of information or a compilation of information in any form (tangible or intangible), related to Corebridge's business that Corebridge has not made public or authorized public disclosure of, and that is not generally known to the public through proper means. Confidential Information includes, but is not limited to: (a) business plans and analysis, customer and prospective customer lists, personnel, staffing and compensation information, marketing plans and strategies, research and development data, financial data, operational data, methods, techniques, technical data, know-how, innovations, computer programs, un-patented inventions, and trade secrets; and (b) information about the business affairs of third parties (including, but not limited to, customers and prospective customers) that such third parties provide to Corebridge in confidence.

"***Personal Information***" shall mean any information concerning the personal, social or business activities of the officers or directors of Corebridge.

E. Developments

Developments (as defined below) shall be the sole and exclusive property of Corebridge. The Employee agrees to, and hereby does, assign to Corebridge, without any further consideration, all of the Employee's right, title and interest throughout the world in and to all Developments. The Employee agrees that all such Developments that are copyrightable may constitute works made for hire under the copyright laws of the United States and, as such, acknowledges that Corebridge is the author of such Developments and owns all of the rights comprised in the copyright of such Developments. The Employee hereby assigns to Corebridge without any further consideration all of the rights comprised in the copyright and other proprietary rights the Employee may have in any such Development to the extent that it might not be considered a work made for hire. The Employee shall make and maintain adequate and current written records of all Developments and shall disclose all Developments promptly, fully and in writing to the Company promptly after development of the same, and at any time upon request.

"***Developments***" shall mean all discoveries, inventions, ideas, technology, formulas, designs, software, programs, algorithms, products, systems, applications, processes, procedures, methods and improvements and enhancements conceived, developed or otherwise made or created or produced by the Employee alone or with others, and in any way relating to the business or any proposed business of Corebridge of which the Employee has been made aware, or the products or services of Corebridge of which the Employee has been made aware, whether or not subject to patent, copyright or other protection and whether or not reduced to tangible form, at any time during the Employee's employment with Corebridge.

F. Cooperation

The Employee agrees (whether during or after the Employee's employment with Corebridge) that, if served with a subpoena or order that would compel Employee to testify or respond to any regulatory inquiry, investigation, administrative proceeding or judicial proceeding regarding or in any way relating to the Releasees, including but not limited to any proceeding before or investigation by the EEOC concerning Employee's employment with Corebridge, to send immediately (but in no event later than three (3) business days after Employee has been so served or notified) a written notification, and provide a copy of the subpoena or order, by overnight mail to General Counsel, Corebridge Financial, Inc., 2919 Allen Parkway, Woodson Tower, Houston, Texas 77019. The

Employee further agrees (whether during or after the Employee's employment with Corebridge) to cooperate with Corebridge in connection with any litigation or legal proceeding or any investigatory or regulatory matters in which the Employee may have relevant knowledge or information. This cooperation shall include, without limitation, the following:

(a) to meet and confer, at a time mutually convenient to the Employee and Corebridge, with Corebridge's designated in-house or outside attorneys for purposes of assisting with any litigation or legal proceeding or any investigatory or regulatory matters, including answering questions, explaining factual situations, preparing to testify, or appearing for interview, deposition or trial testimony without the need for Corebridge to serve a subpoena for such appearance and testimony; and

(b) to give truthful sworn statements to Corebridge's attorneys upon their request and, for purposes of any deposition or other testimony in any litigation or legal proceeding or any investigatory or regulatory matters, to adopt Corebridge's attorneys as the Employee's own (*provided* that there is no conflict of interest that would disqualify the attorneys from representing the Employee), and to accept their instructions at deposition.

Corebridge agrees to reimburse the Employee for reasonable out-of-pocket expenses necessarily incurred by the Employee in connection with the cooperation set forth in this paragraph. For the avoidance of doubt, reasonable out-of-pocket expenses do not include any attorneys' fees and expenses incurred by the Employee in connection with the cooperation set forth in this paragraph. Any such legal fees and costs for the retention of separate counsel, including issues of advancement and indemnification, are separately governed by the applicable Company by-laws.

X. Enforcement and Clawback

If (a) at any time the Employee breaches Sections V, IX.B, and IX.D of this Agreement; (b) within one (1) year of the expiration of any restrictive covenant described in Section IX.A, of this Agreement, Corebridge determines that the Employee materially breached such restrictive covenant during its applicable term; or (c) within one (1) year of the first payment date for any Severance payment or benefit due under the terms of the Plan, Corebridge determines that grounds existed, on or prior to the Termination Date, including prior to the Effective Date of the Plan, for Corebridge to terminate the Employee's employment for Cause, then: (x) no further payments or benefits shall be due to the Employee under this Agreement and/or the Plan; and (y) the Employee shall be obligated to repay to Corebridge, immediately and in a cash lump sum, the amount of any Severance benefits (other than any amounts received by the Employee under Section IV.D of the Plan) previously received by the Employee under this Agreement and/or the Plan (which shall, for the avoidance of doubt, be calculated on a pre-tax basis); *provided* that the Employee shall in all events be entitled to receive accrued wages and expense reimbursement and accrued but unused vacation pay as set forth in Section IV.A of the Plan.

