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 September 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 October 27, 2023, there were 631,023,678 shares outstanding of the registrant's common stock.

COREBRIDGE FINANCIAL, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 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, uncertainty regarding approval of the U.S. federal government’s budget, and geopolitical tensions, including the continued armed conflict between Ukraine and Russia and in the Middle East;
- 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 entered into with AIG on September 14, 2022 (the “TSA”);
- 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)		September 30, 2023		December 31, 2022
Assets:				
Investments:				
Fixed maturity securities:				
Bonds available for sale, at fair value, net of allowance for credit losses of $110 in 2023 and $148 in 2022 (amortized cost: 2023 -$179,954; 2022 - $181,274)*	$	151,378	$	156,793
Other bond securities, at fair value (See Note 5)*		4,186		3,769
Equity securities, at fair value (See Note 5)*		126		170
Mortgage and other loans receivable, net of allowance for credit losses of $752 in 2023 and $600 in 2022*		46,054		44,566
Other invested assets (portion measured at fair value: 2023 - $7,879; 2022 - $7,879)*		10,436		10,418
Short-term investments, including restricted cash of $3 in 2023 and $69 in 2022 (portion measured at fair value: 2023 - $1,628; 2022 - $1,357)*		4,730		4,400
Total investments		216,910		220,116
Cash*		569		552
Accrued investment income*		2,010		1,813
Premiums and other receivables, net of allowance for credit losses and disputes of $1 in 2023 and $1 in 2022		717		916
Reinsurance assets - Fortitude Re, net of allowance for credit losses and disputes of $0 in 2023 and $0 in 2022		25,239		26,844
Reinsurance assets - other, net of allowance for credit losses and disputes of $70 in 2023 and $84 in 2022		1,633		2,517
Deferred income taxes		8,785		8,831
Deferred policy acquisition costs and value of business acquired		9,973		10,563
Market risk benefit assets, at fair value		978		796
Other assets, including restricted cash of $9 in 2023 and $12 in 2022 (portion measured at fair value: 2023 - $272; 2022 - $299)*		1,814		2,521
Separate account assets, at fair value		84,724		84,853
Assets held-for-sale		2,240		—
Total assets	$	355,592	$	360,322
Liabilities:				
Future policy benefits for life and accident and health insurance contracts	$	50,355	$	50,518
Policyholder contract deposits (portion measured at fair value: 2023 - $6,478; 2022 - $5,464)		159,858		156,058
Market risk benefit liabilities, at fair value		4,519		4,736
Other policyholder funds		2,850		2,885
Fortitude Re funds withheld payable (portion measured at fair value: 2023 - $203; 2022 - $1,262)		24,335		26,551
Other liabilities (portion measured at fair value: 2023 - $90; 2022 - $97)*		6,071		9,076
Short-term debt		1,000		1,500
Long-term debt		8,371		7,868
Debt of consolidated investment entities (portion measured at fair value: 2023 - $0; 2022 - $6)*		2,596		5,958
Separate account liabilities		84,724		84,853
Liabilities held-for-sale		1,657		—
Total liabilities	$	346,336	$	350,003
Contingencies, commitments and guarantees (*See Note 16*)				
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 - 14,660,410 shares and 2022 - 0 shares		(249)		—
Additional paid-in capital		8,138		8,030
Retained earnings		19,765		18,207
Accumulated other comprehensive loss		(19,294)		(16,863)
Total Corebridge Shareholders' equity		8,366		9,380
Non-redeemable noncontrolling interests		890		939
Total equity		9,256		10,319
Total liabilities and equity	$	355,592	$	360,322

* See *Note 9* 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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Premiums	**$ 701**	$ 1,301	**$ 5,249**	$ 3,047
Policy fees	**702**	735	**2,094**	2,194
Net investment income:				
Net investment income - excluding Fortitude Re funds withheld assets	**2,424**	2,003	**7,169**	6,404
Net investment income - Fortitude Re funds withheld assets	**233**	157	**897**	617
Total net investment income	**2,657**	2,160	**8,066**	7,021
Net realized gains (losses):				
Net realized gains (losses) - excluding Fortitude Re funds withheld assets and embedded derivative	**368**	724	**(397)**	1,083
Net realized losses on Fortitude Re funds withheld assets	**(228)**	(89)	**(338)**	(272)
Net realized gains on Fortitude Re funds withheld embedded derivative	**1,080**	1,463	**177**	6,694
Total net realized gains (losses)	**1,220**	2,098	**(558)**	7,505
Advisory fee income	**118**	114	**349**	362
Other income	**107**	130	**324**	439
Total revenues	**5,505**	6,538	**15,524**	20,568
Benefits and expenses:				
Policyholder benefits (includes remeasurement (gains) losses of $35 and $9 for the three months ended September 30, 2023 and 2022, and $192 and $236, for the nine months ended September 30, 2023 and 2022,respectively)	**1,102**	1,656	**6,473**	4,253
Change in the fair value of market risk benefits, net	**(418)**	(435)	**(484)**	(713)
Interest credited to policyholder account balances	**1,134**	954	**3,238**	2,739
Amortization of deferred policy acquisition costs and value of business acquired	**268**	263	**782**	758
Non-deferrable insurance commissions	**146**	138	**435**	433
Advisory fee expenses	**65**	65	**194**	201
General operating expenses	**611**	578	**1,797**	1,741
Interest expense	**135**	149	**441**	357
Net (gain) loss on divestitures	**1**	(2)	**(55)**	1
Total benefits and expenses	**3,044**	3,366	**12,821**	9,770
Income before income tax expense	**2,461**	3,172	**2,703**	10,798
Income tax expense	**392**	640	**336**	2,151
Net income	**2,069**	2,532	**2,367**	8,647
Less:				
Net income (loss) attributable to noncontrolling interests	**(32)**	126	**(46)**	281
Net income attributable to Corebridge	**$ 2,101**	$ 2,406	**$ 2,413**	$ 8,366
Income (loss) per common share attributable to Corebridge common shareholders:				
Common stock - Basic	**$ 3.29**	$ 3.73	**$ 3.73**	$ 12.97
Common stock - Diluted	**$ 3.28**	$ 3.72	**$ 3.72**	$ 12.96
Weighted averages shares outstanding:				
Common stock - Basic	**639.0**	645.7	**646.8**	645.2
Common stock - Diluted	**641.0**	646.4	**648.6**	645.4

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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss)	**$ 2,069**	$ 2,532	**$ 2,367**	$ 8,647
Other comprehensive income (loss), net of tax				
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken	**(49)**	(49)	**24**	(51)
Change in unrealized appreciation (depreciation) of all other investments	**(5,058)**	(7,563)	**(3,410)**	(33,358)
Change in fair value of market risk benefits attributable to changes in our own credit risk	**(81)**	252	**(196)**	1,615
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	**1,116**	1,578	**1,137**	5,575
Change in cash flow hedges	**(14)**	(6)	**(24)**	163
Change in foreign currency translation adjustments	**(29)**	(79)	**43**	(149)
Change in retirement plan liabilities	**—**	—	**2**	(1)
Other comprehensive income (loss)	**(4,115)**	(5,867)	**(2,424)**	(26,206)
Comprehensive income (loss)	**(2,046)**	(3,335)	**(57)**	(17,559)
Less:				
Comprehensive income attributable to noncontrolling interests	**(35)**	107	**(39)**	262
Comprehensive income (loss) attributable to Corebridge	**$ (2,011)**	$ (3,442)	**$ (18)**	$ (17,821)

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

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

(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 September 30, 2023										
Balance, beginning of period	$ 6	$ —	$ —	$ (202)	$ 8,128	$ 17,811	$ (15,182)	$ 10,561	$ 907	$ 11,468
Purchase of common stock	—	—	—	(47)	—	—	—	(47)	—	(47)
Net income attributable to Corebridge or noncontrolling interests	—	—	—	—	—	2,101	—	2,101	(32)	2,069
Dividends on common stock	—	—	—	—	—	(146)	—	(146)	—	(146)
Other comprehensive income, net of tax	—	—	—	—	—	—	(4,112)	(4,112)	(3)	(4,115)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	20	20
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Other	—	—	—	—	10	(1)	—	9	(1)	8
Balance, end of period	$ 6	$ —	$ —	$ (249)	$ 8,138	$ 19,765	$ (19,294)	$ 8,366	$ 890	$ 9,256
Nine Months Ended September 30, 2023										
Balance, beginning of year	$ 6	$ —	$ —	$ —	$ 8,030	$ 18,207	$ (16,863)	$ 9,380	$ 939	$ 10,319
Purchase of common stock	—	—	—	(249)	—	—	—	(249)	—	(249)
Net income attributable to Corebridge or noncontrolling interests	—	—	—	—	—	2,413	—	2,413	(46)	2,367
Dividends on common stock	—	—	—	—	—	(846)	—	(846)	—	(846)
Other comprehensive income, net of tax	—	—	—	—	—	—	(2,431)	(2,431)	7	(2,424)
Changes in noncontrolling interests due to divestitures and acquisitions	—	—	—	—	—	—	—	—	(19)	(19)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	63	63
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(54)	(54)
Other	—	—	—	—	108	(9)	—	99	—	99
Balance, end of period	$ 6	$ —	$ —	$ (249)	$ 8,138	$ 19,765	$ (19,294)	$ 8,366	$ 890	$ 9,256

Corebridge Financial, Inc.
Condensed Consolidated Statements of Equity *(unaudited)(Continued)*

(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 September 30, 2022										
Balance, beginning of period*	$ 6	$ —	$ —	$ —	$ 8,033	$ 16,318	$ (12,106)	$ 12,251	$ 1,208	$ 13,459
Net income attributable to Corebridge or noncontrolling interests	—	—	—	—	—	2,406	—	2,406	127	2,533
Dividends on common stock	—	—	—	—	—	(148)	—	(148)	—	(148)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(5,848)	(5,848)	(19)	(5,867)
Changes in noncontrolling interests due to divestitures and acquisitions	—	—	—		—	—	—	—	(104)	(104)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	22	22
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(399)	(399)
Other	—	—	—	—	(3)	(63)	—	(66)	10	(56)
Balance, end of period	$ 6	$ —	$ —	$ —	$ 8,030	$ 18,513	$ (17,954)	$ 8,595	$ 845	$ 9,440
Nine Months Ended September 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	—	—	—	—	—	8,366	—	8,366	282	8,648
Dividends on common stock	—	—	—	—	—	(728)	—	(728)	—	(728)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(26,187)	(26,187)	(19)	(26,206)
Changes in noncontrolling interests due to divestitures and acquisitions	—	—	—		—	—	—	—	(104)	(104)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	45	45
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(1,117)	(1,117)
Other	—	—	—	—	(24)	(62)	—	(86)	(1)	(87)
Reorganization transactions	6	(5)	(1)	—	—	—	—	—	—	—
Balance, end of period	$ 6	$ —	$ —	$ —	$ 8,030	$ 18,513	$ (17,954)	$ 8,595	$ 845	$ 9,440

** 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)*

(in millions)	Nine Months Ended September 30, 2023	2022
Cash flows from operating activities:		
Net income (loss)	$ 2,367	$ 8,647
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	291	307
Net (gain) loss on divestitures	(55)	1
Unrealized (gains) losses in earnings - net	1,150	(297)
Change in the fair value of market risk benefits in earnings, net	(1,056)	(1,032)
Equity in income from equity method investments, net of dividends or distributions	14	(110)
Depreciation and other amortization	346	462
Impairments of assets	20	11
Changes in operating assets and liabilities:		
Insurance liabilities	354	845
Premiums and other receivables and payables - net	(335)	(72)
Funds held relating to Fortitude Re Reinsurance contracts	(1,648)	(8,381)
Reinsurance assets and funds held under reinsurance treaties	596	1,067
Capitalization of deferred policy acquisition costs	(941)	(783)
Current and deferred income taxes - net	563	1,100
Other, net	924	385
Total adjustments	223	(6,497)
Net cash provided by operating activities	2,590	2,150
Cash flows from investing activities:		
Proceeds from (payments for)		
sales or distributions of:		
Available-for-sale securities	6,203	9,183
Other securities	774	602
Other invested assets	949	1,556
Divestitures, net	32	—
Maturities of fixed maturity securities available for sale	6,186	7,784
Principal payments received on mortgage and other loans receivable	3,778	4,839
Purchases of:		
Available-for-sale securities	(11,101)	(14,385)
Other securities	(1,124)	(3,248)
Other invested assets	(902)	(1,225)
Mortgage and other loans receivable	(6,240)	(9,399)
Acquisition of businesses, net of cash and restricted cash acquired	(5)	(107)
Net change in short-term investments	(776)	87
Net change in derivative assets and liabilities	(1,087)	1,011
Other, net	46	(28)
Net cash used in investing activities	(3,267)	(3,330)
Cash flows from financing activities:		
Proceeds from (payments for):		
Policyholder contract deposits	24,550	19,831
Policyholder contract withdrawals	(20,409)	(14,736)
Issuance of long-term debt	496	7,451
Issuance of short-term debt	—	1,512
Issuance of debt of consolidated investment entities	202	860
Repayments of short-term debt	(500)	(8,312)
Maturities and repayments of debt of consolidated investment entities	(374)	(1,090)
Dividends paid on common stock	(846)	(580)
Distributions to noncontrolling interests	(59)	(395)
Contributions from noncontrolling interests	63	45
Net change in securities lending and repurchase agreements	(2,290)	(3,474)
Repurchase of common stock	(246)	—
Other, net	73	(80)
Net cash provided by (used in) financing activities	660	1,032
Effect of exchange rate changes on cash and restricted cash	3	(9)
Net increase (decrease) in cash and restricted cash	(14)	(157)
Cash and restricted cash at beginning of year	633	601
Change in cash of businesses held for sale	(38)	—
Cash and restricted cash at end of period	$ 581	$ 444

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

	Nine Months Ended September 30,	
(in millions)	**2023**	2022
Cash	**$ 569**	$ 382
Restricted cash included in short-term investments*	**3**	19
Restricted cash included in other assets*	**9**	43
Total cash and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	**$ 581**	$ 444
Cash (received) paid during the period for:		
Interest	**$ 288**	$ 238
Taxes	**(227)**	1,051
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**	—
Fixed maturity securities, designated available for sale, transferred to repay debt of consolidated investment entities	**—**	458
Investment assets transferred in conjunction with fund establishment	**—**	19
Investment assets received in conjunction with fund establishment	**—**	(49)
Real estate investments transferred in conjunction with fund establishment	**—**	305
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	**—**	694
Other invested assets securities, transferred in connection with reinsurance transactions	**(111)**	—
Non-cash financing activities:		
Interest credited to policyholder contract deposits included in financing activities	**3,217**	2,667
Fee income debited to policyholder contract deposits included in financing activities	**(1,567)**	(1,268)
Repayments of debt of consolidated investment entities utilizing fixed maturity securities	**—**	(474)
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	**—**	(694)
Extinguishment of debt in exchange for partnership interest	**—**	(172)
Redemption of NCI in exchange for partnership interest	**—**	(104)

* 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”),Corebridge Insurance Company of Bermuda, Ltd. (" CRBG 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 September 30, 2023, AIG owns 65.6% 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.

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.*

SALE OF BUSINESSES

AIG Life (United Kingdom)

On September 25, 2023 Corebridge announced that it has entered into a definitive agreement to sell AIG Life (United Kingdom), to Aviva plc for a total consideration of £460 million in cash, subject to certain adjustments. The sale is expected to close in the first half of 2024, subject to customary closing conditions including regulatory approvals. *For further details on this transaction, see Note 4.*

Laya

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, subject to certain adjustments. The transaction closed on October 31, 2023. *For further details on this transaction, see Note 4.*

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 6. Investments

- Net realized gains (losses)

Note 8. Reinsurance

- Reinsurance assets – net of allowance

Note 11. 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 13. Future Policy Benefits

Note 14. Policyholder Contract Deposits and Other Policyholder Funds

- Policyholder contract deposits
- Other policyholder funds

Note 15. 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 ("NPA") 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 three and nine months ended September 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 15.*

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 13.*

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 13.*
- 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 11.*
- 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 8 for additional information on the transition impacts associated with LDTI.

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

(c) Refer to Note 15 for additional information on the transition impacts associated with LDTI.

(d) Other assets include deferred sales inducement assets. Refer to Note 11 for additional information on the transition impacts associated with LDTI.

(e) Refer to Note 14 for additional information on the transition impacts associated with LDTI.

(f) Other policyholder funds include URR. Refer to Note 14 for additional information on the transition impacts associated with LDTI.

(g) Other liabilities include deferred cost of reinsurance liabilities. Refer to Note 8 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 Statements of Income (Loss) for the three and nine months ended September 30, 2022:

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
(in millions, except per common share data)	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Revenues:						
Premiums	$ 1,305	$ (4)	$ 1,301	$ 3,046	$ 1	$ 3,047
Policy fees	732	3	735	2,238	(44)	2,194
Total net realized gains (losses)	2,700	(602)	2,098	9,704	(2,199)	7,505
Total revenues	7,141	(603)	6,538	22,810	(2,242)	20,568
Benefits and expenses:						
Policyholder benefits	1,810	(154)	1,656	4,752	(499)	4,253
Change in the fair value of market risk benefits, net	—	(435)	(435)	—	(713)	(713)
Interest credited to policyholder account balances	944	10	954	2,725	14	2,739
Amortization of deferred acquisition costs and value of business acquired	339	(76)	263	1,313	(555)	758
Non-deferrable insurance commissions	156	(18)	138	481	(48)	433
Total benefits and expenses	4,039	(673)	3,366	11,571	(1,801)	9,770
Income (loss) before income tax expense (benefit)	3,102	70	3,172	11,239	(441)	10,798
Income tax expense (benefit):	625	15	640	2,243	(92)	2,151
Net income (loss)	2,477	55	2,532	8,996	(349)	8,647
Net income (loss) attributable to Corebridge	2,351	55	2,406	8,715	(349)	8,366
Income (loss) per common share attributable to Corebridge common shareholders:						
Common stock - Basic	$ 3.64	$ 0.09	$ 3.73	$ 13.51	$ (0.54)	$ 12.97
Common stock - Diluted	$ 3.63	$ 0.09	$ 3.72	$ 13.50	$ (0.54)	$ 12.96

The following table presents the impacts in connection with the adoption of LDTI on our previously reported Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2022:

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
(in millions)	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Net income	$ 2,477	$ 55	$ 2,532	$ 8,996	$ (349)	$ 8,647
Other comprehensive income (loss), net of tax						
Change in unrealized appreciation (depreciation) of fixed maturity securities on which allowance for credit losses was taken	(47)	(2)	(49)	(46)	(5)	(51)
Change in unrealized appreciation (depreciation) of all other investments	(6,379)	(1,184)	(7,563)	(27,442)	(5,916)	(33,358)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	252	252	—	1,615	1,615
Change in the discount rates used to measure traditional and limited payment long-duration insurance contracts	—	1,578	1,578	—	5,575	5,575
Change in foreign currency translation adjustments	(78)	(1)	(79)	(150)	1	(149)
Other comprehensive income (loss)	(6,510)	643	(5,867)	(27,476)	1,270	(26,206)
Comprehensive income (loss)	(4,033)	698	(3,335)	(18,480)	921	(17,559)
Comprehensive income (loss) attributable to Corebridge	(4,140)	698	(3,442)	(18,742)	921	(17,821)

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 nine months ended September 30, 2022:

Nine Months Ended September 30, 2022 *(in millions)*	As Previously Reported	Effect of Change	Updated Balances Post-Adoption of LDTI
Cash flows from operating activities:			
Net income	$ 8,996	$ (349)	$ 8,647
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	(2,864)	2,567	(297)
Change in the fair value of market risk benefits in earnings, net	—	(1,032)	(1,032)
Depreciation and other amortization	1,055	(593)	462
Changes in operating assets and liabilities:			
Insurance liabilities	1,697	(852)	845
Premiums and other receivables and payables - net	(33)	(39)	(72)
Reinsurance assets and funds held under reinsurance treaties	412	655	1,067
Capitalization of deferred policy acquisition costs	(735)	(48)	(783)
Current and deferred income taxes - net	1,192	(92)	1,100
Other, net	654	(269)	385
Total adjustments	(6,794)	297	(6,497)
Net cash provided by operating activities	2,202	(52)	2,150
Cash flows from financing activities:			
Policyholder contract deposits	$ 19,779	$ 52	$ 19,831
Net cash provided by financing activities	$ 980	$ 52	$ 1,032