The Employee acknowledges and agrees that Corebridge's remedies at law for a breach or threatened breach of any of the provisions of Sections IX.A, B, D and E of this Agreement would be inadequate, and, in recognition of this fact, the Employee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, Corebridge, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. In addition, Corebridge shall be entitled to immediately cease paying any amounts remaining due or providing any benefits to the Employee pursuant to Section IV of the Plan upon a determination by the "Plan Administrator" (as defined in the Plan) that the Employee has violated any provision of Section IX of this Agreement, subject to payment of all such amounts upon a final determination, by a court of competent jurisdiction, that the Employee had not violated Section IX of this Agreement.

XI. Resignation From Board of Directors

The Employee will resign from his/her directorship of the Company and each of its subsidiaries and affiliates (and all other directorships, offices, and trusteeships, held in connection with his/her employment) by signing, dating and returning a letter in the form attached to this Agreement at Schedule 1 to Christina Banthin and undertakes to execute all further documents and do such further things as are necessary in order to give full effect to such resignations. The Employee acknowledges and agrees that the Severance and the Supplemental Health & Life Payment set forth in Section II of this Agreement are contingent upon Employee executing and returning such resignation letter.

XII. Inquiries From Prospective Employers

Employee agrees that Employee will direct any inquiries from prospective employers to The Work Number, at www.theworknumber.com, and the Company agrees that, in response to any such inquiries, The Work Number will only provide information regarding the dates of Employee's employment and last job title, and shall inform the inquirer that it is company policy to provide only that information regarding former employees. Employee will need to provide Employee's Social Security Number and the Corebridge Employer Code ([•]) to facilitate these inquiries.

XIII. General Provisions

A. No Waiver; Severability

A failure of the Company or any of the Releasees to insist on strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Agreement is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Agreement shall remain valid and binding upon the Employee and the Releasees.

B. Governing Law

THIS AGREEMENT SHALL BE GOVERNED BY THE EMPLOYEE RETIREMENT INCOME SECURITY OF 1974, AS AMENDED ("***ERISA***"). TO THE EXTENT THAT ERISA AND OTHER U.S. FEDERAL LAW DOES NOT APPLY, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE WHOLLY PERFORMED WITHIN THAT STATE, WITHOUT REGARD TO ITS CONFLICT OF LAWS PROVISIONS OR THE CONFLICT OF LAWS PROVISIONS OF ANY OTHER JURISDICTION WHICH WOULD CAUSE THE APPLICATION OF ANY LAW OTHER THAN THAT OF THE STATE OF NEW YORK. THE EMPLOYEE CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN NEW YORK.

C. Entire Agreement/Counterparts

This Agreement constitutes the entire understanding and agreement between the Company and the Employee with regard to all matters herein. There are no other agreements, conditions, or representations, oral or written, express or implied, with regard thereto. This Agreement may be amended only in writing, signed by the parties hereto. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may be returned via mail or e-mail. An electronically transmitted signature shall be treated as an original signature for all purposes.

D. Notice

For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered: (a) personally; (b) by overnight courier service; (c) by electronic mail; or (d) by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses, as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith; *provided* that notice of change of address shall be effective only upon receipt. Notices shall be deemed given as follows: (x) notices sent by personal delivery or overnight courier shall be deemed given when delivered; (y) notices sent by electronic mail shall be deemed given upon the sender's receipt and (z) notices sent by United States registered mail shall be deemed given two (2) days after the date of deposit in the United States mail.

If to the Employee, to the address as shall most currently appear on the records of Corebridge.

If to the Company, to Christina Banthin as follows:

By Email: Christina.banthin@corebridgefinancial.com

By Mail:
Christina Banthin
Corebridge Financial, Inc.
2919 Allen Parkway, Woodson Tower,
Houston, Texas 77019

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE

By: ______________________________
Name: Date:

COREBRIDGE FINANCIAL, INC.

By: ______________________________

SCHEDULE 1

MEMORANDUM

To: Whom it May Concern

From: **[EMPLOYEE]**

Re: Resignation

Effective as of **[INSERT THE TERMINATION DATE AS DEFINED IN RELEASE AND RESTRICTIVE COVENANT AGREEMENT],** I hereby tender my resignation as officer and/or director of Corebridge Financial, Inc. and its subsidiaries or affiliates. This resignation is effective for Corebridge Financial, Inc. and all of its direct and indirect subsidiaries in which I hold the title of director, trustee, officer, committee member, authorized agent or any other positions of which I am a designated signer.

Date:

[Employee]

Exhibit 31

CERTIFICATIONS

I, Kevin Hogan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Corebridge Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/S/ KEVIN HOGAN

Kevin Hogan

Chief Executive Officer

CERTIFICATIONS

I, Elias Habayeb, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Corebridge Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/S/ ELIAS HABAYEB

Elias Habayeb
Executive Vice President and
Chief Financial Officer

Exhibit 32

CERTIFICATION

In connection with this Quarterly Report on Form 10-Q of Corebridge Financial, Inc. (the “Company”) for the year ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin Hogan, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023

/S/ KEVIN HOGAN
Kevin Hogan
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION

In connection with this Quarterly Report on Form 10-Q of Corebridge Financial, Inc. (the “Company”) for the year ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Elias Habayeb, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023

/S/ ELIAS HABAYEB

Elias Habayeb
Executive Vice President and
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.