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 7.*

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. Corebridge previously announced agreements to sell Laya and AIG Life (United Kingdom). The sale of Laya closed on [October 31, 2023] and the AIG Life sale is expected to close in the first half of 2024.
- **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 September 30, 2023									
Premiums	**$ 29**	**$ 6**	**$ 449**	**$ 200**	**$ 19**	**$ —**	**$ 703**	**$ (2)**	**$ 701**
Policy fees	**182**	**102**	**371**	**47**	**—**	**—**	**702**	**—**	**702**
Net investment income[(a)]	**1,240**	**504**	**313**	**408**	**(2)**	**(7)**	**2,456**	**201**	**2,657**
Net realized gains (losses)[(a)(b)]	**—**	**—**	**—**	**—**	**(5)**	**—**	**(5)**	**1,225**	**1,220**
Advisory fee and other income	**107**	**78**	**29**	**1**	**10**	**—**	**225**	**—**	**225**
Total adjusted revenues	**1,558**	**690**	**1,162**	**656**	**22**	**(7)**	**4,081**	**1,424**	**5,505**
Policyholder benefits	**29**	**12**	**673**	**389**	**—**	**—**	**1,103**	**(1)**	**1,102**
Change in the fair value of market risk benefits, net	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(418)**	**(418)**
Interest credited to policyholder account balances	**582**	**298**	**86**	**165**	**—**	**—**	**1,131**	**3**	**1,134**
Amortization of deferred policy acquisition costs	**150**	**21**	**95**	**2**	**—**	**—**	**268**	**—**	**268**
Non-deferrable insurance commissions	**90**	**29**	**22**	**5**	**—**	**—**	**146**	**—**	**146**
Advisory fee expenses	**35**	**29**	**1**	**—**	**—**	**—**	**65**	**—**	**65**
General operating expenses	**96**	**109**	**149**	**20**	**85**	**—**	**459**	**152**	**611**
Interest expense	**—**	**—**	**—**	**—**	**132**	**(4)**	**128**	**7**	**135**
Net (gain) loss on divestitures	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**1**
Total benefits and expenses	**982**	**498**	**1,026**	**581**	**217**	**(4)**	**3,300**	**(256)**	**3,044**
Noncontrolling interests	**—**	**—**	**—**	**—**	**32**	**—**	**32**		
Adjusted pre-tax operating income (loss)	**$ 576**	**$ 192**	**$ 136**	**$ 75**	**$ (163)**	**$ (3)**	**$ 813**		
Adjustments to:									
Total revenue							**1,424**		
Total expenses							**(256)**		
Noncontrolling interests							**(32)**		
Income before income tax (benefit)							**$ 2,461**		**$ 2,461**
Three Months Ended September 30, 2022									
Premiums	$ 56	$ 3	$ 417	$ 804	$ 20	$ —	$ 1,300	$ 1	$ 1,301
Policy fees	192	101	393	49	—	—	735	—	735
Net investment income[(a)]	940	491	307	257	39	(3)	2,031	129	2,160
Net realized gains (losses)[(a)(b)]	—	—	—	—	132	—	132	1,966	2,098
Advisory fee and other income	108	74	28	—	31	—	241	3	244
Total adjusted revenues	1,296	669	1,145	1,110	222	(3)	4,439	2,099	6,538
Policyholder benefits	69	5	666	918	—	—	1,658	(2)	1,656
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(435)	(435)
Interest credited to policyholder account balances	492	289	84	85	—	—	950	4	954
Amortization of deferred policy acquisition costs	139	20	102	2	—	—	263	—	263
Non-deferrable insurance commissions	87	31	15	4	1	—	138	—	138
Advisory fee expenses	34	31	—	—	—	—	65	—	65
General operating expenses	100	103	154	18	97	1	473	105	578
Interest expense	—	—	—	—	144	(8)	136	13	149
Net (gain) loss on divestitures	—	—	—	—	—	—	—	(2)	(2)
Total benefits and expenses	921	479	1,021	1,027	242	(7)	3,683	(317)	3,366
Noncontrolling interests	—	—	—	—	(126)	—	(126)		
Adjusted pre-tax operating income (loss)	$ 375	$ 190	$ 124	$ 83	$ (146)	$ 4	$ 630		
Adjustments to:									
Total revenue							2,099		
Total expenses							(317)		
Noncontrolling interests							126		
Income before income tax (benefit)							$ 3,172		$ 3,172

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Corporate & Other	Eliminations	Total Corebridge	Adjustments	Total Consolidated
Nine Months Ended September 30, 2023									
Premiums	$ 173	$ 16	$ 1,317	$ 3,686	$ 59	$ —	$ 5,251	$ (2)	$ 5,249
Policy fees	528	304	1,117	145	—	—	2,094	—	2,094
Net investment income[a]	3,592	1,508	957	1,147	85	(18)	7,271	795	8,066
Net realized gains (losses)[a][b]	—	—	—	—	—	—	—	(558)	(558)
Advisory fee and other income	318	230	84	1	40	—	673	—	673
Total adjusted revenues	4,611	2,058	3,475	4,979	184	(18)	15,289	235	15,524
Policyholder benefits	165	27	2,102	4,188	(3)	—	6,479	(6)	6,473
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(484)	(484)
Interest credited to policyholder account balances	1,654	883	253	421	—	—	3,211	27	3,238
Amortization of deferred policy acquisition costs	425	62	289	6	—	—	782	—	782
Non-deferrable insurance commissions	270	90	60	14	1	—	435	—	435
Advisory fee expenses	105	87	2	—	—	—	194	—	194
General operating expenses	308	334	475	64	261	—	1,442	355	1,797
Interest expense	—	—	—	—	433	(14)	419	22	441
Net (gain) loss on divestitures	—	—	—	—	—	—	—	(55)	(55)
Total benefits and expenses	2,927	1,483	3,181	4,693	692	(14)	12,962	(141)	12,821
Noncontrolling interests	—	—	—	—	46	—	46		
Adjusted pre-tax operating income (loss)	$ 1,684	$ 575	$ 294	$ 286	$ (462)	$ (4)	$ 2,373		
Adjustments to:									
Total revenue							235		
Total expenses							(141)		
Noncontrolling interests							(46)		
Income before income tax expense (benefit)							$ 2,703		$ 2,703
Nine Months Ended September 30, 2022									
Premiums	$ 172	$ 16	$ 1,282	$ 1,538	$ 62	$ —	$ 3,070	$ (23)	$ 3,047
Policy fees	563	319	1,167	145	—	—	2,194	—	2,194
Net investment income[a]	2,824	1,506	1,013	760	361	(13)	6,451	570	7,021
Net realized gains (losses)[a][b]	—	—	—	—	143	—	143	7,362	7,505
Advisory fee and other income	346	232	94	1	101	—	774	27	801
Total adjusted revenues	3,905	2,073	3,556	2,444	667	(13)	12,632	7,936	20,568
Policyholder benefits	212	28	2,144	1,880	—	—	4,264	(11)	4,253
Change in the fair value of market risk benefits, net	—	—	—	—	—	—	—	(713)	(713)
Interest credited to policyholder account balances	1,412	859	256	215	—	—	2,742	(3)	2,739
Amortization of deferred policy acquisition costs	384	59	310	5	—	—	758	—	758
Non-deferrable insurance commissions	265	89	62	15	2	—	433	—	433
Advisory fee expenses	106	95	—	—	—	—	201	—	201
General operating expenses	318	332	479	55	297	2	1,483	258	1,741
Interest expense	—	—	—	—	349	(29)	320	37	357
Net (gain) loss on divestitures	—	—	—	—	—	—	—	1	1
Total benefits and expenses	2,697	1,462	3,251	2,170	648	(27)	10,201	(431)	9,770
Noncontrolling interests	—	—	—	—	(281)	—	(281)		
Adjusted pre-tax operating income (loss)	$ 1,208	$ 611	$ 305	$ 274	$ (262)	$ 14	$ 2,150		
Adjustments to:									
Total revenue							7,936		
Total expenses							(431)		
Noncontrolling interests							281		
Income before income tax expense (benefit)							$ 10,798		$ 10,798

(a) Adjustments include Fortitude Re activity of $1,085 million and $1,531 million for the three months ended September 30, 2023 and 2022, respectively, and $736 million and $7,039 million for the nine months ended September 30, 2023 and 2022, respectively.

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

4. Held-For-Sale Classification

HELD-FOR-SALE CLASSIFICATION

We report and classify a business as held-for-sale ("Held-For-Sale Business") when management has approved or received approval to sell the business and is committed to a formal plan, the business is available for immediate sale, the business is being actively marketed, the sale is anticipated to occur during the next 12 months and certain other specified criteria are met. A Held-For-Sale Business is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized.

Assets and liabilities related to a Held-For-Sale Business are segregated and reported in Assets held-for-sale and Liabilities held-for-sale, respectively, in our Condensed Consolidated Balance Sheets beginning in the period in which the business is classified as held-for-sale. At September 30, 2023, the following businesses were reported and classified as held-for-sale:

AIG Life (United Kingdom)

To further simplify Corebridge's business model, on September 25, 2023, Corebridge announced that it entered into a definitive agreement to sell its subsidiary, AIG Life (United Kingdom), to Aviva plc for £460 million in cash, subject to certain adjustments. The sale is expected to close in the first half of 2024, subject to regulatory approvals and other customary closing conditions. The results of AIG Life (United Kingdom) are reported in the Life segment.

Laya and Other

To further simplify Corebridge's business model, on August 3, 2023, Corebridge announced that it entered into a definitive agreement to sell its subsidiary, Laya, to AXA for €650 million in cash, subject to certain adjustments. The transaction closed on October 31, 2023. The results of Laya are reported in the Life segment.

Other primarily consists of owner occupied real estate.

The following table summarizes the components of assets and liabilities held-for-sale on the Condensed Consolidated Balance Sheet at September 30, 2023 after elimination of intercompany balances:

September 30, 2023 *(in millions)*	AIG Life (United Kingdom)	Laya and Other	Total
Assets:			
Bonds available for sale	$ 137	$ —	$ 137
Other invested assets	—	—	—
Short-term investments, including restricted cash of $22 million	32	76	108
Cash	2	15	17
Accrued investment income	3	—	3
Premiums and other receivables, net of allowance for credit losses and disputes	127	15	142
Reinsurance assets - other, net of allowance for credit losses and disputes	794	—	794
Deferred income taxes	35	1	36
Deferred policy acquisition costs	755	—	755
Other assets, net of allowance for credit losses	109	139	248
Total assets held for sale	**$ 1,994**	**$ 246**	**$ 2,240**
Liabilities:			
Future policy benefits for life and accident and health insurance contracts	$ 592	$ —	$ 592
Other policy funds	—	40	40
Other liabilities	989	36	1,025
Total liabilities held for sale	**$ 1,581**	**$ 76**	**$ 1,657**

5. 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 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 NPA 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 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 NPA that is a locked-in estimate of our claims-paying ability at policy issue (“locked-in NPA”) as well as a NPA that reflects an estimate of our current claims-paying ability (“current NPA”).

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

September 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	$ —	$ 1,100	$ —	$ —	$ —	$ 1,100
Obligations of states, municipalities and political subdivisions	—	4,640	762	—	—	5,402
Non-U.S. governments	—	3,699	—	—	—	3,699
Corporate debt	—	94,191	1,184	—	—	95,375
RMBS[(b)]	—	7,054	5,727	—	—	12,781
CMBS	—	9,087	513	—	—	9,600
CLO[(c)]	—	8,731	1,787	—	—	10,518
ABS	—	876	12,027	—	—	12,903
Total bonds available for sale	—	129,378	22,000	—	—	151,378
Other bond securities:						
U.S. government and government sponsored entities	—	—	—	—	—	—
Obligations of states, municipalities and political subdivisions	—	42	1	—	—	43
Non-U.S. governments	—	12	—	—	—	12
Corporate debt	—	2,219	176	—	—	2,395
RMBS[(d)]	—	68	106	—	—	174
CMBS	—	210	24	—	—	234
CLO[(e)]	—	347	69	—	—	416
ABS	—	83	829	—	—	912
Total other bond securities	—	2,981	1,205	—	—	4,186
Equity securities	80	—	46	—	—	126
Other invested assets[(f)]	—	—	1,990	—	—	1,990
Derivative assets:						
Interest rate contracts	—	1,727	521	—	—	2,248
Foreign exchange contracts	—	1,458	—	—	—	1,458
Equity contracts	4	1,041	372	—	—	1,417
Credit contracts	—	—	—	—	—	—
Other contracts	—	—	16	—	—	16
Counterparty netting and cash collateral	—	—	—	(3,680)	(1,187)	(4,867)
Total derivative assets	4	4,226	909	(3,680)	(1,187)	272
Short-term investments	10	1,618	—	—	—	1,628
Market risk benefit assets	—	—	978	—	—	978
Separate account assets	81,568	3,156	—	—	—	84,724
Total [(i)]	$ 81,662	$ 141,359	$ 27,128	$ (3,680)	$ (1,187)	$ 245,282
Liabilities:						
Policyholder contract deposits[(g)]	$ —	$ 151	$ 6,327	$ —	$ —	$ 6,478
Derivative liabilities:						
Interest rate contracts	—	4,163	—	—	—	4,163
Foreign exchange contracts	—	273	—	—	—	273
Equity contracts	6	844	4	—	—	854
Credit contracts	—	—	—	—	—	—
Other contracts	—	—	—	—	—	—
Counterparty netting and cash collateral	—	—	—	(3,680)	(1,520)	(5,200)
Total derivative liabilities	6	5,280	4	(3,680)	(1,520)	90
Fortitude Re funds withheld payable[(h)]	—	—	203	—	—	203
Market risk benefit liabilities	—	—	4,519	—	—	4,519
Debt of consolidated investment entities	—	—	—	—	—	—
Total	$ 6	$ 5,431	$ 11,053	$ (3,680)	$ (1,520)	$ 11,290

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 $34 million and $2 million classified as Level 2 and Level 3, respectively, as of September 30, 2023. Additionally, includes investments in RMBS issued by related parties of $37 million and $2 million classified as Level 2 and Level 3, respectively, as of December 31, 2022.

(c) Includes investments in collateralized loan obligations (“CLOs”) issued by related parties of $15 million as Level 3, as of September 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 September 30, 2023 and December 31, 2022.

(e) There were no investments in CLOs issued by related parties as of September 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 $5.9 billion and $6.0 billion as of September 30, 2023 and December 31, 2022, respectively.

(g) Excludes basis adjustments for fair value hedges.

(h) *As discussed in Note 8*, 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 Condensed Consolidated Balance Sheets. 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.

(i) Excludes $141 million of assets that were reclassified to Assets held-for-sale in the Condensed Consolidated Balance Sheets. *See Note* 4 f*or additional information.*

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The following tables present changes during the three and nine months ended September 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 September 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 September 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 853	$ (2)	$ (77)	$ (12)	$ —	$ —	$ —	$ 762	$ —	$ (81)
Corporate debt	1,303	(3)	(65)	(13)	147	(185)	—	1,184	—	(70)
RMBS	5,753	74	(66)	(13)	1	(22)	—	5,727	—	(106)
CMBS	505	5	(28)	(2)	33	—	—	513	—	(27)
CLO	1,708	24	32	(40)	2	(11)	72	1,787	—	34
ABS	11,127	41	(167)	477	551	(2)	—	12,027	—	(153)
Total bonds available for sale	21,249	139	(371)	397	734	(220)	72	22,000	—	(403)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	3	—	—	(2)	—	—	—	1	—	—
Corporate debt	110	1	—	65	—	—	—	176	3	—
RMBS	112	(4)	—	(2)	—	—	—	106	(4)	—
CMBS	26	(2)	—	—	—	—	—	24	(3)	—
CLO	25	5	—	(3)	—	(2)	44	69	3	—
ABS	864	(2)	—	(33)	—	—	—	829	(10)	—
Total other bond securities	1,140	(2)	—	25	—	(2)	44	1,205	(11)	—
Equity securities	44	—	—	1	1	—	—	46	—	—
Other invested assets	1,914	(17)	(13)	72	34	—	—	1,990	(14)	—
Total[a]	$ 24,347	$ 120	$ (384)	$ 495	$ 769	$ (222)	$ 116	$ 25,241	$ (25)	$ (403)

(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	$ 6,813	$ (716)	$ —	$ 230	$ —	$ —	$ —	$ 6,327	$ 972	$ —
Derivative liabilities, net:										
Interest rate contracts	(328)	(183)	—	(10)	—	—	—	(521)	150	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(639)	244	—	(121)	—	—	148	(368)	(148)	—
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other contracts	(15)	(16)	—	15	—	—	—	(16)	16	—
Total derivative liabilities, net[(b)]	(982)	45	—	(116)	—	—	148	(905)	18	—
Fortitude Re funds withheld payable	1,460	(1,080)	—	(177)	—	—	—	203	1,061	—
Debt of consolidated investment entities	—	—	—	—	—	—	—	—	—	—
Total[(c)]	$ 7,291	$ (1,751)	$ —	$ (63)	$ —	$ —	$ 148	$ 5,625	$ 2,051	$ —

(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[d]	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 September 30, 2022										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 931	$ —	$ (106)	$ (34)	$ 1	$ (7)	$ —	$ 785	$ —	$ (165)
Corporate debt	1,836	(28)	(32)	(207)	1,360	(118)	—	2,811	—	(42)
RMBS	6,144	73	(203)	(179)	1	(9)	—	5,827	—	(177)
CMBS	766	—	(28)	(55)	12	(11)	—	684	—	(37)
CLO	2,798	(52)	(3)	(320)	222	(316)	(701)	1,628	—	(36)
ABS	8,304	22	(416)	547	107	—	—	8,564	—	(450)
Total bonds available for sale	20,779	15	(788)	(248)	1,703	(461)	(701)	20,299	—	(907)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	—	—	—	—	—	—	—
Corporate debt	461	(4)	—	65	29	(1)	—	550	(7)	—
RMBS	119	(4)	—	4	—	—	—	119	(4)	—
CMBS	29	(2)	—	—	—	—	—	27	(3)	—
CLO	130	20	—	(125)	12	(16)	1,345	1,366	(2)	—
ABS	704	(30)	—	54	—	—	—	728	(36)	—
Total other bond securities	1,443	(20)	—	(2)	41	(17)	1,345	2,790	(52)	—
Equity securities	7	—	—	7	—	—	—	14	—	—
Other invested assets	1,803	58	(25)	(124)	—	(22)	—	1,690	39	—
Total[a]	$ 24,032	$ 53	$ (813)	$ (367)	$ 1,744	$ (500)	$ 644	$ 24,793	$ (13)	$ (907)

(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	$ 4,728	$ (274)	$ —	$ 289	$ —	$ —	$ —	$ 4,743	$ 287	$ —
Derivative liabilities, net:										
Interest rate contracts	(137)	(27)	—	(41)	—	—	—	(205)	29	—
Foreign exchange contracts	—	(1)	—	1	—	—	—	—	1	—
Equity contracts	(145)	94	—	(102)	—	—	—	(153)	(89)	—
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other contracts	(15)	(16)	—	15	—	—	—	(16)	16	—
Total derivative liabilities, net[b]	(297)	50	—	(127)	—	—	—	(374)	(43)	—
Fortitude Re funds withheld payable	2,349	(1,463)	—	(89)	—	—	—	797	1,506	—
Debt of consolidated investment entities	6	(3)	—	2	—	—	—	5	—	—
Total[c]	$ 6,786	$ (1,690)	$ —	$ 75	$ —	$ —	$ —	$ 5,171	$ 1,750	$ —

(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
Nine Months Ended September 30, 2023										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 805	$ (2)	$ (26)	$ (15)	$ —	$ —	$ —	$ 762	$ —	$ (54)
Corporate debt	1,968	(95)	(23)	(40)	358	(968)	(16)	1,184	—	(52)
RMBS	5,670	230	27	(195)	33	(38)	—	5,727	—	(41)
CMBS	718	5	(69)	(42)	57	(156)	—	513	—	(98)
CLO	1,670	(21)	58	(85)	67	(165)	263	1,787	—	(13)
ABS	9,595	136	(1)	1,717	589	(9)	—	12,027	—	(36)
Total bonds available for sale	20,426	253	(34)	1,340	1,104	(1,336)	247	22,000	—	(294)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	1	—	—	—	1	—	—
Corporate debt	417	2	—	(51)	—	(192)	—	176	2	—
RMBS	107	2	—	(3)	—	—	—	106	(1)	—
CMBS	28	(4)	—	—	—	—	—	24	(4)	—
CLO	11	14	—	(49)	39	(44)	98	69	3	—
ABS	741	18	—	105	—	(35)	—	829	(4)	—
Total other bond securities	1,304	32	—	3	39	(271)	98	1,205	(4)	—
Equity securities	26	—	—	26	1	(7)	—	46	—	—
Other invested assets	1,832	(80)	(6)	210	34	—	—	1,990	(77)	—
Total[a]	$ 23,588	$ 205	$ (40)	$ 1,579	$ 1,178	$ (1,614)	$ 345	$ 25,241	$ (81)	$ (294)

(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	$ 94	$ —	$ 866	$ —	$ —	$ —	$ 6,327	$ 296	$ —
Derivative liabilities, net:										
Interest rate contracts	(303)	(68)	—	(150)	—	—	—	(521)	95	—
Foreign exchange contracts	—	—	—	—	—	—	—	—	—	—
Equity contracts	(267)	44	—	(436)	—	—	291	(368)	(8)	—
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other contracts	(14)	(48)	—	46	—	—	—	(16)	48	—
Total derivative liabilities, net[b]	(584)	(72)	—	(540)	—	—	291	(905)	135	—
Fortitude Re funds withheld payable	1,262	(177)	—	(882)	—	—	—	203	641	—
Debt of consolidated investment entities	6	1	—	(7)	—	—	—	—	—	—
Total[c]	$ 6,051	$ (154)	$ —	$ (563)	$ —	$ —	$ 291	$ 5,625	$ 1,072	$ —

(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[d]	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
Nine Months Ended September 30, 2022										
Assets:										
Bonds available for sale:										
Obligations of states, municipalities and political subdivisions	$ 1,395	$ 1	$ (527)	$ (94)	$ 17	$ (7)	$ —	$ 785	$ —	$ (317)
Corporate debt	1,907	(45)	(146)	(190)	1,664	(379)	—	2,811	—	(149)
RMBS	7,595	231	(908)	(672)	1	(420)	—	5,827	—	(843)
CMBS	1,072	13	(127)	20	12	(306)	—	684	—	(130)
CLO	3,038	(71)	(167)	(238)	1,254	(1,487)	(701)	1,628	—	(167)
ABS	7,400	62	(1,237)	2,252	107	(20)	—	8,564	—	(1,321)
Total bonds available for sale	22,407	191	(3,112)	1,078	3,055	(2,619)	(701)	20,299	—	(2,927)
Other bond securities:										
Obligations of states, municipalities and political subdivisions	—	—	—	—	—	—	—	—	—	—
Corporate debt	134	(9)	—	190	251	(16)	—	550	(8)	—
RMBS	106	(13)	—	26	—	—	—	119	(24)	—
CMBS	33	(6)	—	—	—	—	—	27	(5)	—
CLO	149	(1)	—	(131)	69	(65)	1,345	1,366	(264)	—
ABS	205	(72)	—	595	—	—	—	728	(94)	—
Total other bond securities	627	(101)	—	680	320	(81)	1,345	2,790	(395)	—
Equity securities	2	—	—	11	1	—	—	14	—	—
Other invested assets	1,892	301	(51)	(295)	24	(181)	—	1,690	310	—
Total[a]	$ 24,928	$ 391	$ (3,163)	$ 1,474	$ 3,400	$ (2,881)	$ 644	$ 24,793	$ (85)	$ (2,927)

(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
Liabilities:										
Policyholder contract deposits	$ 5,572	$ (1,477)	$ —	$ 648	$ —	$ —	$ —	$ 4,743	$ 1,724	$ —
Derivative liabilities, net:										
Interest rate contracts	—	(22)	—	(183)	—	—	—	(205)	21	—
Foreign exchange contracts	—	(1)	—	1	—	—	—	—	1	—
Equity contracts	(457)	482	—	(178)	—	—	—	(153)	(272)	—
Credit contracts	(1)	1	—	—	—	—	—	—	—	—
Other contracts	(12)	(46)	—	42	—	—	—	(16)	47	—
Total derivative liabilities, net[b]	(470)	414	—	(318)	—	—	—	(374)	(203)	—
Fortitude Re funds withheld payable	7,974	(6,694)	—	(483)	—	—	—	797	7,009	—
Debt of consolidated investment entities	5	—	—	—	—	—	—	5	—	—
Total[c]	$ 13,081	$ (7,757)	$ —	$ (153)	$ —	$ —	$ —	$ 5,171	$ 8,530	$ —

(a) Excludes MRB assets of $978 million at September 30, 2023 and $743 million at September 30, 2022. *Refer to Note 15 for additional information.*

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

(c) Excludes MRB liabilities of $4.5 billion at September 30, 2023 and $4.6 billion at September 30, 2022. *Refer to Note 15 for additional information.*

(d) 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. As a result of these transactions, we own all of the interests related to these investments and consolidate them in our financial statements.

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 September 30, 2023						
Assets:						
Bonds available for sale	**$ —**	**$ 162**	**$ (23)**	**$ —**	**$ —**	**$ 139**
Other bond securities	**—**	**(2)**	**—**	**—**	**—**	**(2)**
Equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Other invested assets	**—**	**(14)**	**(3)**	**—**	**—**	**(17)**
Three Months Ended September 30, 2022						
Assets:						
Bonds available for sale	$ —	$ 68	$ (53)	$ —	$ —	$ 15
Other bond securities	—	(20)	—	—	—	(20)
Equity securities	—	—	—	—	—	—
Other invested assets	—	58	—	—	—	58
Nine Months Ended September 30, 2023						
Assets:						
Bonds available for sale	**$ —**	**$ 312**	**$ (59)**	**$ —**	**$ —**	**$ 253**
Other bond securities	**—**	**32**	**—**	**—**	**—**	**32**
Equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Other invested assets	**—**	**(78)**	**(2)**	**—**	**—**	**(80)**
Nine Months Ended September 30, 2022						
Assets:						
Bonds available for sale	$ —	$ 291	$ (100)	$ —	$ —	$ 191
Other bond securities	—	(101)	—	—	—	(101)
Equity securities	—	—	—	—	—	—
Other invested assets	—	301	—	—	—	301

(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 September 30, 2023						
Liabilities:						
Policyholder contract deposits[(b)]	**$ —**	**$ —**	**$ 716**	**$ —**	**$ —**	**$ 716**
Derivative liabilities, net	**16**	**—**	**(265)**	**—**	**204**	**(45)**
Fortitude Re funds withheld payable	**—**	**—**	**1,080**	**—**	**—**	**1,080**
Market risk benefit liabilities, net[(c)]	**—**	**—**	**1**	**—**	**879**	**880**
Debt of consolidated investment entities	**—**	**—**	**—**	**—**	**—**	**—**
Three Months Ended September 30, 2022						
Liabilities:						
Policyholder contract deposits[(b)]	$ —	$ —	$ 274	$ —	$ —	$ 274
Derivative liabilities, net	17	—	(120)	—	53	(50)
Fortitude Re funds withheld payable	—	—	1,463	—	—	1,463
Market risk benefit liabilities, net[(c)]	—	—	2	—	720	722
Debt of consolidated investment entities	—	—	—	3	—	3
Nine Months Ended September 30, 2023						
Liabilities:						
Policyholder contract deposits[(b)]	**$ —**	**$ —**	**$ (94)**	**$ —**	**$ —**	**$ (94)**
Derivative liabilities, net	**47**	**—**	**(34)**	**—**	**59**	**72**
Fortitude Re funds withheld payable	**—**	**—**	**177**	**—**	**—**	**177**
Market risk benefit liabilities, net[(c)]	**—**	**—**	**4**	**—**	**1,676**	**1,680**
Debt of consolidated investment entities	**—**	**(1)**	**—**	**—**	**—**	**(1)**
Nine Months Ended September 30, 2022						
Liabilities:						
Policyholder contract deposits[(b)]	$ —	$ —	$ 1,477	$ —	$ —	$ 1,477
Derivative liabilities, net	46	—	(600)	—	140	(414)
Fortitude Re funds withheld payable	—	—	6,694	—	—	6,694
Market risk benefit liabilities, net[(c)]	—	—	10	—	1,677	1,687
Debt of consolidated investment entities	—	—	—	—	—	—

(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 nine months ended September 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 September 30, 2023				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ (12)	$ —	$ (12)
Corporate debt	192	(30)	(175)	(13)
RMBS	175	—	(188)	(13)
CMBS	—	—	(2)	(2)
CLO	18	(7)	(51)	(40)
ABS	510	—	(33)	477
Total bonds available for sale	895	(49)	(449)	397
Other bond securities:				
Obligations of states, municipalities and political subdivisions	—	(2)	—	(2)
Corporate debt	89	—	(24)	65
RMBS	—	—	(2)	(2)
CMBS	—	—	—	—
CLO	—	—	(3)	(3)
ABS	35	(8)	(60)	(33)
Total other bond securities	124	(10)	(89)	25
Equity securities	1	—	—	1
Other invested assets	74	—	(2)	72
Total assets*	$ 1,094	$ (59)	$ (540)	$ 495
Liabilities:				
Policyholder contract deposits	$ —	$ 348	$ (118)	$ 230
Derivative liabilities, net	(28)	—	(88)	(116)
Fortitude Re funds withheld payable	—	—	(177)	(177)
Debt of consolidated investment entities	—	—	—	—
Total liabilities	$ (28)	$ 348	$ (383)	$ (63)
Three Months Ended September 30, 2022				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ —	$ (34)	$ (34)
Corporate debt	21	(39)	(189)	(207)
RMBS	56	—	(235)	(179)
CMBS	—	—	(55)	(55)
CLO	165	(25)	(460)	(320)
ABS	416	—	131	547
Total bonds available for sale	658	(64)	(842)	(248)
Other bond securities:				
Obligations of states, municipalities and political subdivisions	—	—	—	—
Corporate debt	4	(3)	64	65
RMBS	7	—	(3)	4
CMBS	—	—	—	—
CLO	1	(123)	(3)	(125)
ABS	62	—	(8)	54
Total other bond securities	74	(126)	50	(2)
Equity securities	6	—	1	7
Other invested assets	28	—	(152)	(124)
Total assets*	$ 766	$ (190)	$ (943)	$ (367)

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Liabilities:				
Policyholder contract deposits	$ —	$ 239	$ 50	$ 289
Derivative liabilities, net	(126)	—	(1)	(127)
Fortitude Re funds withheld payable	—	—	(89)	(89)
Debt of consolidated investment entities	—	—	2	2
Total liabilities	$ (126)	$ 239	$ (38)	$ 75

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Nine Months Ended September 30, 2023				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ (12)	$ (3)	$ (15)
Corporate debt	222	(30)	(232)	(40)
RMBS	406	(42)	(559)	(195)
CMBS	9	(27)	(24)	(42)
CLO	100	(7)	(178)	(85)
ABS	1,713	—	4	1,717
Total bonds available for sale	2,450	(118)	(992)	1,340
Other bond securities:				
Obligations of states, municipalities and political subdivisions	3	(2)	—	1
Corporate debt	156	—	(207)	(51)
RMBS	6	—	(9)	(3)
CMBS	—	—	—	—
CLO	1	—	(50)	(49)
ABS	148	(8)	(35)	105
Total other bond securities	314	(10)	(301)	3
Equity securities	26	—	—	26
Other invested assets	225	—	(15)	210
Total assets*	$ 3,015	$ (128)	$ (1,308)	$ 1,579
Liabilities:				
Policyholder contract deposits	$ —	$ 1,076	$ (210)	$ 866
Derivative liabilities, net	(229)	—	(311)	(540)
Fortitude Re funds withheld payable	—	—	(882)	(882)
Debt of consolidated investment entities	—	—	(7)	(7)
Total liabilities	$ (229)	$ 1,076	$ (1,410)	$ (563)

(in millions)	Purchases	Sales	Issuances and Settlements	Purchases, Sales, Issuances and Settlements, Net
Nine Months Ended September 30, 2022				
Assets:				
Bonds available for sale:				
Obligations of states, municipalities and political subdivisions	$ —	$ (59)	$ (35)	$ (94)
Corporate debt	25	(39)	(176)	(190)
RMBS	327	—	(999)	(672)
CMBS	98	—	(78)	20
CLO	337	(25)	(550)	(238)
ABS	2,365	—	(113)	2,252
Total bonds available for sale	3,152	(123)	(1,951)	1,078
Other bond securities:				
Obligations of states, municipalities and political subdivisions	—	—	—	—
Corporate debt	29	(3)	164	190
RMBS	37	—	(11)	26
CMBS	—	—	—	—
CLO	14	(123)	(22)	(131)
ABS	609	—	(14)	595
Total other bond securities	689	(126)	117	680
Equity securities	10	—	1	11
Other invested assets	537	—	(832)	(295)
Total assets*	$ 4,388	$ (249)	$ (2,665)	$ 1,474
Liabilities:				
Policyholder contract deposits	$ —	$ 656	$ (8)	$ 648
Derivative liabilities, net	(290)	—	(28)	(318)
Fortitude Re funds withheld payable	—	—	(483)	(483)
Debt of consolidated investment entities	—	—	—	—
Total liabilities	$ (290)	$ 656	$ (519)	$ (153)

* There were no issuances during the three and nine months ended September 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 September 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 $6 million and $(26) million of net gains (losses) related to assets transferred into Level 3 during the three months ended September 30, 2023 and 2022, respectively, and $13 million and $(79) million of net gains (losses) related to assets transferred into Level 3 during the nine months ended September 30, 2023 and 2022, respectively, and includes $(22) million and $(30) million of net gains (losses) related to assets transferred out of Level 3 during the three months ended September 30, 2023 and 2022, respectively, and $(12) million and $(113) million of net gains (losses) related to assets transferred out of Level 3 during the nine months ended September 30, 2023 and 2022, respectively.

Transfers of Level 3 Assets

During the three and nine months ended September 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 nine months ended September 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 nine months ended September 30, 2023. During the three and nine months ended September 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 September 30, 2023	Valuation Technique	Unobservable Input[(a)]	Range (Weighted Average)[(b)]
Assets:				
Obligations of states, municipalities and political subdivisions	$ 739	Discounted cash flow	Yield	5.64% - 6.05% (5.85%)
Corporate debt	$ 1,085	Discounted cash flow	Yield	5.39% - 9.00% (7.19%)
RMBS[(c)]	$ 3,455	Discounted cash flow	Prepayment Speed	3.90% - 8.91% (6.41%)
			Default Rate	0.75% - 2.40% (1.58%)
			Yield	5.38% - 7.31% (6.34%)
			Loss Severity	44.26% - 77.73% (60.99%)
CLO[(c)]	$ 1,460	Discounted cash flow	Yield	7.45% - 9.17% (7.83%)
ABS[(c)]	$ 10,154	Discounted cash flow	Yield	6.40% - 8.33% (7.36%)
CMBS	$ 450	Discounted cash flow	Yield	5.69% - 16.31% (10.95%)
Market risk benefit assets	$ 978	Discounted cash flow	Equity volatility	6.65% - 52.35%
			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)]	0.62% - 2.08%
Liabilities[(d)]:				
Market risk benefit liabilities				
Variable annuities guaranteed benefits	$ 1,835	Discounted cash flow	Equity volatility	6.65% - 52.35%
			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)]	0.62% - 2.08%
Fixed annuities guaranteed benefits	$ 824	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)]	0.62% - 2.08%

(in millions)		Fair Value at September 30, 2023	Valuation Technique	Unobservable Input[a]	Range (Weighted Average)[b]
Fixed index annuities guaranteed benefits	$	1,860	Discounted cash flow	Equity volatility	6.65% - 52.35%
				Base lapse rate	0.20% - 50.00%
				Dynamic lapse multiplier[e]	20.00% - 186.18%
				Mortality multiplier[e][f]	24.00% - 146.00%
				Utilization[h]	60.00% - 97.50%
				Option Budget	0.00% - 6.00%
				Equity / interest-rate correlation	0.00% - 30.00%
				NPA[g]	0.62% - 2.08%
Embedded derivatives within Policyholder contract deposits:					
Index credits on fixed index annuities[i]	$	5,573	Discounted cash flow	Equity volatility	6.65% - 52.35%
				Base lapse rate	0.20% - 50.00%
				Dynamic lapse multiplier[e]	20.00% - 186.18%
				Mortality multiplier[e][f]	24.00% - 146.00%
				Utilization[h]	60.00% - 97.50%
				Option Budget	0.00% - 6.00%
				Equity / interest-rate correlation	0.00% - 30.00%
				NPA[g]	0.62% - 2.08%
Index Life	$	754	Discounted cash flow	Base lapse rate	0.00% - 37.97%
				Mortality rates	0.00% - 100.00%
				Equity Volatility	5.75% - 21.25%
				NPA[g]	0.62% - 2.08%

(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 rates	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 8*, 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 Condensed Consolidated Balance Sheets. 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 Condensed Consolidated Balance Sheets.

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.

a) The partial withdrawal utilization unobservable input range shown applies only to policies with guaranteed minimum withdrawal benefit riders. The total embedded derivative liability at September 30, 2023 and December 31, 2022 was approximately $1.2 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 $1.2 billion and $1.1 billion at September 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.

		September 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	**$ 2,389**	**$ 1,707**	$ 2,014	$ 1,719
Real estate	Investments in real estate properties and infrastructure positions, including power plants and other energy generating facilities	**1,059**	**565**	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	**203**	**98**	212	118
Growth equity	Funds that make investments in established companies for the purpose of growing their businesses	**487**	**66**	510	40
Mezzanine	Funds that make investments in the junior debt and equity securities of leveraged companies	**152**	**42**	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	**1,148**	**207**	902	284
Total private equity funds		**5,438**	**2,685**	5,163	2,788

		September 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	**4**	**—**	5	—
Long-short	Securities that the manager believes are undervalued, with corresponding short positions to hedge market risk	**252**	**—**	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	**98**	**—**	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	**97**	**—**	178	—
Total hedge funds		**451**	**—**	884	—
Total		**$ 5,889**	**$ 2,685**	$ 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 majority of our hedge fund investments are redeemable upon a single month or quarter's notice, though redemption terms vary from single, immediate withdrawals, to withdrawals staggered up to eight quarters. Some of the portfolio consists of illiquid run-off or "side-pocket" positions whose liquidation horizons are uncertain and likely beyond a year after submission of the redemption notice.

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Assets:				
Other bond securities[(a)]	**$ (28)**	$ (182)	**$ 101**	$ (477)
Alternative investments[(b)]	**35**	(37)	**116**	160
Total assets	**7**	(219)	**217**	(317)
Liabilities:				
Policyholder contract deposits[(c)]	**6**	7	**8**	22
Debt of consolidated investment entities	**—**	3	**—**	—
Total liabilities	**6**	10	**8**	22
Total gain (loss)	**$ 13**	$ (209)	**$ 225**	$ (295)

(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 6. For additional information regarding the funds withheld arrangements with Fortitude Re, see Note 8.*

(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 September 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 September 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 September 30,		Nine Months Ended September 30,	
(in millions)	Level 1	Level 2	Level 3	Total	**2023**	2022	**2023**	2022
September 30, 2023								
Other investments	**$ —**	**$ —**	**$ 46**	**$ 46**	**$ 9**	$ 11	**$ 9**	$ 11
Total	**$ —**	**$ —**	**$ 46**	**$ 46**	**$ 9**	$ 11	**$ 9**	$ 11
December 31, 2022								
Other investments	$ —	$ —	$ 12	$ 12				
Total	$ —	$ —	$ 12	$ 12				

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

At September 30, 2023, Corebridge had no 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
September 30, 2023					
Assets:					
Mortgage and other loans receivable	**$ —**	**$ 29**	**$ 41,819**	**$ 41,848**	**$ 46,054**
Other invested assets	**—**	**268**	**—**	**268**	**268**
Short-term investments[(a)]	**—**	**3,102**	**—**	**3,102**	**3,102**
Cash[(b)]	**569**	**—**	**—**	**569**	**569**
Other assets	**9**	**—**	**—**	**9**	**9**
Liabilities:					
Policyholder contract deposits associated with investment-type contracts	**—**	**97**	**132,378**	**132,475**	**140,107**
Fortitude Re funds withheld payable	**—**	**—**	**24,132**	**24,132**	**24,132**
Other liabilities	**—**	**733**	**—**	**733**	**733**
Short-term debt	**—**	**1,000**	**—**	**1,000**	**1,000**
Long-term debt	**—**	**7,483**	**—**	**7,483**	**8,371**
Debt of consolidated investment entities	**—**	**89**	**2,250**	**2,339**	**2,596**
Separate account liabilities - investment contracts	**—**	**80,907**	**—**	**80,907**	**80,907**
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

(a) Excludes $104 million of assets that were reclassified to Assets held-for-sale in the Condensed Consolidated Balance Sheets. *See Note* 4 f*or additional information.*

(b) Excludes $17 million of assets that were reclassified to Assets held-for-sale in the Condensed Consolidated Balance Sheets. *See Note* 4 f*or additional information.*

6. 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)]
September 30, 2023					
Bonds available for sale:					
U.S. government and government sponsored entities	**$ 1,422**	**$ —**	**$ 3**	**$ (325)**	**$ 1,100**
Obligations of states, municipalities and political subdivisions	**6,479**	**—**	**15**	**(1,092)**	**5,402**
Non-U.S. governments	**4,671**	**(3)**	**13**	**(982)**	**3,699**
Corporate debt	**118,243**	**(69)**	**439**	**(23,238)**	**95,375**
Mortgage-backed, asset-backed and collateralized:					
RMBS	**13,312**	**(27)**	**587**	**(1,091)**	**12,781**
CMBS	**10,919**	**(10)**	**14**	**(1,323)**	**9,600**
CLO	**10,620**	**(1)**	**78**	**(179)**	**10,518**
ABS	**14,288**	**—**	**23**	**(1,408)**	**12,903**
Total mortgage-backed, asset-backed and collateralized	**49,139**	**(38)**	**702**	**(4,001)**	**45,802**
Total bonds available for sale	**$ 179,954**	**$ (110)**	**$ 1,172**	**$ (29,638)**	**$ 151,378**
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 $36 million and $39 million, and an amortized cost of $42 million and $43 million as of September 30, 2023 and December 31, 2022, respectively. Additionally, this includes CLOs which had a fair value of $15 million and an amortized cost of $15 million as of September 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
September 30, 2023						
Bonds available for sale:						
U.S. government and government sponsored entities	**$ 287**	**$ 158**	**$ 421**	**$ 167**	**$ 708**	**$ 325**
Obligations of states, municipalities and political subdivisions	**2,269**	**475**	**2,606**	**617**	**4,875**	**1,092**
Non-U.S. governments	**1,090**	**292**	**2,342**	**687**	**3,432**	**979**
Corporate debt	**34,822**	**8,978**	**53,095**	**14,210**	**87,917**	**23,188**
RMBS	**5,146**	**504**	**3,449**	**559**	**8,595**	**1,063**
CMBS	**4,476**	**651**	**4,179**	**668**	**8,655**	**1,319**
CLO	**2,940**	**59**	**4,040**	**120**	**6,980**	**179**
ABS	**5,199**	**385**	**6,239**	**1,023**	**11,438**	**1,408**
Total bonds available for sale	**$ 56,229**	**$ 11,502**	**$ 76,371**	**$ 18,051**	**$ 132,600**	**$ 29,553**
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 September 30, 2023, we held 16,375 individual fixed maturity securities that were in an unrealized loss position and for which no allowance for credit losses has been recorded (including 10,813 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 September 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
September 30, 2023		
Due in one year or less	**$ 2,206**	**$ 2,171**
Due after one year through five years	**21,584**	**20,546**
Due after five years through ten years	**24,083**	**21,016**
Due after ten years	**82,870**	**61,843**
Mortgage-backed, asset-backed and collateralized	**49,101**	**45,802**
Total	**$ 179,844**	**$ 151,378**

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 September 30,				Nine Months Ended September 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	$ 14	$ (23)	$ 11	$ (115)	$ 98	$ (441)	$ 104	$ (593)

For the three and nine months ended September 30, 2023, the aggregate fair value of available for sale securities sold was $0.5 billion and $6.2 billion, respectively, which resulted in net realized gains (losses) of $(9) million and $(343) million, respectively. Included within the net realized gains (losses) are $(5) million and $(68) million of realized gains (losses) for the three and nine months ended September 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 nine months ended September 30, 2022, the aggregate fair value of available-for-sale securities sold was $1.0 billion and $8.6 billion, respectively, which resulted in net realized gains (losses) of $(104) million and $(489) million, respectively. Included within the net realized gains (losses) are $(62) million and $(185) million of realized gains (losses) for the three and nine months ended September 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:

	September 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	43	1 %	37	1 %
Non-U.S. governments	12	— %	22	1 %
Corporate debt	2,395	56 %	2,222	56 %
Mortgage-backed, asset-backed and collateralized:				
RMBS	174	4 %	165	4 %
CMBS	234	5 %	232	6 %
CLO	416	10 %	279	7 %
ABS	912	21 %	812	21 %
Total mortgage-backed, asset-backed and collateralized	1,736	40 %	1,488	38 %
Total fixed maturity securities	4,186	97 %	3,769	96 %
Equity securities	126	3 %	170	4 %
Total	$ 4,312	100 %	$ 3,939	100 %

OTHER INVESTED ASSETS

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

(in millions)	September 30, 2023	December 31, 2022
Alternative investments[(a)(b)]	$ 7,924	$ 8,014
Investment real estate[(c)]	1,859	1,831
All other investments[(d)]	653	573
Total[(e)]	$ 10,436	$ 10,418

(a) At September 30, 2023, included hedge funds of $451 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) The majority of our hedge fund investments are redeemable upon a single month or quarter's notice, though redemption terms vary from single, immediate withdrawals, to withdrawals staggered up to eight quarters. Some of the portfolio consists of illiquid run-off or "side-pocket" positions whose liquidation horizons are uncertain and likely beyond a year after submission of the redemption notice.

(c) Net of accumulated depreciation of $642 million and $616 million as of September 30, 2023 and December 31, 2022, respectively. The accumulated depreciation related to the investment real estate held by legacy affordable housing partnerships was $106 million and $124 million as of September 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 September 30, 2023 and December 31, 2022, respectively.

(e) Includes investments in related parties, which totaled $2.2 million and $6 million as of September 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 September 30, 2023 and December 31, 2022:

	September 30, 2023		December 31, 2022	
(in millions)	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Equity method investments	$ 3,005	Various	$ 3,185	Various

NET INVESTMENT INCOME

The following table presents the components of Net investment income:

Three Months Ended September 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	$ 1,976	$ 201	$ 2,177	$ 1,677	$ 228	$ 1,905
Other bond securities	7	(35)	(28)	(62)	(120)	(182)
Equity securities	9	—	9	(5)	—	(5)
Interest on mortgage and other loans	529	51	580	447	45	492
Alternative investments*	(7)	25	18	(6)	11	5
Real estate	9	—	9	13	—	13
Other investments	25	(1)	24	39	—	39
Total investment income	2,548	241	2,789	2,103	164	2,267
Investment expenses	124	8	132	100	7	107
Net investment income	$ 2,424	$ 233	$ 2,657	$ 2,003	$ 157	$ 2,160

Nine Months Ended September 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	$ 5,777	$ 626	$ 6,403	$ 4,949	$ 733	$ 5,682
Other bond securities	25	76	101	(115)	(362)	(477)
Equity securities	41	—	41	(82)	—	(82)
Interest on mortgage and other loans	1,605	150	1,755	1,228	131	1,359
Alternative investments*	72	69	141	625	138	763
Real estate	28	—	28	34	—	34
Other investments	36	(1)	35	91	—	91
Total investment income	7,584	920	8,504	6,730	640	7,370
Investment expenses	415	23	438	326	23	349
Net investment income	$ 7,169	$ 897	$ 8,066	$ 6,404	$ 617	$ 7,021

* 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 September 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	$ (4)	$ (5)	$ (9)	$ (42)	$ (62)	$ (104)
Change in allowance for credit losses on fixed maturity securities	(41)	(7)	(48)	(9)	8	(1)
Change in allowance for credit losses on loans	(25)	(25)	(50)	(40)	(22)	(62)
Foreign exchange transactions, net of related hedges	135	(20)	115	525	44	569
Index-Linked interest credited embedded derivatives, net of related hedges	133	—	133	35	—	35
All other derivatives and hedge accounting*	141	(170)	(29)	120	(89)	31
Sales of alternative investments and real estate investments	40	(1)	39	137	32	169
Other	(11)	—	(11)	(2)	—	(2)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	368	(228)	140	724	(89)	635
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	—	1,080	1,080	—	1,463	1,463
Net realized gains (losses)	$ 368	$ 852	$ 1,220	$ 724	$ 1,374	$ 2,098

Nine Months Ended September 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	$ (275)	$ (68)	$ (343)	$ (304)	$ (185)	$ (489)
Change in allowance for credit losses on fixed maturity securities	(84)	(9)	(93)	(56)	(32)	(88)
Change in allowance for credit losses on loans	(107)	(52)	(159)	(53)	(22)	(75)
Foreign exchange transactions, net of related hedges	31	(11)	20	1,034	82	1,116
Index-Linked interest credited embedded derivatives, net of related hedges	(186)	—	(186)	220	—	220
All other derivatives and hedge accounting*	235	(199)	36	105	(151)	(46)
Sales of alternative investments and real estate investments	48	(1)	47	147	35	182
Other	(59)	2	(57)	(10)	1	(9)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	(397)	(338)	(735)	1,083	(272)	811
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	—	177	177	—	6,694	6,694
Net realized gains (losses)	$ (397)	$ (161)	$ (558)	$ 1,083	$ 6,422	$ 7,505

* Derivative activity related to hedging MRBs is recorded in Change in the fair value of MRBs, net. *For additional disclosures about MRBs, see Note 15.*

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 September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Increase (decrease) in unrealized appreciation (depreciation) of investments:				
Fixed maturity securities	$ (6,369)	$ (10,044)	$ (4,133)	$ (42,320)
Other investments	(1)	(4)	11	(4)
Total increase (decrease) in unrealized appreciation (depreciation) of investments*	$ (6,370)	$ (10,048)	$ (4,122)	$ (42,324)

* Excludes net unrealized gains and losses attributable to businesses held for sale at September 30, 2023.

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 September 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	$ 9	$ 56	$ 65	$ (5)	$ (38)	$ (43)
Less: Net gains (losses) recognized during the period on equity securities and other investments sold during the period	26	6	32	1	6	7
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	$ (17)	$ 50	$ 33	$ (6)	$ (44)	$ (50)

Nine Months Ended September 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	$ 42	$ 210	$ 252	$ (82)	$ 308	$ 226
Less: Net gains (losses) recognized during the period on equity securities and other investments sold during the period	59	15	74	(47)	(10)	(57)
Unrealized gains (losses) recognized during the reporting period on equity securities and other investments still held at the reporting date	$ (17)	$ 195	$ 178	$ (35)	$ 318	$ 283

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 September 30,	2023			2022		
(in millions)	Structured	Non-Structured	Total	Structured	Non-Structured	Total
Balance, beginning of period	$ 40	$ 50	$ 90	$ 19	$ 95	$ 114
Additions:						
Securities for which allowance for credit losses were not previously recorded	12	47	59	1	15	16
Reductions:						
Securities sold during the period	(1)	(3)	(4)	(1)	(11)	(12)
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	3	(14)	(11)	5	(20)	(15)
Write-offs charged against the allowance	(16)	(8)	(24)	—	(10)	(10)
Balance, end of period	$ 38	$ 72	$ 110	$ 24	$ 69	$ 93

Nine Months Ended September 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	27	75	102	35	111	146
Reductions:						
Securities sold during the period	(2)	(30)	(32)	(2)	(45)	(47)
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	2	(11)	(9)	(17)	(42)	(59)
Write-offs charged against the allowance	(16)	(83)	(99)	—	(25)	(25)
Balance, end of period	$ 38	$ 72	$ 110	$ 24	$ 69	$ 93

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 nine months ended September 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)	**September 30, 2023**	December 31, 2022
Fixed maturity securities available for sale	**$ 764**	$ 2,968

At September 30, 2023 and December 31, 2022, amounts borrowed under repurchase agreements totaled $733 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
September 30, 2023						
Bonds available for sale:						
Non-U.S. governments	**$ —**	**$ 38**	**$ —**	**$ —**	**$ —**	**$ 38**
Corporate debt	**34**	**692**	**—**	**—**	**—**	**726**
Total	**$ 34**	**$ 730**	**$ —**	**$ —**	**$ —**	**$ 764**
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 September 30, 2023 and December 31, 2022.

There were no reverse repurchase agreements at September 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 $6.0 billion and $3.5 billion at September 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 $268 million and $222 million of stock in FHLBs at September 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 $4.9 billion and $2.9 billion, respectively, at September 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 $102 million and $56 million at September 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 $101 million and $63 million at September 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 $236 million and $144 million at September 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 8.

7. Lending Activities

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

(in millions)		**September 30, 2023**		December 31, 2022
Commercial mortgages[(a)]	**$**	**34,018**	$	32,993
Residential mortgages		**7,850**		5,856
Life insurance policy loans		**1,761**		1,750
Commercial loans, other loans and notes receivable[(b)]		**3,177**		4,567
Total mortgage and other loans receivable		**46,806**		45,166
Allowance for credit losses[(c)]		**(752)**		(600)
Mortgage and other loans receivable, net	**$**	**46,054**	$	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 September 30, 2023, and 20% and 11%, respectively, at December 31, 2022). The weighted average loan-to-value ratio for NY and CA was 60% and 55% at September 30, 2023, respectively, and 59% and 53% at December 31, 2022, respectively. The debt service coverage ratio for NY and CA was 1.9X and 2.1X at September 30, 2023, respectively, and 2.0X and 2.1X at December 31, 2022, respectively.

(b) There were no loans that were held for sale which are carried at lower of cost or market as of September 30, 2023. The net carrying value of these loans was $170 million as of December 31, 2022.

(c) Does not include allowance for credit losses of $61 million and $60 million at September 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 September 30, 2023, $18 million and $622 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 September 30, 2023, accrued interest receivable was $20 million and $156 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*:

September 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
>1.2X	**$ 1,432**	**$ 5,636**	**$ 1,951**	**$ 1,235**	**$ 4,939**	**$ 12,655**	**$ 27,848**
1.00 - 1.20X	**107**	**1,000**	**1,243**	**296**	**200**	**2,368**	**5,214**
<1.00X	**—**	**38**	**—**	**—**	**—**	**918**	**956**
Total commercial mortgages	**$ 1,539**	**$ 6,674**	**$ 3,194**	**$ 1,531**	**$ 5,139**	**$ 15,941**	**$ 34,018**
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 September 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*:

September 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
Less than 65%	**$ 1,373**	**$ 4,446**	**$ 2,363**	**$ 1,087**	**$ 3,628**	**$ 10,984**	**$ 23,881**
65% to 75%	**166**	**1,656**	**509**	**239**	**1,461**	**3,307**	**7,338**
76% to 80%	**—**	**532**	**43**	**—**	**—**	**171**	**746**
Greater than 80%	**—**	**40**	**279**	**205**	**50**	**1,479**	**2,053**
Total commercial mortgages	**$ 1,539**	**$ 6,674**	**$ 3,194**	**$ 1,531**	**$ 5,139**	**$ 15,941**	**$ 34,018**
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 59% at September 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
September 30, 2023															
Credit Quality Performance Indicator:															
In good standing	**621**	**$**	**13,871**	**$**	**8,493**	**$**	**3,459**	**$**	**5,907**	**$**	**1,802**	**$**	**315**	**$ 33,847**	**99%**
90 days or less delinquent	**1**		**—**		**15**		**—**		**—**		**—**		**—**	**15**	**—%**
>90 days delinquent or in process of foreclosure[(a)]	**1**		**—**		**156**		**—**		**—**		**—**		**—**	**156**	**—%**
Total[(b)]	**623**	**$**	**13,871**	**$**	**8,664**	**$**	**3,459**	**$**	**5,907**	**$**	**1,802**	**$**	**315**	**$ 34,018**	**99%**
Allowance for credit losses		**$**	**84**	**$**	**435**	**$**	**50**	**$**	**81**	**$**	**27**	**$**	**4**	**$ 681**	**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 September 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:

September 30, 2023 *(in millions)*		2023		2022		2021		2020		2019		Prior		Total
FICO*:														
780 and greater	**$**	**354**	**$**	**507**	**$**	**2,294**	**$**	**628**	**$**	**241**	**$**	**505**	**$**	**4,529**
720 - 779		**821**		**581**		**549**		**168**		**99**		**214**		**2,432**
660 - 719		**215**		**248**		**102**		**40**		**37**		**123**		**765**
600 - 659		**2**		**21**		**10**		**8**		**9**		**50**		**100**
Less than 600		**—**		**—**		**2**		**2**		**4**		**16**		**24**
Total residential mortgages	**$**	**1,392**	**$**	**1,357**	**$**	**2,957**	**$**	**846**	**$**	**390**	**$**	**908**	**$**	**7,850**
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 September 30,	2023			2022		
(in millions)	Commercial Mortgages	Other Loans	Total	Commercial Mortgages	Other Loans	Total
Allowance, beginning of period	**$ 621**	**$ 68**	**$ 689**	$ 414	$ 70	$ 484
Loans charged off	**(1)**	**—**	**(1)**	—	—	—
Net charge-offs	**(1)**	**—**	**(1)**	—	—	—
Addition to (release of) allowance for loan losses	**61**	**3**	**64**	51	13	64
Allowance, end of period	**$ 681**	**$ 71**	**$ 752**	$ 465	$ 83	$ 548

Nine Months Ended September 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	**(5)**	**—**	**(5)**	(4)	—	(4)
Net charge-offs	**(5)**	**—**	**(5)**	(4)	—	(4)
Addition to (release of) allowance for loan losses	**155**	**2**	**157**	46	10	56
Allowance, end of period	**$ 681**	**$ 71**	**$ 752**	$ 465	$ 83	$ 548

* Does not include allowance for credit losses of $61 million and $76 million, respectively, at September 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 three and nine-month periods ended September 30, 2023, commercial mortgage loans with an amortized cost of $32 million and commercial loans, other loans and notes receivable with an amortized cost of $168 million were granted term extensions. The modified loans represent less than 1 percent of each of these two portfolio segments. These modifications added less than one year to the weighted average life of loans in each of these two portfolio segments.

There were no loans that had defaulted during the nine-month period ended September 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 nine-month period ended September 30, 2022, loans with a carrying value of $143 million were modified as TDRs. Effective January 1, 2023, we are no longer required to assess whether loan modifications are TDRs.

8. 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:

	September 30, 2023				December 31, 2022				
(in millions)		**Carrying Value**		**Fair Value**		Carrying Value		Fair Value	Corresponding Accounting Policy
Fixed maturity securities - available for sale	**$**	**13,957**	**$**	**13,957**	$	16,339	$	16,339	Fair value through other comprehensive income
Fixed maturity securities - fair value option		**3,777**		**3,777**		3,485		3,485	Fair value through net investment income
Commercial mortgage loans		**3,530**		**3,244**		3,490		3,241	Amortized cost
Real estate investments		**122**		**295**		133		348	Amortized cost
Private equity funds/hedge funds		**1,856**		**1,856**		1,893		1,893	Fair value through net investment income
Policy loans		**335**		**335**		355		355	Amortized cost
Short-term Investments		**120**		**120**		69		69	Fair value through net investment income
Funds withheld investment assets		**23,697**		**23,584**		25,764		25,730	
Derivative assets, net[(a)]		**—**		**—**		90		90	Fair value through realized gains (losses)
Other[(b)]		**751**		**751**		731		731	Amortized cost
Total	**$**	**24,448**	**$**	**24,335**	$	26,585	$	26,551	

(a) The derivative assets and liabilities have been presented net of cash collateral. The derivative assets and liabilities supporting the Fortitude Re funds withheld arrangements had a fair market value of $10 million and $2 million, respectively, as of September 30, 2023. The derivative assets supporting the Fortitude Re funds withheld arrangements had a fair market value of $189 million as of December 31, 2022. 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Net investment income - Fortitude Re funds withheld assets	**$ 233**	$ 157	**$ 897**	$ 617
Net realized losses on Fortitude Re funds withheld assets:				
Net realized losses Fortitude Re funds withheld assets	**(228)**	(89)	**(338)**	(272)
Net realized gains Fortitude Re funds withheld embedded derivatives	**1,080**	1,463	**177**	6,694
Net realized gains (losses) on Fortitude Re funds withheld assets	**852**	1,374	**(161)**	6,422
Income before income tax expense	**1,085**	1,531	**736**	7,039
Income tax expense*	**(228)**	(321)	**(155)**	(1,478)
Net income	**857**	1,210	**581**	5,561
Change in unrealized depreciation of the invested assets supporting the Fortitude Re modco arrangement classified as available for sale*	**(820)**	(1,091)	**(534)**	(5,242)
Comprehensive income	**$ 37**	$ 119	**$ 47**	$ 319

* 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 September 30, 2023 were $26.9 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Balance, beginning of period	**$ 66**	$ 107	**$ 84**	$ 101
Current period provision for expected credit losses and disputes	**4**	1	**(14)**	7
Write-offs charged against the allowance for credit losses and disputes	**—**	—	**—**	—
Other changes	**—**	—	**—**	—
Balance, end of period	**$ 70**	$ 108	**$ 70**	$ 108

There were no material recoveries of credit losses previously written off for the three and nine months ended September 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 16.

9. 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
September 30, 2023			
Assets:			
Bonds available for sale	**$ —**	**$ 67**	**$ 67**
Other bond securities	**2**	**—**	**2**
Equity securities	**7**	**—**	**7**
Mortgage and other loans receivable	**—**	**1,956**	**1,956**
Other invested assets			
Alternative investments[a]	**2,849**	**—**	**2,849**
Investment real estate	**1,414**	**—**	**1,414**
Short-term investments	**134**	**10**	**144**
Cash	**54**	**—**	**54**
Accrued investment income	**—**	**5**	**5**
Other assets	**90**	**1**	**91**
Total assets[b]	**$ 4,550**	**$ 2,039**	**$ 6,589**
Liabilities:			
Debt of consolidated investment entities	**$ 1,186**	**$ 1,164**	**$ 2,350**
Other liabilities	**70**	**4**	**74**
Total liabilities	**$ 1,256**	**$ 1,168**	**$ 2,424**
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 September 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 September 30, 2023 and December 31, 2022, together, the Company and AIG affiliates have commitments to internal parties of $1.9 billion and $2.1 billion and commitments to external parties of $0.4 billion and $0.6 billion, respectively. At September 30, 2023, $1.2 billion out of the internal commitments was from subsidiaries of Corebridge entities and $0.6 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 Statements of Income (Loss):

(in millions)	Real Estate and Investment Entities	Securitization and Repackaging Vehicles	Affordable Housing Partnerships	Total
Three Months Ended September 30, 2023				
Total revenue	**$ (21)**	**$ 18**	**$ —**	**$ (3)**
Net income attributable to noncontrolling interests	**(32)**	**—**	**—**	**(32)**
Net income (loss) attributable to Corebridge	**(5)**	**12**	**—**	**7**
Three Months Ended September 30, 2022				
Total revenue	$ 214	$ (22)	$ —	$ 192
Net income attributable to noncontrolling interests	126	—	—	126
Net income (loss) attributable to Corebridge	77	(73)	—	4
Nine Months Ended September 30, 2023				
Total revenue	**$ 48**	**$ 95**	**$ —**	**$ 143**
Net income attributable to noncontrolling interests	**(46)**	**—**	**—**	**(46)**
Net income (loss) attributable to Corebridge	**47**	**66**	**—**	**113**
Nine Months Ended September 30, 2022				
Total revenue	$ 602	$ 91	$ —	$ 693
Net income attributable to noncontrolling interests	280	1	—	281
Net income (loss) attributable to Corebridge	286	(32)	—	254

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
September 30, 2023				
Real estate and investment entities[a]	**$ 383,670**	**$ 5,575**	**$ 2,827**	**$ 8,402**
Total	**$ 383,670**	**$ 5,575**	**$ 2,827**	**$ 8,402**
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 September 30, 2023 and December 31, 2022, $5.5 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 5 and 6*. As of September 30, 2023, the total VIE assets of these securitizations are $3.0 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.

10. 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 5, 14 and 15.

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:

	September 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	$ 179	$ 191	$ 3,042	$ 92	$ 155	$ 202	$ 1,798	$ 77
Foreign exchange contracts	6,427	623	376	19	3,535	575	3,354	176
Derivatives not designated as hedging instruments:[(a)]								
Interest rate contracts	33,952	2,057	29,295	4,071	27,656	1,371	21,553	2,599
Foreign exchange contracts	11,408	835	1,788	254	4,630	672	6,673	456
Equity contracts	40,896	1,417	24,637	854	26,041	417	9,962	27
Other contracts[(b)]	45,311	16	—	—	47,128	15	48	—
Total derivatives, gross	$ 138,173	$ 5,139	$ 59,138	$ 5,290	$ 109,145	$ 3,252	$ 43,388	$ 3,335
Counterparty netting[(c)]		(3,680)		(3,680)		(2,547)		(2,547)
Cash collateral[(d)]		(1,187)		(1,520)		(406)		(691)
Total derivatives on Condensed Consolidated Balance Sheets[(e)]		$ 272		$ 90		$ 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 September 30, 2023 and December 31, 2022. The fair value of liabilities related to bifurcated embedded derivatives was $6.6 billion and $6.7 billion at September 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 8.*

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:

	September 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	$ 73,591	$ 4,136	$ 48,641	$ 4,965	$ 60,633	$ 3,177	$ 42,109	$ 3,154
Total derivatives with third parties	64,582	1,003	10,497	325	48,512	75	1,279	181
Total derivatives, gross	$ 138,173	$ 5,139	$ 59,138	$ 5,290	$ 109,145	$ 3,252	$ 43,388	$ 3,335

As of September 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:

	September 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	$ 6,753	$ —	$ 6,520	$ —
Commercial mortgage and other loans[(a)]	—	(23)	—	(25)
Policyholder contract deposits[(b)]	(4,750)	71	(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 $148 million and $255 million at September 30, 2023 and December 31, 2022, respectively. Collateral posted by us to related parties for derivative transactions was $2.2 billion and $1.5 billion at September 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 $693 million and $40 million at September 30, 2023 and December 31, 2022, respectively. Collateral provided to us from related parties for derivative transactions was $640 million and $380 million at September 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 nine months ended September 30, 2023, $7 million and $21 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 $181 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.

During 2023, we designated certain interest rate swaps as cash flow hedges of floating-rate investment assets. Related to such swaps, for the three and nine months ended September 30, 2023, we recognized derivative gains (losses) of $(11) million and $(11) million, respectively, in AOCI and $(1) million and $(1) million, respectively, in net investment income.

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 nine months ended September 30, 2023 of $3 million and $1 million, respectively, and for the three and nine months ended September 30, 2022 of $7 million and $16 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 September 30, 2023				
Interest rate contracts:				
Realized gains (losses)	**$ —**	**$ —**	**$ —**	**$ —**
Interest credited to policyholder account balances	**(57)**	**—**	**54**	**(3)**
Net investment income	**1**	**—**	**(1)**	**—**
Foreign exchange contracts:				
Realized gains (losses)	**226**	**(124)**	**(226)**	**(124)**
Three Months Ended September 30, 2022				
Interest rate contracts:				
Realized gains (losses)	$ —	$ —	$ —	$ —
Interest credited to policyholder account balances	(66)	—	64	(2)
Net investment income	25	—	(24)	1
Foreign exchange contracts:				
Realized gains (losses)	418	105	(418)	105

	Gains/(Losses) Recognized in Earnings for:			
(in millions)	Hedging Derivatives[(a)(c)]	Excluded Components[(b)(c)]	Hedged Items	Net Impact
Nine Months Ended September 30, 2023				
Interest rate contracts:				
Realized gains (losses)	**$ —**	**$ —**	**$ —**	**$ —**
Interest credited to policyholder account balances	**(14)**	**—**	**3**	**(11)**
Net investment income	**1**	**—**	**—**	**1**
Foreign exchange contracts:				
Realized gains (losses)	**64**	**(15)**	**(64)**	**(15)**
Nine Months Ended September 30, 2022				
Interest rate contracts:				
Realized gains (losses)	$ —	$ —	$ —	$ —
Interest credited to policyholder account balances	(156)	—	157	1
Net investment income	26	—	(25)	1
Foreign exchange contracts:				
Realized gains (losses)	949	181	(949)	181

(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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
By Derivative Type:				
Interest rate contracts	**$ (618)**	$ (536)	**$ (734)**	$ (2,218)
Foreign exchange contracts	**268**	893	**78**	1,797
Equity contracts	**(459)**	27	**(507)**	(93)
Credit contracts	**—**	—	**—**	(1)
Other contracts	**25**	16	**50**	48
Embedded derivatives within policyholder contract deposits	**718**	277	**(101)**	1,494
Fortitude Re funds withheld embedded derivative	**1,080**	1,463	**177**	6,694
Total[(a)]	**$ 1,014**	$ 2,140	**$ (1,037)**	$ 7,721
By Classification:				
Policy fees	**$ 16**	$ 16	**$ 48**	$ 45
Net investment income	**1**	8	**(1)**	6
Net realized gains - excluding Fortitude Re funds withheld assets	**538**	978	**133**	2,001
Net realized losses on Fortitude Re funds withheld assets	**(155)**	(31)	**(197)**	(39)
Net realized gains on Fortitude Re funds withheld embedded derivatives	**1,080**	1,463	**177**	6,694
Policyholder benefits	**(5)**	(7)	**(5)**	(21)
Change in the Fair value of market risk benefits[(b)]	**(461)**	(287)	**(1,192)**	(965)
Total[(b)]	**$ 1,014**	$ 2,140	**$ (1,037)**	$ 7,721

(a) Includes gains (losses) with related parties of $(744) million and $240 million for the three months ended September 30, 2023 and 2022, respectively, and $(984) million and $(1.2) billion for the nine months ended September 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 15. 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 September 30, 2023 and December 31, 2022. These securities have par amounts of $25 million and $25 million at September 30, 2023 and December 31, 2022, respectively, and have remaining stated maturity dates that extend to 2052.

11. 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 and value of business acquired related to long-duration contracts for the nine months ended September 30, 2023 and 2022:

(in millions)		Individual Retirement		Group Retirement		Life Insurance		Institutional Markets		Total
DAC										
Balance at January 1, 2023	**$**	**4,643**	**$**	**1,060**	**$**	**4,718**	**$**	**51**	**$**	**10,472**
Capitalization		**519**		**55**		**341**		**22**		**937**
Amortization expense		**(424)**		**(62)**		**(282)**		**(6)**		**(774)**
Other, including foreign exchange		**—**		**—**		**5**		**—**		**5**
Reclassified to Assets held-for-sale		**—**		**—**		**(684)**		**—**		**(684)**
Balance at September 30, 2023	**$**	**4,738**	**$**	**1,053**	**$**	**4,098**	**$**	**67**	**$**	**9,956**
Balance at January 1, 2022	$	4,604	$	1,078	$	4,765	$	38	$	10,485
Capitalization		419		44		306		13		782
Amortization expense		(384)		(59)		(303)		(5)		(751)
Other, including foreign exchange		1		—		(105)		—		(104)
Balance at September 30, 2022	$	4,640	$	1,063	$	4,663	$	46	$	10,412
VOBA:										
Balance at January 1, 2023	**$**	**3**	**$**	**1**	**$**	**87**	**$**	**—**	**$**	**91**
Amortization expense		**(1)**		**—**		**(7)**		**—**		**(8)**
Other, including foreign exchange		**—**		**—**		**5**		**—**		**5**
Reclassified to Assets held-for-sale		**—**		**—**		**(71)**		**—**		**(71)**
Balance at September 30, 2023	**$**	**2**	**$**	**1**	**$**	**14**	**$**	**—**	**$**	**17**

(in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Balance at January 1, 2022	$ 3	$ 1	$ 109	$ —	$ 113
Amortization expense	—	—	(7)	—	(7)
Other, including foreign exchange	(1)	—	(15)	—	(16)
Balance at September 30, 2022	$ 2	$ 1	$ 87	$ —	$ 90
Total DAC and VOBA:					
Balance at September 30, 2023					**$ 9,973**
Balance at September 30, 2022					$ 10,502
Balance at December 31, 2022					$ 10,563

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 accounting treatment as an asset, 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 was reducing DSI.

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

Nine Months Ended September 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	5	—	5	5	—	5
Amortization expense	(41)	(10)	(51)	(41)	(10)	(51)
Balance, end of period	$ 345	$ 167	$ 512	$ 392	$ 181	$ 573
Other reconciling items*			1,302			1,845
Other assets, including restricted cash			$ 1,814			$ 2,418

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

12. 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 5.

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

September 30, 2023 (in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Equity Funds	$ 23,493	$ 26,206	$ 736	$ 590	$ 51,025
Bond Funds	3,775	3,262	42	1,286	8,365
Balanced Funds	16,649	5,095	48	1,919	23,711
Money Market Funds	696	603	22	302	1,623
Total	$ 44,613	$ 35,166	$ 848	$ 4,097	$ 84,724

September 30, 2022 (in millions)	Individual Retirement	Group Retirement	Life Insurance	Institutional Markets	Total
Equity Funds	$ 21,696	$ 23,226	$ 648	$ 547	$ 46,117
Bond Funds	3,661	3,910	46	1,287	8,904
Balanced Funds	17,346	4,853	46	2,361	24,606
Money Market Funds	682	539	17	437	1,675
Total	$ 43,385	$ 32,528	$ 757	$ 4,632	$ 81,302

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

Nine Months Ended September 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	**1,124**	**1,033**	**27**	**40**	**2,224**
Policy charges	**(964)**	**(333)**	**(37)**	**(69)**	**(1,403)**
Surrenders and withdrawals	**(2,728)**	**(2,205)**	**(19)**	**(503)**	**(5,455)**
Benefit payments	**(640)**	**(374)**	**(5)**	**(61)**	**(1,080)**
Investment performance	**2,470**	**2,806**	**85**	**160**	**5,521**
Net transfers from (to) general account and other	**173**	**(122)**	**(2)**	**15**	**64**
Separate accounts balance, end of period	**$ 44,613**	**$ 35,166**	**$ 848**	**$ 4,097**	**$ 84,724**
Cash surrender value*	**$ 43,566**	**$ 34,980**	**$ 828**	**$ 4,100**	**$ 83,474**

Nine Months Ended September 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	1,905	1,248	28	54	3,235
Policy charges	(988)	(356)	(38)	(75)	(1,457)
Surrenders and withdrawals	(2,492)	(1,931)	(19)	(42)	(4,484)
Benefit payments	(684)	(407)	(5)	(16)	(1,112)
Investment performance	(12,440)	(10,831)	(252)	(328)	(23,851)
Net transfers from (to) general account and other	157	(333)	(1)	37	(140)
Separate accounts balance, end of period	$ 43,385	$ 32,528	$ 757	$ 4,632	$ 81,302
Cash surrender value*	$ 42,313	$ 32,340	$ 756	$ 4,633	$ 80,042

* 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.

13. Future Policy Benefits

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:

Nine Months Ended September 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	—	—	34	—	21	55
Effect of actual variances from expected experience	—	—	36	—	16	52
Adjusted beginning of year balance	—	—	13,596	—	1,094	14,690
Issuances	—	—	986	—	—	986
Interest accrual	—	—	325	—	34	359
Net premium collected	—	—	(1,093)	—	(90)	(1,183)
Foreign exchange impact	—	—	44	—	—	44
Other	—	—	11	—	(3)	8
Ending balance at original discount rate	—	—	13,869	—	1,035	14,904
Effect of changes in discount rate assumptions (AOCI)	—	—	(2,199)	—	(95)	(2,294)
Reclassified to Liabilities held-for-sale	—	—	(3,784)	—	—	(3,784)
Balance, end of period	$ —	$ —	$ 7,886	$ —	$ 940	$ 8,826
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)]	—	—	62	—	76	138
Effect of actual variances from expected experience[(a)]	(1)	(1)	85	21	(10)	94
Adjusted beginning of year balance	1,389	212	24,750	15,119	21,578	63,048
Issuances	141	16	978	3,503	4	4,642
Interest accrual	38	8	679	478	770	1,973
Benefit payments	(95)	(20)	(1,461)	(810)	(1,121)	(3,507)
Foreign exchange impact	—	—	54	48	—	102
Other	—	—	8	—	(18)	(10)
Ending balance at original discount rate	1,473	216	25,008	18,338	21,213	66,248
Effect of changes in discount rate assumptions (AOCI)	(217)	(9)	(4,397)	(3,512)	(2,214)	(10,349)
Reclassified to Liabilities held-for-sale	—	—	(4,352)	—	—	(4,352)
Balance, end of period	$ 1,256	$ 207	$ 16,259	$ 14,826	$ 18,999	$ 51,547
Net liability for future policy benefits, end of period	1,256	207	8,373	14,826	18,059	42,721
Liability for future policy benefits for certain participating contracts	—	—	13	—	1,308	1,321
Liability for universal life policies with secondary guarantees and similar features[(b)]	—	—	3,223	—	55	3,278
Deferred profit liability	80	9	18	1,428	865	2,400
Other reconciling items[(c)]	34	—	508	—	93	635
Future policy benefits for life and accident and health insurance contracts	1,370	216	12,135	16,254	20,380	50,355
Less: Reinsurance recoverable:	(4)	—	(700)	(37)	(20,380)	(21,121)
Net liability for future policy benefits after reinsurance recoverable	$ 1,366	$ 216	$ 11,435	$ 16,217	$ —	$ 29,234
Weighted average liability duration of the liability for future policy benefits[(d)(e)]	7.4	6.6	11.9	10.9	10.8	

Nine Months Ended September 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	—	—	123	—	—	123
Effect of actual variances from expected experience	—	—	(19)	—	5	(14)
Adjusted beginning of year balance	—	—	13,767	—	1,129	14,896
Issuances	—	—	1,050	—	—	1,050
Interest accrual	—	—	297	—	37	334
Net premium collected	—	—	(1,060)	—	(93)	(1,153)
Foreign exchange impact	—	—	(854)	—	—	(854)
Other	—	—	(1)	—	—	(1)
Ending balance at original discount rate	—	—	13,199	—	1,073	14,272
Effect of changes in discount rate assumptions (AOCI)	—	—	(2,111)	—	(80)	(2,191)
Balance, end of period	$ —	$ —	$ 11,088	$ —	$ 993	$ 12,081
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)]	—	—	140	(6)	—	134
Effect of actual variances from expected experience[(a)]	(16)	(2)	(24)	(11)	(24)	(77)
Adjusted beginning of year balance	1,262	216	24,841	13,003	21,977	61,299
Issuances	156	9	1,055	1,507	8	2,735
Interest accrual	31	7	657	333	787	1,815
Benefit payments	(86)	(18)	(1,317)	(602)	(1,118)	(3,141)
Foreign exchange impact	—	—	(1,093)	(555)	—	(1,648)
Other	—	—	(2)	—	(11)	(13)
Ending balance at original discount rate	1,363	214	24,141	13,686	21,643	61,047
Effect of changes in discount rate assumptions (AOCI)	(188)	(4)	(3,844)	(2,786)	(1,546)	(8,368)
Balance, end of period	$ 1,175	$ 210	$ 20,297	$ 10,900	$ 20,097	$ 52,679
Net liability for future policy benefits, end of period	1,175	210	9,209	10,900	19,104	40,598
Liability for future policy benefits for certain participating contracts	—	—	14	—	1,349	1,363
Liability for universal life policies with secondary guarantees and similar features[(b)]	—	—	3,177	—	55	3,232
Deferred profit liability	92	12	14	1,148	898	2,164
Other reconciling items[(c)]	30	—	547	—	101	678
Future policy benefits for life and accident and health insurance contracts	1,297	222	12,961	12,048	21,507	48,035
Less: Reinsurance recoverable:	(4)	—	(1,069)	(37)	(21,491)	(22,601)
Net liability for future policy benefits after reinsurance recoverable	$ 1,293	$ 222	$ 11,892	$ 12,011	$ 16	$ 25,434
Weighted average liability duration of the liability for future policy benefits[(d)]	7.4	6.8	11.9	10.1	11.2	

(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.

(e) Includes balances that were reclassified to Liabilities held-for-sale in the Condensed Consolidated Balance Sheets. *See Note 4 for additional information.*

For the nine months ended September 30, 2023 and 2022 in the traditional and term life insurance block, capping of net premium ratios at 100% caused a (credit)/charge to net income of $(1) million and $11 million, respectively. The discount rate was updated based on market observable information. Relative to the 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:

		Nine Months Ended September 30,	
(in millions)		**2023**	2022
Individual Retirement	Undiscounted expected future benefits and expense	**$ 2,119**	$ 1,889
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Group Retirement	Undiscounted expected future benefits and expense	**$ 315**	$ 324
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Life Insurance[(a)]	Undiscounted expected future benefits and expense	**$ 39,763**	$ 38,238
	Undiscounted expected future gross premiums	**$ 29,789**	$ 28,584
	Discounted expected future gross premiums (at current discount rate)	**$ 18,596**	$ 17,965
Institutional Markets	Undiscounted expected future benefits and expense	**$ 33,025**	$ 21,866
	Undiscounted expected future gross premiums	**$ —**	$ —
	Discounted expected future gross premiums (at current discount rate)	**$ —**	$ —
Corporate and Other [(b)]	Undiscounted expected future benefits and expense	**$ 43,250**	$ 44,919
	Undiscounted expected future gross premiums	**$ 2,141**	$ 2,305
	Discounted expected future gross premiums (at current discount rate)	**$ 1,372**	$ 1,481

(a) Includes balances that have been reclassified to Liabilities held-for-sale in the Condensed Consolidated Balance Sheets. *See Note 4 for additional information.*

(b) Represents activity ceded to Fortitude Re.

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

	Gross Premiums		Interest Accretion	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement	**$ 164**	$ 160	**$ 38**	$ 31
Group Retirement	**16**	16	**8**	7
Life Insurance	**1,781**	1,751	**354**	360
Institutional Markets	**3,709**	1,558	**478**	333
Corporate and Other	**161**	168	**736**	750
Total	**$ 5,831**	$ 3,653	**$ 1,614**	$ 1,481

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

September 30, 2023	**Individual Retirement**	**Group Retirement**	**Life Insurance**	**Institutional Markets**	**Corporate and Other**
Weighted-average interest rate, original discount rate *	**3.75 %**	**5.15 %**	**4.14 %**	**3.97 %**	**4.87 %**
Weighted-average interest rate, current discount rate *	**5.92 %**	**5.90 %**	**5.92 %**	**5.87 %**	**5.94 %**
September 30, 2022					
Weighted-average interest rate, original discount rate	3.42 %	5.20 %	4.13 %	3.41 %	4.89 %
Weighted-average interest rate, current discount rate	5.52 %	5.50 %	5.56 %	5.56 %	5.57 %

* Weighted-average interest rates for Life Insurance include balances that have been reclassified to Liabilities held-for-sale.

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.

Actuarial Assumption Updates for Liability for Future Policy Benefits

In 2023, Corebridge recognized an unfavorable impact to net income due to other refinements on Life products offset in part by mortality assumption updates. In 2022, Corebridge recognized a favorable impact to net income (mostly offset by corresponding DPL adjustment) due to updates to mortality and retirement assumptions on certain pension risk transfer products.

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:

	Nine Months Ended September 30, 2023			Nine Months Ended September 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 assumptions	**(41)**	**—**	**(41)**	(24)	—	(24)
Effect of changes in experience	**174**	**(3)**	**171**	245	(3)	242
Adjusted beginning balance	**$ 3,433**	**$ 52**	**$ 3,485**	$ 5,173	$ 52	$ 5,225
Assessments	**518**	**1**	**519**	528	1	529
Excess benefits paid	**(681)**	**—**	**(681)**	(697)	—	(697)
Interest accrual	**95**	**2**	**97**	94	2	96
Other	**20**	**—**	**20**	(14)	—	(14)
Changes related to unrealized appreciation (depreciation) of investments	**(162)**	**—**	**(162)**	(1,907)	—	(1,907)
Balance, end of period	**$ 3,223**	**$ 55**	**$ 3,278**	$ 3,177	$ 55	$ 3,232
Less: Reinsurance recoverable	**(162)**	**—**	**(162)**	(214)	—	(214)
Balance, end of period net of Reinsurance recoverable	**$ 3,061**	**$ 55**	**$ 3,116**	$ 2,963	$ 55	$ 3,018
Weighted average duration of liability *	**25.4**	**9.3**		26.8	9.6	

* 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 Nine Months Ended September 30,		Interest Accretion Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Life Insurance	**$ 855**	$ 922	**$ 95**	$ 94
Corporate and Other	**31**	29	**2**	2
Total	**$ 886**	$ 951	**$ 97**	$ 96

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

September 30,	**2023**		2022	
	Life Insurance	**Corporate and Other**	**Life Insurance**	**Corporate and Other**
Weighted-average interest rate	**3.94 %**	**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:

	Nine Months Ended September 30,	
(in millions, except for attained age of contract holders)	**2023**	2022
Account value	**$ 3,654**	$ 3,462
Net amount at risk	**$ 71,497**	$ 68,350
Average attained age of contract holders	**53**	53

Actuarial Assumption Updates for Liability for universal life policies with secondary guarantees and similar features

In 2023, Corebridge recognized a favorable impact to net income due to updates to the portfolio yield assumption and refinements to the modeling for universal life with secondary guarantees and similar features, partially offset by updated premium assumptions. In 2022, Corebridge recognized a favorable impact to net income due to modeling refinements to reflect actual versus expected asset data related to calls and capital gains.

14. Policyholder Contract Deposits and Other Policyholder Funds

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 5.

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)]:

Nine Months Ended September 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	**12,885**	**3,943**	**1,211**	**3,707**	**34**	**21,780**
Policy charges	**(661)**	**(359)**	**(1,143)**	**(50)**	**(47)**	**(2,260)**
Surrenders and withdrawals	**(10,310)**	**(6,010)**	**(194)**	**(502)**	**(65)**	**(17,081)**
Benefit payments	**(2,984)**	**(1,801)**	**(222)**	**(1,355)**	**(233)**	**(6,595)**
Net transfers from (to) separate account	**2,577**	**1,896**	**1**	**565**	**—**	**5,039**
Interest credited	**1,482**	**843**	**297**	**353**	**127**	**3,102**
Other	**(7)**	**6**	**16**	**(9)**	**(11)**	**(5)**
Policyholder contract deposits account balance, end of period	**$ 92,536**	**$ 41,913**	**$ 10,190**	**$ 14,443**	**$ 3,392**	**$ 162,474**
Other reconciling items[(b)]	**(2,280)**	**(327)**	**11**	**(20)**	**—**	**(2,616)**
Policyholder contract deposits	**90,256**	**41,586**	**10,201**	**14,423**	**3,392**	**159,858**
Weighted average crediting rate	**2.65 %**	**2.88 %**	**4.37 %**	**3.66 %**	**4.99 %**	
Cash surrender value[(c)]	**$ 85,644**	**$ 40,928**	**$ 9,008**	**$ 2,577**	**$ 1,732**	**$ 139,889**

Nine Months Ended September 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	11,359	3,599	1,252	1,296	36	17,542
Policy charges	(631)	(356)	(1,175)	(52)	(49)	(2,263)
Surrenders and withdrawals	(6,232)	(4,146)	(162)	(44)	(48)	(10,632)
Benefit payments	(2,872)	(1,634)	(164)	(593)	(273)	(5,536)
Net transfers from (to) separate account	1,606	1,659	(1)	26	—	3,290
Interest credited	1,242	825	286	207	134	2,694
Other	3	1	(10)	(48)	8	(46)
Policyholder contract deposits account balance, end of period	$ 88,572	$ 43,850	$ 10,209	$ 11,596	$ 3,631	$ 157,858
Other reconciling items[(b)]	(2,372)	(356)	(125)	(33)	2	(2,884)
Policyholder contract deposits	86,200	43,494	10,084	11,563	3,633	154,974
Weighted average crediting rate	2.40 %	2.74 %	4.28 %	2.49 %	4.91 %	
Cash surrender value[(c)]	$ 82,151	$ 42,970	$ 8,948	$ 2,532	$ 1,824	$ 138,425

(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 15.

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:

September 30, 2023		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
(in millions, except percentage of total)					
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 6,741	$ 2,234	$ 24,455	$ 33,430
	> 1% - 2%	3,940	22	1,909	5,871
	> 2% - 3%	8,401	11	822	9,234
	> 3% - 4%	6,864	37	6	6,907
	> 4% - 5%	439	—	4	443
	> 5%	32	—	3	35
	Total	$ 26,417	$ 2,304	$ 27,199	$ 55,920
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 2,197	$ 2,467	$ 6,304	$ 10,968
	> 1% - 2%	3,874	1,347	667	5,888
	> 2% - 3%	12,700	159	93	12,952
	> 3% - 4%	641	—	—	641
	> 4% - 5%	6,773	—	—	6,773
	> 5%	150	—	—	150
	Total	$ 26,335	$ 3,973	$ 7,064	$ 37,372
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	—	131	347	478
	> 2% - 3%	9	866	1,078	1,953
	> 3% - 4%	1,178	499	26	1,703
	> 4% - 5%	2,879	—	—	2,879
	> 5%	218	—	—	218
	Total	$ 4,284	$ 1,496	$ 1,451	$ 7,231
Total*		$ 57,036	$ 7,773	$ 35,714	$ 100,523
Percentage of total		56%	8%	36%	100%

September 30, 2022		At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	More than 50 Basis Points Above Minimum Guarantee	Total
(in millions, except percentage of total)					
Individual Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 9,822	$ 1,656	$ 20,778	$ 32,256
	> 1% - 2%	4,261	24	1,960	6,245
	> 2% - 3%	9,790	—	17	9,807
	> 3% - 4%	7,805	40	6	7,851
	> 4% - 5%	464	—	5	469
	> 5%	33	—	4	37
	Total	$ 32,175	$ 1,720	$ 22,770	$ 56,665
Group Retirement	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ 3,726	$ 1,614	$ 5,178	$ 10,518
	> 1% - 2%	6,024	437	23	6,484
	> 2% - 3%	14,448	—	—	14,448
	> 3% - 4%	690	—	—	690
	> 4% - 5%	6,943	—	—	6,943
	> 5%	159	—	—	159
	Total	$ 31,990	$ 2,051	$ 5,201	$ 39,242
Life Insurance	**Range of Guaranteed Minimum Credited Rate**				
	<=1%	$ —	$ —	$ —	$ —
	> 1% - 2%	106	24	353	483
	> 2% - 3%	235	635	1,112	1,982
	> 3% - 4%	1,374	183	192	1,749
	> 4% - 5%	2,998	—	—	2,998
	> 5%	224	—	—	224
	Total	$ 4,937	$ 842	$ 1,657	$ 7,436
Total*		$ 69,102	$ 4,613	$ 29,628	$ 103,343
Percentage of total		67%	4%	29%	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 was reducing URR.

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

Nine Months Ended September 30, 2023 *(in millions)*	Life Insurance	Institutional Markets	Corporate and Other	Total
Balance, beginning of year	**$ 1,727**	**$ 2**	**$ 105**	**$ 1,834**
Revenue deferred	**114**	**—**	**—**	**114**
Amortization	**(83)**	**(1)**	**(8)**	**(92)**
Balance, end of period	**$ 1,758**	**$ 1**	**$ 97**	**$ 1,856**
Other reconciling items*				**994**
Other policyholder funds				**$ 2,850**

Nine Months Ended September 30, 2022 *(in millions)*	Life Insurance	Institutional Markets	Corporate and Other	Total
Balance, beginning of year	$ 1,693	$ 2	$ 116	$ 1,811
Revenue deferred	106	—	—	106
Amortization	(82)	—	(8)	(90)
Balance, end of period	$ 1,717	$ 2	$ 108	$ 1,827
Other reconciling items*				1,045
Other policyholder funds				$ 2,872

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

15. 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 represents 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, which 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. Generally 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 variable annuity 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:

Nine Months Ended September 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
Effect of changes in our own credit risk	(441)	(24)	(465)
Balance, beginning of year, before effect of changes in our own credit risk	$ 3,297	$ 272	$ 3,569
Issuances	527	28	555
Interest accrual	122	12	134
Attributed fees	636	49	685
Expected claims	(68)	(2)	(70)
Effect of changes in interest rates	(1,223)	(99)	(1,322)
Effect of changes in interest rate volatility	(7)	2	(5)
Effect of changes in equity markets	(591)	(61)	(652)
Effect of changes in equity index volatility	(27)	(4)	(31)
Actual outcome different from model expected outcome	155	10	165
Effect of changes in future expected policyholder behavior	(1)	(1)	(2)
Effect of changes in other future expected assumptions	(86)	(40)	(126)
Other, including foreign exchange	—	(3)	(3)
Balance, end of period, before effect of changes in our own credit risk	2,734	163	2,897
Effect of changes in our own credit risk	662	53	715
Balance, end of period	3,396	216	3,612
Less: Reinsured MRB, end of period	(71)	—	(71)
Net Liability Balance after reinsurance recoverable	$ 3,325	$ 216	$ 3,541
Net amount at risk			
GMDB only	$ 1,200	$ 257	$ 1,457
GMWB only	$ 24	$ 1	$ 25
Combined*	$ 1,764	$ 28	$ 1,792
Weighted average attained age of contract holders	70	64	

Nine Months Ended September 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
Effect of changes in our own credit risk		(1,934)		(167)		(2,101)
Balance, beginning of year, before effect of changes in our own credit risk	$	4,518	$	415	$	4,933
Issuances		161		17		178
Interest accrual		130		16		146
Attributed fees		637		54		691
Expected claims		(53)		(2)		(55)
Effect of changes in interest rates		(3,929)		(360)		(4,289)
Effect of changes in interest rate volatility		267		17		284
Effect of changes in equity markets		1,923		164		2,087
Effect of changes in equity index volatility		(80)		—		(80)
Actual outcome different from model expected outcome		139		14		153
Effect of changes in future expected policyholder behavior		(2)		(18)		(20)
Effect of changes in other future expected assumptions		(85)		—		(85)
Other, including foreign exchange		4		(12)		(8)
Balance, end of period before effect of changes in our own credit risk		3,630		305		3,935
Effect of changes in our own credit risk		63		(8)		55
Balance, end of period		3,693		297		3,990
Less: Reinsured MRB, end of period		(98)		—		(98)
Net Liability Balance after reinsurance recoverable	$	3,595	$	297	$	3,892
Net amount at risk						
GMDB only	$	2,059	$	558	$	2,617
GMWB only	$	15	$	—	$	15
Combined*	$	2,670	$	16	$	2,686
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:

	September 30, 2023						September 30, 2022					
(in millions)		**Asset***		**Liability***		**Net**		Asset*		Liability*		Net
Individual Retirement	**$**	**814**	**$**	**4,139**	**$**	**3,325**	$	622	$	4,217	$	3,595
Group Retirement		**164**		**380**		**216**		121		418		297
Total	**$**	**978**	**$**	**4,519**	**$**	**3,541**	$	743	$	4,635	$	3,892

* 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 5.

Actuarial Assumption Updates for Market Risk Benefits

For 2023, Corebridge recognized a favorable impact to net income due to policyholder behavior assumptions. For 2022, Corebridge recognized a favorable impact to net income due to an update to the relationship between projected equity growth and interest rates for annuities.

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 5.

16. 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 the scope of coverage under insurance and reinsurance contracts, and litigation and arbitration in which our subsidiaries defend or indemnify their insureds under insurance 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 respective 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.

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 8.

Moriarty Litigation

Effective January 1, 2013, the California legislature enacted AB 1747 (the “Act”), which amended the California 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 annual notice of 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 those 2022 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 had “substantial concerns” as to whether individual issues such as actual damages and causation would predominate, precluding class certification.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.

On August 14, 2023, the District Court granted Plaintiff’s motion for summary judgment, adopting Plaintiff’s theory that failure to comply with the Act means the policy did not lapse and as a result, AGL breached the terms of the policy by refusing to pay the death benefit. In the order granting the motion, the District Court declined to revisit the September 2022 denial of class certification; therefore, this matter became an individual case only.

At a status conference on August 23, 2023, the District Court decided that Plaintiff could file a motion regarding the propriety of revisiting class certification. Plaintiff filed such a motion on September 1, 2023, and AGL filed a provisional motion to certify the District Court’s August 14, 2023 summary judgment order for interlocutory appeal to the Court of Appeals for the Ninth Circuit on the same date.

On September 26, 2023, the District Court decided that good cause exists to allow Plaintiff to file a third motion for class certification; however, at the same time, the Court certified AGL’s petition for interlocutory appeal and stayed court proceedings pending the outcome of AGL’s appeal.

AGL is also defending other actions in California involving similar issues: Allen v. Protective Life Insurance Co., (pending in federal district court in the Eastern District) in which the individual plaintiff filed a motion on August 11, 2023 seeking leave to amend the complaint to add class-action allegations against AGL; and Chuck v. American General Life Insurance Co. (pending in California Superior Court for the County of Los Angeles), which was filed on September 6, 2023 as a putative class action. These cases are in the early stages, and we expect their progress will be influenced by future developments in the *McHugh* and *Moriarty* cases referenced herein.

We have accrued our current estimate of probable loss with respect to these litigation matters.

Proceedings are ongoing against other insurers in other California cases that raise similar industry-wide issues, including the McHugh case. McHugh is on remand from the California Supreme Court and is set for trial in February 2024. There, the California Court of Appeal rendered an unpublished opinion on October 10, 2022 that 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 $4.4 billion at September 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 nine months ended September 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 nine months ended September 30, 2023. As of September 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 Corebridge Life Holdings, Inc.(“CRBGLH”). This includes:

- a guarantee (the “CRBGLH External Debt Guarantee”) in connection with CRBGLH junior subordinated debentures and certain CRBGLH notes (the “CRBGLH External Debt”); and
- a guarantee in connection with a sale-leaseback transaction in 2020. Pursuant to this transaction, CRBGLH 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 nine months ended September 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 CRBGLH 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 CRBGLH long-term unsecured indebtedness below specified levels or (ii) the failure by CRBGLH 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 CRBGLH External Debt.

- *For additional discussion on commitments and guarantees associated with VIEs, see Note 9.*
- *For additional disclosures about derivatives, see Note 10.*
- *For additional disclosures about related parties, see Note 20.*

17. Equity and Redeemable Noncontrolling Interest

COREBRIDGE SHAREHOLDERS' EQUITY

Retained Earnings

Dividends

Declaration Date	Record Date	Payment Date	Dividend Paid Per Common Share
August 3, 2023	September 15, 2023	September 29, 2023	$ 0.23
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 nine months ended 2022, Corebridge paid cash dividends of $0 million and $580 million.

Dividends Declared

On November 2, 2023, the Company declared a cash dividend on Corebridge common stock of $0.23 per share, payable on December 29, 2023 to shareholders of record at close of business on December 15, 2023.

On October 31, 2023, the Company declared a special cash dividend on Corebridge common stock of $1.16 per share (approximately $730 million), payable on November 22, 2023 to shareholders of record at close of business on November 13, 2023.

Common Stock

The following table presents a rollforward of outstanding shares:

Nine Months Ended September 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	**—**	**(14,660,410)**	**(14,660,410)**
Shares, end of period	**648,144,926**	**(14,660,410)**	**633,484,516**

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 September 30, 2023, we repurchased approximately 14.7 million shares of Corebridge Common Stock for an aggregate purchase price of approximately $246 million. From September 30, 2023 to October 27, 2023, we repurchased approximately 2.5 million shares of Corebridge Common Stock for an aggregate purchase price of approximately $50 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, June 30, 2023, net of tax	**$ (19)**	**$ (17,732)**	**$ (480)**	**$ 2,929**	**$ 147**	**$ (38)**	**$ 11**	**$ (15,182)**
Change in unrealized depreciation of investments [(a)]	**(52)**	**(6,398)**	**—**	**—**	**—**	**—**	**—**	**(6,450)**
Change in fair value of market risk benefits attributable to changes in our own credit risk	**—**	**—**	**(104)**	**—**	**—**	**—**	**—**	**(104)**
Change in discount rates assumptions of certain liabilities	**—**	**—**	**—**	**1,435**	**—**	**—**	**—**	**1,435**
Change in future policy benefits and other	**(10)**	**183**	**—**	**—**	**—**	**—**	**—**	**173**
Change in cash flow hedges	**—**	**—**	**—**	**—**	**(17)**	**—**	**—**	**(17)**
Change in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**(41)**	**—**	**(41)**
Change in net actuarial loss	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Change in deferred tax asset (liability)	**13**	**1,157**	**23**	**(319)**	**3**	**12**	**—**	**889**
Total other comprehensive income (loss)	**(49)**	**(5,058)**	**(81)**	**1,116**	**(14)**	**(29)**	**—**	**(4,115)**
Noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**(3)**	**—**	**(3)**
Balance, September 30, 2023, net of tax	**$ (68)**	**$ (22,790)**	**$ (561)**	**$ 4,045**	**$ 133**	**$ (64)**	**$ 11**	**$ (19,294)**
Balance, June 30, 2022, net of tax [(b)]	$ (33)	$ (13,480)	$ (296)	$ 1,607	$ 169	$ (79)	$ 6	$ (12,106)
Change in unrealized depreciation of investments	(63)	(9,985)	—	—	—	—	—	(10,048)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	—	320	—	—	—	—	320
Change in discount rates assumptions of certain liabilities	—	—	—	2,002	—	—	—	2,002
Change in future policy benefits and other	—	465	—	—	—	—	—	465
Change in cash value hedges	—	—	—	—	(7)	—	—	(7)
Change in foreign currency translation adjustments	—	—	—	—	—	(84)	—	(84)
Change in net actuarial loss	—	—	—	—	—	—	—	—
Change in deferred tax asset (liability)	14	1,957	(68)	(424)	1	5	—	1,485
Total other comprehensive income	(49)	(7,563)	252	1,578	(6)	(79)	—	(5,867)
Noncontrolling interests	—	—	—	—	—	(19)	—	(19)
Balance, September 30, 2022, net of tax	$ (82)	$ (21,043)	$ (44)	$ 3,185	$ 163	$ (139)	$ 6	$ (17,954)

(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, December 31, 2022, net of tax	**$ (92)**	**$ (19,380)**	**$ (365)**	**$ 2,908**	**$ 157**	**$ (100)**	**$ 9**	**$ (16,863)**
Cumulative effect of change in accounting principles	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Change in unrealized depreciation of investments [(a)]	**41**	**(4,243)**	**—**	**—**	**—**	**—**	**—**	**(4,202)**
Change in fair value of market risk benefits attributable to changes in our own credit risk	**—**	**—**	**(250)**	**—**	**—**	**—**	**—**	**(250)**
Change in discount rates assumptions of certain liabilities	**—**	**—**	**—**	**1,468**	**—**	**—**	**—**	**1,468**
Change in future policy benefits and other	**(10)**	**116**	**—**	**—**	**—**	**—**	**—**	**106**
Change in cash flow hedges	**—**	**—**	**—**	**—**	**(32)**	**—**	**—**	**(32)**
Change in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**24**	**—**	**24**
Change in net actuarial loss	**—**	**—**	**—**	**—**	**—**	**—**	**3**	**3**
Change in deferred tax asset (liability)	**(7)**	**717**	**54**	**(331)**	**8**	**19**	**(1)**	**459**
Total other comprehensive income (loss)	**24**	**(3,410)**	**(196)**	**1,137**	**(24)**	**43**	**2**	**(2,424)**
Less: Noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**7**	**—**	**7**
Balance, September 30, 2023, net of tax	**$ (68)**	**$ (22,790)**	**$ (561)**	**$ 4,045**	**$ 133**	**$ (64)**	**$ 11**	**$ (19,294)**
Balance, December 31, 2021, net of tax	$ (31)	$ 12,315	$ (1,659)	$ (2,390)	$ —	$ (9)	$ 7	$ 8,233
Change in unrealized depreciation of investments	(65)	(42,259)	—	—	—	—	—	(42,324)
Change in fair value of market risk benefits attributable to changes in our own credit risk	—	—	2,046	—	—	—	—	2,046
Change in discount rates assumptions of certain liabilities	—	—	—	7,071	—	—	—	7,071
Change in future policy benefits and other	—	1,905	—	—	—	—	—	1,905
Change in cash value hedges	—	—	—	—	211	—	—	211
Change in foreign currency translation adjustments	—	—	—	—	—	(158)	—	(158)
Change in net actuarial loss	—	—	—	—	—	—	(1)	(1)
Change in deferred tax asset (liability)	14	6,996	(431)	(1,496)	(48)	9	—	5,044
Total other comprehensive income	(51)	(33,358)	1,615	5,575	163	(149)	(1)	(26,206)
Less: Noncontrolling interests	—	—	—	—	—	(19)	—	(19)
Balance, September 30, 2022, net of tax [(b)]	$ (82)	$ (21,043)	$ (44)	$ 3,185	$ 163	$ (139)	$ 6	$ (17,954)

(a) Includes net unrealized gains and losses attributable to held-for-sale businesses at September 30, 2023.

(b*) 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 nine months ended September 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 September 30, 2023								
Unrealized change arising during period	**$ (62)**	**$ (6,223)**	**$ (104)**	**$ 1,435**	**$ (17)**	**$ (41)**	**$ —**	**$ (5,012)**
Less: Reclassification adjustments included in net income	**—**	**(8)**	**—**	**—**	**—**	**—**	**—**	**(8)**
Total other comprehensive income (loss), before income tax expense (benefit)	**(62)**	**(6,215)**	**(104)**	**1,435**	**(17)**	**(41)**	**—**	**(5,004)**
Less: Income tax expense (benefit)	**(13)**	**(1,157)**	**(23)**	**319**	**(3)**	**(12)**	**—**	**(889)**
Total other comprehensive income (loss), net of income tax expense (benefit)	**$ (49)**	**$ (5,058)**	**$ (81)**	**$ 1,116**	**$ (14)**	**$ (29)**	**$ —**	**$ (4,115)**
Three Months Ended September 30, 2022								
Unrealized change arising during period	$ (63)	$ (9,625)	$ 320	$ 2,002	$ (7)	$ (84)	$ —	$ (7,457)
Less: Reclassification adjustments included in net income	—	(105)	—	—	—	—	—	(105)
Total other comprehensive income (loss), before income tax expense (benefit)	(63)	(9,520)	320	2,002	(7)	(84)	—	(7,352)
Less: Income tax expense (benefit)	(14)	(1,957)	68	424	(1)	(5)	—	(1,485)
Total other comprehensive income (loss), net of income tax expense (benefit)	$ (49)	$ (7,563)	$ 252	$ 1,578	$ (6)	$ (79)	$ —	$ (5,867)
Nine Months Ended September 30, 2023								
Unrealized change arising during period	**$ 14**	**$ (4,453)**	**$ (250)**	**$ 1,468**	**$ (32)**	**$ 24**	**$ 3**	**$ (3,226)**
Less: Reclassification adjustments included in net income	**(17)**	**(326)**	**—**	**—**	**—**	**—**	**—**	**(343)**
Total other comprehensive income (loss), before income tax expense (benefit)	**31**	**(4,127)**	**(250)**	**1,468**	**(32)**	**24**	**3**	**(2,883)**
Less: Income tax expense (benefit)	**7**	**(717)**	**(54)**	**331**	**(8)**	**(19)**	**1**	**(459)**
Total other comprehensive income (loss), net of income tax expense (benefit)	**$ 24**	**$ (3,410)**	**$ (196)**	**$ 1,137**	**$ (24)**	**$ 43**	**$ 2**	**$ (2,424)**
Nine Months Ended September 30, 2022								
Unrealized change arising during period	$ (73)	$ (40,837)	$ 2,046	$ 7,071	$ 211	$ (158)	$ (1)	$ (31,741)
Less: Reclassification adjustments included in net income	(8)	(483)	—	—	—	—	—	(491)
Total other comprehensive income (loss), before income tax expense (benefit)	(65)	(40,354)	2,046	7,071	211	(158)	(1)	(31,250)
Less: Income tax expense (benefit)	(14)	(6,996)	431	1,496	48	(9)	—	(5,044)
Total other comprehensive income (loss), net of income tax expense (benefit)	$ (51)	$ (33,358)	$ 1,615	$ 5,575	$ 163	$ (149)	$ (1)	$ (26,206)

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 September 30,		Nine Months Ended September 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	**$ —**	$ —	**$ (17)**	$ (8)	Net realized gains (losses)
Total	**—**	—	**(17)**	(8)	
Unrealized appreciation (depreciation) of all other investments					
Investments	**(8)**	(105)	**(326)**	(483)	Net realized gains (losses)
Total	**(8)**	(105)	**(326)**	(483)	
Total reclassifications for the period	**$ (8)**	$ (105)	**$ (343)**	$ (491)	

* 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Beginning balance	**$ 907**	$ 1,208	**$ 939**	$ 1,759
Net income attributable to redeemable noncontrolling interest	**(32)**	127	**(46)**	282
Other comprehensive loss, net of tax	**(3)**	(19)	**7**	(19)
Changes in noncontrolling interests due to divestitures and acquisitions	**—**	(104)	**(19)**	(104)
Contributions from noncontrolling interests	**20**	22	**63**	45
Distributions to noncontrolling interests	**(1)**	(399)	**(54)**	(1,117)
Other	**(1)**	10	**—**	(1)
Ending balance	**$ 890**	$ 845	**$ 890**	$ 845

Refer to Note 9 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 September 30,	Nine Months Ended September 30,
(in millions)	2022	2022
Beginning balance	$ 58	$ 83
Distributions to noncontrolling interests	(40)	(65)
Net income attributable to redeemable noncontrolling interest	(1)	(1)
Ending balance	$ 17	$ 17

18. 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 nine months ended September 30, 2023, and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per common share data)	**2023**	2022	**2023**	2022
Numerator for EPS:				
Net income (loss)	**$ 2,069**	$ 2,532	**$ 2,367**	$ 8,647
Less: Net income (loss) attributable to noncontrolling interests	**(32)**	126	**(46)**	281
Net income (loss) attributable to Corebridge common shareholders	**$ 2,101**	2,406	**$ 2,413**	$ 8,366
Denominator for EPS[(a)]:				
Weighted average common shares outstanding - basic	**639.0**	645.7	**646.8**	645.2
Dilutive common shares[(b)]	**2.0**	0.7	**1.8**	0.2
Weighted average common shares outstanding - diluted	**641.0**	646.4	**648.6**	645.4
Income per common share attributable to Corebridge common shareholders[(a)]				
Common stock - Basic	**$ 3.29**	$ 3.73	**$ 3.73**	$ 12.97
Common stock - Diluted	**$ 3.28**	$ 3.72	**$ 3.72**	$ 12.96

(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 18 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 1.0 million and 30 thousand for the three months ended September 30, 2023 and 2022, respectively, and 1.0 million and 10 thousand nine months ended September 30, 2023 and 2022, respectively, because the effect of including those common shares in the calculation would have been anti-dilutive.

19. 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. Although the U.S. Treasury and Internal Revenue Service (“IRS”) issued interim CAMT guidance during 2023, many details and specifics of application of the CAMT remain subject to future guidance. Our estimated CAMT liability will continue to be refined based on future guidance.

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 September 30, 2023, the effective tax rate on income from operations was 15.9%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to tax benefits associated with the establishment of outside basis as a result of the held-for-sale designation of Laya and AIG Life (United Kingdom), partial release of valuation allowance, 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 tax charges associated with state and local income taxes.

For the nine months ended September 30, 2023, the effective tax rate on income from operations was 12.4%. The effective tax rate on income from operations differs from the statutory tax rate of 21% primarily due to tax benefits associated with the establishment of outside basis as a result of the held-for-sale designation of Laya and AIG Life (United Kingdom), 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, partial release of valuation allowance, 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.

For the three months ended September 30, 2022, the effective tax rate on income from operations was 20.2%. 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 nine months ended September 30, 2022, the effective tax rate on income from operations was 19.9%. 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.

As a result of the held-for-sale designation of Laya and AIG Life (United Kingdom) during the third quarter of 2023, as of September 30, 2023, we do not consider our foreign earnings with respect to our operations in Europe to be indefinitely reinvested. 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 nine months ended September 30, 2023, we recorded a decrease in valuation allowance of $57 million and $6 million, respectively, primarily attributable to current year activity. As of September 30, 2023, the balance sheet reflects a valuation allowance of $145 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 nine months ended September 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 September 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 nine months ended September 30, 2023, we recorded an increase in valuation allowance of $177 million and $114 million, respectively, associated with the unrealized tax capital losses in the U.S. life insurance companies' available-for-sale securities portfolio. As of September 30, 2023, the balance sheet reflects a valuation allowance of $1.5 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.

20. 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 three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Other income	**$ 8**	$ 24	**$ 28**	$ 83
Net investment income - excluding Fortitude Re funds withheld assets	**—**	3	**(8)**	(4)
Total revenues	**$ 8**	$ 27	**$ 20**	$ 79
Expenses:				
General operating and other expenses	**$ 34**	$ 51	**$ 127**	$ 79
Interest expense	**—**	17	**8**	76
Total expenses	**$ 34**	$ 68	**$ 135**	$ 155

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 $8 million and $28 million for the three and nine months ended September 30, 2023, respectively, and $24 million and $83 million for the three and nine months ended September 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 nine months ended September 30, 2023, respectively, and $4 million and $14 million for the three and nine months ended September 30, 2022, respectively. The derivative assets, net of gross assets and gross liabilities after collateral were $61 million and $12 million as of September 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 September 30, 2023 and December 31, 2022, respectively. The collateral posted to AIGM was $2.2 billion and $1.5 billion as of September 30, 2023 and December 31, 2022, respectively. The collateral held by us was $640 million and $380 million as of September 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 September 30, 2023 and December 31, 2022, respectively. There were no derivative net liabilities as of September 30, 2023 and December 31, 2022, respectively.

For further details regarding derivatives, see Note 10.

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 $54 million and $311 million as of September 30, 2023 and December 31, 2022, respectively. Amounts due from AIG were $50 million and $54 million as of September 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 $34 million and $127 million for the three and nine months ended September 30, 2023, respectively, and $51 million and $62 million for the three and nine months ended September 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 $61 million and $70 million as of September 30, 2023 and December 31, 2022, respectively. Amounts payable to AIRCO were $7 million and $32 million as of September 30, 2023 and December 31, 2022, respectively. Ceded premiums related to these agreements were $10 million and $28 million for the three and nine months ended September 30, 2023, respectively, and $11 million and $29 million for the three and nine months ended September 30, 2022, respectively.

For further details of reinsurance transactions, see Note 8.

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 nine months ended September 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 nine months ended September 30, 2023. As of September 30, 2023 and December 31, 2022, the specified minimum capital percentage in the CMA was 250%.

AIG Parent provided a full and unconditional guarantee of CRBGLH Notes and Junior Subordinated Debentures. This included:

- the CRBGLH External Debt Guarantee; and
- a guarantee in connection with a sale-leaseback transaction in 2020. Pursuant to this transaction, CRBGLH 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 nine months ended September 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 CRBGLH 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 CRBGLH long-term unsecured indebtedness below specified levels or (ii) the failure by CRBGLH 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 CRBGLH External Debt.

For further details regarding guarantees previously provided by AIG, see Note 16.

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 September 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 $0 million and $8 million for the three and nine months ended September 30, 2023, respectively, and $7 million and $10 million for the three and nine months ended September 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 $7 million and $46 million for the three and nine months ended September 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. For the nine months ended September 30, 2023, we received tax sharing payments of $368 million from AIG in respect to these prior periods. There were $190 million and $1.0 billion of payments from Corebridge to AIG in connection with the tax sharing agreements for the three and nine months ended September 30, 2022, respectively. Amounts receivable (payable) from or to AIG pursuant to the tax sharing agreements were $(232) million and $524 million as of September 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 September 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 $47 million and $119 million for the three and nine months ended September 30, 2023, respectively, and $40 million and $113 million for the three and nine months ended September 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 $106 million and $308 million as of September 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 $0 million and $8 million for the three and nine months ended September 30, 2023, respectively, and $9 million and $29 million for the three and nine months ended September 30, 2022, respectively.

The noncontrolling interest included in the Condensed Consolidated Balance Sheets related to the VIEs held by affiliates was $520 million and $537 million as of September 30, 2023 and December 31, 2022, respectively. The gain/(loss) attributable to noncontrolling interest of consolidated VIEs held by affiliates was $(17) million and $(6) million for the three and nine months ended September 30, 2023, respectively, and $(5) million and $61 million for the three and nine months ended September 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 6 and 9.

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 September 30, 2023, compared with December 31, 2022, and its consolidated results of operations for the three and nine months ended September 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.

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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, CRBG 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 September 30, 2023, $28.2 billion of reserves related to business written by multiple wholly owned AIG subsidiaries, including $25.2 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 September 30, 2023	2022	Nine Months Ended September 30, 2023	2022
Net investment income - Fortitude Re funds withheld assets	$ 233	$ 157	$ 897	$ 617
Net realized gains (losses) on Fortitude Re funds withheld assets:				
Net realized losses on Fortitude Re funds withheld assets	(228)	(89)	(338)	(272)
Net realized gains on Fortitude Re funds withheld embedded derivatives	1,080	1,463	177	6,694
Net realized gains (losses) on Fortitude Re funds withheld assets	852	1,374	(161)	6,422
Income before income tax expense	1,085	1,531	736	7,039
Income tax expense*	(228)	(321)	(155)	(1,478)
Net income	857	1,210	581	5,561
Change in unrealized depreciation of the invested assets supporting the Fortitude Re modco arrangement classified as available for sale*	(820)	(1,091)	(534)	(5,242)
Comprehensive income	$ 37	$ 119	$ 47	$ 319

* 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 8 to the 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 5 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 September 30, 2023			Nine Months Ended September 30, 2023		
(in millions)	MRB Liability*	Hedge Assets	Net	MRB Liability*	Hedge Assets	Net
Issuances	$ 3	$ —	$ 3	$ 3	$ —	$ 3
Interest accrual	(10)	(60)	(70)	(36)	(179)	(215)
Attributed fees	(210)	—	(210)	(685)	—	(685)
Expected claims	21	—	21	70	—	70
Effect of changes in interest rates	867	(817)	50	839	(788)	51
Effect of changes in interest rate volatility	(91)	75	(16)	3	(3)	—
Effect of changes in equity markets	(268)	189	(79)	644	(361)	283
Effect of changes in equity index volatility	35	12	47	31	1	32
Actual outcome different from model expected outcome	(74)	—	(74)	(183)	—	(183)
Effect of changes in future expected policyholder behavior	—	—	—	—	—	—
Effect of changes in other future expected assumptions	7	—	7	115	—	115
Foreign exchange impact	2	—	2	5	—	5
Total impact on balance before other and changes in our own credit risk	282	(601)	(319)	806	(1,330)	(524)
Other	(1)	18	17	(4)	1	(3)
Effect of changes in our own credit risk	(40)	—	(40)	(77)	43	(34)
Total income (loss) impact on market risk benefits	241	(583)	(342)	725	(1,286)	(561)
Less: impact on OCI	(40)	(116)	(156)	(77)	(82)	(159)
Add: fees net of claims and ceded premiums and benefits	178	—	178	597	—	597
Net impact on pre-tax income (loss)	$ 459	$ (467)	$ (8)	$ 1,399	$ (1,204)	$ 195
Net change in value of economic hedge target and related hedges						
Net impact on economic gains (losses)			$ (99)			$ (474)

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
(in millions)	**MRB Liability***	**Hedge Assets**	**Net**	**MRB Liability***	**Hedge Assets**	**Net**
Issuances	$ (3)	$ —	$ (3)	$ (10)	$ —	$ (10)
Interest accrual	(23)	(71)	(94)	(61)	(210)	(271)
Attributed fees	(246)	—	(246)	(691)	—	(691)
Expected claims	25	—	25	54	—	54
Effect of changes in interest rates	893	(629)	264	3,210	(2,665)	545
Effect of changes in interest rate volatility	(95)	55	(40)	(293)	130	(163)
Effect of changes in equity markets	(393)	233	(160)	(2,081)	1,307	(774)
Effect of changes in equity index volatility	35	(3)	32	82	(18)	64
Actual outcome different from model expected outcome	(17)	—	(17)	(179)	—	(179)
Effect of changes in future expected policyholder behavior	87	—	87	87	—	87
Effect of changes in other future expected assumptions	16	—	16	16	—	16
Foreign exchange impact	2	—	2	10	—	10
Total impact on balance before other and changes in our own credit risk	281	(415)	(134)	144	(1,456)	(1,312)
Other	—	34	34	—	120	120
Effect of changes in our own credit risk	229	(20)	209	1,489	(148)	1,341
Total income (loss) impact on market risk benefits	510	(401)	109	1,633	(1,484)	149
Less: impact on OCI	229	(120)	109	1,489	(550)	939
Add: fees net of claims and ceded premiums and benefits	225	—	225	618	—	618
Net impact on pre-tax income (loss)	$ 506	$ (281)	$ 225	$ 762	$ (934)	$ (172)
Net change in value of economic hedge target and related hedges						
Net impact on economic gains (losses)			$ 481			$ 861

* MRB Liability is partially offset by MRB Assets.

Three Months Ended September 30, 2023

- Net impact on pre-tax loss of $8 million was primarily driven by decreases 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 September 30, 2023, we had a net mark-to-market loss of approximately $99 million from our hedging activities related to our economic hedge target primarily driven by tightening credit spreads.

Nine Months Ended September 30, 2023

- Net impact on pre-tax income of $195 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 nine months ended September 30, 2023, we had a net mark-to-market loss of approximately $474 million from our hedging activities related to our economic hedge target primarily driven by tightening credit spreads and lower equity volatility.

Three Months Ended September 30, 2022

- Net impact on pre-tax income of $225 million was primarily driven 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 September 30, 2022, we had a net mark-to-market gain of approximately $481 million from our hedging activities related to our economic hedge target primarily driven by widening credit spreads and an update to actuarial assumptions.

Nine Months Ended September 30, 2022

- Net impact on pre-tax loss of $172 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 nine months ended September 30, 2022, we had a net mark-to-market gain of approximately $861 million from our hedging activities related to our economic hedge target primarily driven by widening credit spreads and an update to actuarial assumptions.

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 September 30, 2023**	December 31, 2022
Fixed index annuities	**$ 5,573**	$ 4,657
Index universal life	**$ 754**	$ 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 September 30, 2023, Blackstone managed $54.7 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 September 30, 2023 BlackRock manages approximately $83.6 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.

Actuarial Assumption Changes

Most of the fixed annuities, fixed index annuities, variable annuity products and universal life insurance products we offer maintain policyholder deposits that are reported as liabilities and classified within either separate account liabilities or policyholder contract deposits. Our products and riders also impact liabilities for future policyholder benefits and unearned revenues and assets for DAC and DSI. The valuation of these assets and liabilities (other than deposits) is based on differing accounting methods depending on the product, each of which requires numerous assumptions and considerable judgment. The accounting guidance applied in the valuation of these assets and liabilities includes, but is not limited to, the following: (i) traditional life and limited pay insurance products for which actual experience is reflected in the liability and assumptions are reviewed and updated at least annually, if necessary, with the recognition and parenthetical presentation of any resulting re-measurement gain or loss in Policyholder benefits (except for discount rate changes) in the income statement; (ii) certain product guarantees for which benefit liabilities are accrued over the life of the contract in proportion to actual and future expected policy assessments; (iii) certain product guarantees reported as market risk benefits or index crediting features accounted for as embedded derivatives which are carried at fair value; and (iv) unearned revenue and assets for DAC, VOBA and DSI which are 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.

At least annually, typically in the third quarter, we conduct a comprehensive review of the underlying assumptions within our actuarially determined assets and liabilities. These assumptions include, but are not limited to, policyholder behavior, mortality, expenses, investment returns and policy crediting rates. Changes in assumptions can result in a significant change to the carrying value of product liabilities and assets and, consequently, the impact could be material to earnings in the period of the change.

For further details of our accounting policies and related judgments pertaining to assumption updates, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Future Policy Benefits, Policyholder Contract Deposits and Market Risk Benefits — Significant Reinsurance Agreements, Variable Annuity Guaranteed Benefits And Hedging Results And Actuarial Updates — Update of Actuarial Assumptions and Models.*"

The following table presents the increase in adjusted pre-tax operating income and pre-tax income resulting from the annual update of actuarial assumptions, which occurs in the third quarter of each year, by financial statement line item as reported in the Condensed Consolidated Statements of Income (Loss):

	Nine Months Ended September 30,	
(in millions)	**2023**	2022
Policyholder benefits	**$ 22**	$ 29
Increase in adjusted pre-tax operating income	**22**	29
Change in fair value of market risk benefits, net	**7**	105
Net realized gains losses	**(7)**	(2)
Increase in pre-tax income	**$ 22**	$ 132

The following table presents the increase in adjusted pre-tax operating income resulting from the annual update in actuarial assumptions, which occurs in the third quarter of each year, by segment and product line:

	Nine Months Ended September 30,	
(in millions)	2023	2022
Individual Retirement	**$ 1**	$ —
Life Insurance	**19**	25
Institutional Markets	**2**	4
Total increase in adjusted pre-tax operating income from update of assumptions*	**$ 22**	$ 29

* Liabilities ceded to Fortitude Re are reported in Corporate and Other. There is no impact to adjusted pre-tax operating income due to the annual update of actuarial assumptions as these liabilities are 100% ceded.

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Net investment income - excluding Fortitude Re funds withheld assets	**$ 7**	$ (62)	**$ 25**	$ (115)
Net investment income - Fortitude Re funds withheld assets	**(35)**	(120)	**76**	(362)
Total	**$ (28)**	$ (182)	**$ 101**	$ (477)

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 September 30, 2023, we have incurred approximately $366 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 September 30, 2023 we have acted upon or contracted approximately $322 million of exit run rate savings on a pre-tax basis, of which $22 million and $90 million relates to the three and nine months ended September 30, 2023, respectively. Corebridge Forward is expected to have a one-time expense of approximately $300 million on a pre-tax basis. As of September 30, 2023, the cost to achieve has been approximately $150 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 in the Middle East 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 nine months ended September 30, 2022, our estimated reduction in pre-tax income and APTOI impact in the United States and UK from COVID-19 was $15 million and $78 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 third quarter of 2023 may impact the private equity investments in the alternative investments portfolio in the second 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 September 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 interest 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, 57% and 64% were crediting at the contractual minimum guaranteed interest rate at September 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 52% and 55% at September 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 September 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 6 to the 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Total revenues	**$ 5,505**	$ 6,538	**$ 15,524**	$ 20,568
Fortitude Re related items:				
Net investment income (loss) on Fortitude Re funds withheld assets	**(233)**	(157)	**(897)**	(617)
Net realized losses on Fortitude Re funds withheld assets	**228**	89	**338**	272
Net realized (gains) losses on Fortitude Re funds withheld embedded derivatives	**(1,080)**	(1,463)	**(177)**	(6,694)
Subtotal - Fortitude Re related items	**(1,085)**	(1,531)	**(736)**	(7,039)
Other non-Fortitude Re reconciling items:				
Changes in fair value of securities used to hedge guaranteed living benefits	**(14)**	(13)	**(41)**	(40)
Non-operating litigation reserves and settlements	**—**	(3)	**—**	(25)
Other (income) loss - net	**(8)**	(14)	**(22)**	(38)
Net realized (gains) losses*	**(317)**	(538)	**564**	(794)
Subtotal - Other non-Fortitude Re reconciling items	**(339)**	(568)	**501**	(897)
Total adjustments	**(1,424)**	(2,099)	**(235)**	(7,936)
Adjusted revenues	**$ 4,081**	$ 4,439	**$ 15,289**	$ 12,632

* 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 September 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	$ 2,461	$ 392	$ —	$ 2,069	$ 3,172	$ 640	$ —	$ 2,532
Noncontrolling interests	—	—	32	32	—	—	(126)	(126)
Pre-tax income/net income attributable to Corebridge	2,461	392	32	2,101	3,172	640	(126)	2,406
Fortitude Re related items								
Net investment income on Fortitude Re funds withheld assets	(233)	(52)	—	(181)	(157)	(33)	—	(124)
Net realized (gains) losses on Fortitude Re funds withheld assets	228	51	—	177	89	19	—	70
Net realized losses on Fortitude Re funds withheld embedded derivative	(1,080)	(239)	—	(841)	(1,463)	(314)	—	(1,149)
Subtotal Fortitude Re related items	(1,085)	(240)	—	(845)	(1,531)	(328)	—	(1,203)
Other Reconciling Items:								
Changes in uncertain tax positions and other tax adjustments	—	(6)	—	6	—	14	—	(14)
Deferred income tax valuation allowance (releases) charges	—	57	—	(57)	—	(127)	—	127
Changes in fair value of market risk benefits, net	(418)	(88)	—	(330)	(435)	(91)	—	(344)
Changes in fair value of securities used to hedge guaranteed living benefits	4	1	—	3	(6)	(1)	—	(5)
Changes in benefit reserves related to net realized gains (losses)	(2)	—	—	(2)	(2)	—	—	(2)
Net realized (gains) losses*	(332)	(70)	—	(262)	(542)	(114)	—	(428)
Non-operating litigation reserves and settlements	—	—	—	—	(3)	—	—	(3)
Separation costs	64	13	—	51	45	99	—	(54)
Restructuring and other costs	82	17	—	65	59	12	—	47
Non-recurring costs related to regulatory or accounting changes	6	2	—	4	1	—	—	1
Net (gain) loss on divestiture	1	60	—	(59)	(2)	(1)	—	(1)
Pension expense - non operating	—	—	—	—	—	—	—	—
Noncontrolling interests	32	—	(32)	—	(126)	—	126	—
Subtotal: Non-Fortitude Re reconciling items	(563)	(14)	(32)	(581)	(1,011)	(209)	126	(676)
Total adjustments	(1,648)	(254)	(32)	(1,426)	(2,542)	(537)	126	(1,879)
Adjusted pre-tax operating income(loss)/Adjusted after-tax operating income (loss) attributable to Corebridge common shareholders	$ 813	$ 138	$ —	$ 675	$ 630	$ 103	$ —	$ 527

Nine Months Ended September 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	$ 2,703	$ 336	$ —	$ 2,367	$ 10,798	$ 2,151	$ —	$ 8,647
Noncontrolling interests	—	—	46	46	—	—	(281)	(281)
Pre-tax income/net income attributable to Corebridge	2,703	336	46	2,413	10,798	2,151	(281)	8,366
Fortitude Re related items								
Net investment income on Fortitude Re funds withheld assets	(897)	(200)	—	(697)	(617)	(130)	—	(487)
Net realized (gains) losses on Fortitude Re funds withheld assets	338	75	—	263	272	57	—	215
Net realized losses on Fortitude Re funds withheld embedded derivative	(177)	(39)	—	(138)	(6,694)	(1,439)	—	(5,255)
Subtotal Fortitude Re related items	(736)	(164)	—	(572)	(7,039)	(1,512)	—	(5,527)
Other Reconciling Items:								
Changes in uncertain tax positions and other tax adjustments	—	74	—	(74)	—	90	—	(90)
Deferred income tax valuation allowance (releases) charges	—	6	—	(6)	—	(151)	—	151
Changes in fair value of market risk benefits, net	(484)	(102)	—	(382)	(713)	(149)	—	(564)
Changes in fair value of securities used to hedge guaranteed living benefits	11	2	—	9	(29)	(6)	—	(23)
Changes in benefit reserves related to net realized gains (losses)	(6)	(1)	—	(5)	(11)	(2)	—	(9)
Net realized (gains) losses*	539	113	—	426	(808)	(170)	—	(638)
Non-operating litigation reserves and settlements	—	—	—	—	(25)	(5)	—	(20)
Separation costs	186	39	—	147	126	116	—	10
Restructuring and other costs	137	29	—	108	125	26	—	99
Non-recurring costs related to regulatory or accounting changes	17	4	—	13	5	1	—	4
Net (gain) loss on divestiture	(55)	48	—	(103)	1	—	—	1
Pension expense - non operating	15	3	—	12	1	—	—	1
Noncontrolling interests	46	—	(46)	—	(281)	—	281	—
Subtotal: Other non-Fortitude Re reconciling items	406	215	(46)	145	(1,609)	(250)	281	(1,078)
Total adjustments	(330)	51	(46)	(427)	(8,648)	(1,762)	281	(6,605)
Adjusted pre-tax operating income (loss)/Adjusted after-tax operating income (loss) attributable to Corebridge common shareholders	$ 2,373	$ 387	$ —	$ 1,986	$ 2,150	$ 389	$ —	$ 1,761

* 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 September 30, 2023	At December 31, 2022
Total Corebridge shareholders' equity (a)	$ 8,366	$ 9,380
Less: Accumulated other comprehensive income	(19,294)	(16,863)
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	(3,439)	(2,806)
Adjusted Book Value (b)	$ 24,221	$ 23,437
Total common shares outstanding (c)	633.5	645.0
Book value per common share (a/c)	$ 13.21	$ 14.54
Adjusted book value per common share (b/c)	$ 38.23	$ 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, unless otherwise noted)	**2023**	2022	**2023**	2022
Actual or annualized net income (loss) attributable to Corebridge shareholders (a)	**$ 8,404**	$ 9,624	**$ 3,217**	$ 11,127
Actual or annualized adjusted after-tax operating income attributable to Corebridge shareholders (b)	**2,700**	2,108	**2,648**	2,342
Average Corebridge shareholders' equity (c)	**9,464**	10,423	**9,966**	17,026
Less: Average AOCI	**(17,238)**	(15,030)	**(16,352)**	(5,963)
Add: Average cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	**(3,004)**	(2,337)	**(2,795)**	(448)
Average Adjusted Book Value (d)	**$ 23,698**	$ 23,116	**$ 23,523**	$ 22,541
Return on Average Equity (a/c)	**88.8 %**	92.3 %	**32.3 %**	65.4 %
Adjusted ROAE (b/d)	**11.4 %**	9.1 %	**11.3 %**	10.4 %

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Premiums	**$ 29**	$ 56	**$ 173**	$ 172
Deposits	**3,935**	3,740	**12,726**	11,136
Other[(a)]	**(3)**	(4)	**(10)**	(15)
Premiums and deposits	**3,961**	3,792	**12,889**	11,293
Group Retirement				
Premiums	**6**	3	**16**	16
Deposits	**1,825**	2,036	**5,984**	5,683
Premiums and deposits[(b)(c)]	**1,831**	2,039	**6,000**	5,699
Life Insurance				
Premiums	**449**	417	**1,317**	1,282
Deposits	**393**	404	**1,175**	1,190
Other[(a)]	**243**	236	**705**	691
Premiums and deposits	**1,085**	1,057	**3,197**	3,163
Institutional Markets				
Premiums	**200**	804	**3,686**	1,538
Deposits	**2,048**	1,085	**3,620**	1,213
Other[(a)]	**8**	8	**23**	23
Premiums and deposits	**2,256**	1,897	**7,329**	2,774
Total				
Premiums	**684**	1,280	**5,192**	3,008
Deposits	**8,201**	7,265	**23,505**	19,222
Other[(a)]	**248**	240	**718**	699
Premiums and deposits	**$ 9,133**	$ 8,785	**$ 29,415**	$ 22,929

(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 $656 million and $463 million for the three months ended September 30, 2023 and 2022, respectively, and $1.8 billion and $1.6 billion for the nine months ended September 30, 2023 and 2022, respectively.

(c) Includes inflows related to in-plan mutual funds of $773 million and $896 million for the three months ended September 30, 2023 and 2022, respectively, and $2.5 billion and $2.5 billion for the nine months ended September 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Subsidiary dividends paid	**$ 527**	$ 421	**$ 1,527**	$ 1,621
Tax sharing payments related to utilization of tax attributes	**—**	128	**—**	401
Normalized distributions	**$ 527**	$ 549	**$ 1,527**	$ 2,022

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Net investment income (net income basis)	**$ 2,657**	$ 2,160	**$ 8,066**	$ 7,021
Net investment (income) on Fortitude Re funds withheld assets	**(233)**	(157)	**(897)**	(617)
Change in fair value of securities used to hedge guaranteed living benefits	**(14)**	(13)	**(41)**	(40)
Other adjustments	**(7)**	(13)	**(22)**	(37)
Derivative income recorded in net realized investment gains (losses)	**53**	54	**165**	124
Total adjustments	**(201)**	(129)	**(795)**	(570)
Net investment income (APTOI basis) *	**$ 2,456**	$ 2,031	**$ 7,271**	$ 6,451

* Includes net investment income from Corporate and Other of $(9) million and $36 million for the three months ended September 30, 2023 and 2022, respectively, and $67 million and $348 million for the nine months ended September 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:

(in millions)	September 30, 2023	December 31, 2022
Individual Retirement		
AUM	$ 139,090	$ 136,696
AUA	—	—
Total Individual Retirement AUMA	139,090	136,696
Group Retirement		
AUM	75,533	78,474
AUA	38,461	36,458
Total Group Retirement AUMA	113,994	114,932
Life Insurance		
AUM	24,811	27,760
AUA	—	—
Total Life Insurance AUMA *	24,811	27,760
Institutional Markets		
AUM	37,175	30,686
AUA	45,234	47,078
Total Institutional Markets AUMA	82,409	77,764
Total AUMA	$ 360,304	$ 357,152

* The September 2023 AUMA excludes $262 million of assets that were reclassified to Assets held-for-sale in the Condensed Consolidated Balance Sheets. *See Note* 4 *of Notes to the Condensed Consolidated Financial Statements for additional information.*

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Spread income	**$ 672**	$ 463	**$ 1,979**	$ 1,453
Fee income	**289**	300	**846**	909
Total Individual Retirement	**961**	763	**2,825**	2,362
Group Retirement				
Spread income	**209**	205	**635**	657
Fee income	**180**	175	**534**	551
Total Group Retirement	**389**	380	**1,169**	1,208
Life Insurance				
Underwriting margin	**384**	370	**1,101**	1,131
Total Life Insurance	**384**	370	**1,101**	1,131
Institutional Markets				
Spread income	**70**	66	**269**	234
Fee income	**16**	16	**48**	47
Underwriting margin	**14**	19	**51**	60
Total Institutional Markets	**100**	101	**368**	341
Total				
Spread income	**951**	734	**2,883**	2,344
Fee income	**485**	491	**1,428**	1,507
Underwriting margin	**398**	389	**1,152**	1,191
Total	**$ 1,834**	$ 1,614	**$ 5,463**	$ 5,042

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Base portfolio income	**$ 1,230**	$ 953	**$ 3,547**	$ 2,683
Variable investment income	**10**	(13)	**45**	141
Net investment income	**1,240**	940	**3,592**	2,824
Group Retirement				
Base portfolio income	**487**	485	**1,462**	1,389
Variable investment income	**17**	6	**46**	117
Net investment income	**504**	491	**1,508**	1,506
Life Insurance				
Base portfolio income	**310**	305	**948**	911
Variable investment income	**3**	2	**9**	102
Net investment income	**313**	307	**957**	1,013
Institutional Markets				
Base portfolio income	**401**	253	**1,086**	701
Variable investment income	**7**	4	**61**	59
Net investment income	**408**	257	**1,147**	760
Total				
Base portfolio income	**2,428**	1,996	**7,043**	5,684
Variable investment income	**37**	(1)	**161**	419
Net investment income (APTOI basis) - Insurance operations	**$ 2,465**	$ 1,995	**$ 7,204**	$ 6,103

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement				
Fixed Annuities	**$ (1,356)**	$ (250)	**$ (2,561)**	$ (47)
Fixed Index Annuities	**1,519**	1,306	**4,519**	3,371
Variable Annuities	**(906)**	(360)	**(2,397)**	(1,126)
Total Individual Retirement	**(743)**	696	**(439)**	2,198
Group Retirement	**(2,188)**	(788)	**(4,753)**	(2,155)
Total Net Flows	**$ (2,931)**	$ (92)	**$ (5,192)**	$ 43

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 nine months ended September 30, 2023 and 2022. *For factors that relate primarily to a specific business, see "—Segment Operations*."

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 701**	$ 1,301	**$ 5,249**	$ 3,047
Policy fees	**702**	735	**2,094**	2,194
Net investment income	**2,657**	2,160	**8,066**	7,021
Net realized gains (losses)	**1,220**	2,098	**(558)**	7,505
Advisory fee and other income	**225**	244	**673**	801
Total revenues	**5,505**	6,538	**15,524**	20,568
Benefits and expenses:				
Policyholder benefits	**1,102**	1,656	**6,473**	4,253
Change in the fair value of market risk benefits, net	**(418)**	(435)	**(484)**	(713)
Interest credited to policyholder account balances	**1,134**	954	**3,238**	2,739
Amortization of deferred policy acquisition costs and value of business acquired	**268**	263	**782**	758
Non-deferrable insurance commissions	**146**	138	**435**	433
Advisory fee expenses	**65**	65	**194**	201
General operating expenses	**611**	578	**1,797**	1,741
Interest expense	**135**	149	**441**	357
Net (gain) loss on divestitures	**1**	(2)	**(55)**	1
Total benefits and expenses	**3,044**	3,366	**12,821**	9,770
Income before income tax expense	**2,461**	3,172	**2,703**	10,798
Income tax expense	**392**	640	**336**	2,151
Net income	**2,069**	2,532	**2,367**	8,647
Less: Net income (loss) attributable to noncontrolling interests	**(32)**	126	**(46)**	281
Net income attributable to Corebridge	**$ 2,101**	$ 2,406	**$ 2,413**	$ 8,366

The following table presents certain balance sheet data:

(in millions, except per common share data)	September 30, 2023	December 31, 2022
Balance sheet data:		
Total assets	$ 355,592	$ 360,322
Long-term debt	$ 8,371	$ 7,868
Debt of consolidated investment entities	$ 2,596	$ 5,958
Total Corebridge shareholders' equity	$ 8,366	$ 9,380
Book value per common share	$ 13.21	$ 14.54
Adjusted book value per common share	$ 38.23	$ 36.34

Financial Highlights

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

Income (loss) before income tax expense (benefit)

We recorded pre-tax income of $2.5 billion in the three months ended September 30, 2023 compared to pre-tax income of $3.2 billion in the three months ended September 30, 2022. The change in pre-tax income was primarily due to:

- lower realized gains of $878 million primarily driven by lower gains on the Fortitude Re funds withheld embedded derivative;
- lower premiums of $600 million primarily on new pension risk transfer business; and
- higher interest credited to policyholder account balances of $180 million primarily due to higher interest rates in fixed and fixed index annuities and increased interest rates on the growing GIC business.

partially offset by:

- lower policyholder benefits of $554 million primarily on new pension risk transfer business; and
- higher net investment income of $497 million primarily driven by higher base portfolio income and higher income related to the Fortitude Re funds withheld assets.

Income tax expense (benefit)

For the three months ended September 30, 2023, there was an income tax expense of $392 million on income from operations, resulting in an effective tax rate on income from operations of 15.9%.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Net Income Comparison

Income (loss) before income tax expense (benefit)

We recorded pre-tax income of $2.7 billion in the nine months ended September 30, 2023 compared to pre-tax income of $10.8 billion in the nine months ended September 30, 2022. The change in pre-tax income was primarily due to:

- lower realized gains of $8.1 billion primarily driven by losses on the Fortitude Re funds withheld embedded derivative;
- higher policyholder benefits of $2.2 billion primarily on new pension risk transfer business;
- higher interest credited to policyholder account balances of $499 million primarily due to higher interest rates in fixed and fixed index annuities and increased interest rates on the growing GIC business; and
- lower favorable change in the fair value of market risk benefits, net of $229 million primarily driven by the impacts of changes in equity markets and interest rate volatility.

partially offset by:

- higher premiums of $2.2 billion primarily on new pension risk transfer business; and
- higher net investment income of $1.0 billion 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 nine months ended September 30, 2023, there was an income tax expense of $336 million on income from operations, resulting in an effective tax rate on income from operations of 12.4%.

Adjusted pre-tax operating income

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

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Pre-tax income (loss) attributable to Corebridge	**$ 2,461**	$ 3,172	**$ 2,703**	$ 10,798
Reconciling items to APTOI:				
Fortitude Re related items	**(1,085)**	(1,531)	**(736)**	(7,039)
Non-Fortitude Re related items	**(563)**	(1,011)	**406**	(1,609)
Adjusted pre-tax operating income	**$ 813**	$ 630	**$ 2,373**	$ 2,150

The following table presents the impacts in connection with the adoption of LDTI on our previously reported APTOI for the three and nine months ended September 30, 2022:

(in millions)	Three Months Ended September 30, 2022 As Previously Reported	Three Months Ended September 30, 2022 Effect of Change	Three Months Ended September 30, 2022 Updated Balances Post-Adoption of LDTI	Nine Months Ended September 30, 2022 As Previously Reported	Nine Months Ended September 30, 2022 Effect of Change	Nine Months Ended September 30, 2022 Updated Balances Post-Adoption of LDTI
Revenues:						
Premiums	$ 1,305	$ (5)	$ 1,300	$ 3,068	$ 2	$ 3,070
Policy fees	732	3	735	2,238	(44)	2,194
Total revenues	4,441	(2)	4,439	12,674	(42)	12,632
Benefits and expenses:						
Policyholder benefits	1,802	(144)	1,658	4,753	(489)	4,264
Interest credited to policyholder account balances	943	7	950	2,716	26	2,742
Amortization of deferred acquisition costs	317	(54)	263	895	(137)	758
Non-deferrable insurance commissions	156	(18)	138	481	(48)	433
Total benefits and expenses	3,892	(209)	3,683	10,849	(648)	10,201
Adjusted pre-tax operating income	423	207	630	1,544	606	2,150

The following table presents total Corebridge's adjusted pre-tax operating income:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Premiums	**$ 703**	$ 1,300	**$ 5,251**	$ 3,070
Policy fees	**702**	735	**2,094**	2,194
Net investment income	**2,456**	2,031	**7,271**	6,451
Net realized gains*	**(5)**	132	**—**	143
Advisory fee and other income	**225**	241	**673**	774
Total adjusted revenues	**4,081**	4,439	**15,289**	12,632
Policyholder benefits	**1,103**	1,658	**6,479**	4,264
Interest credited to policyholder account balances	**1,131**	950	**3,211**	2,742
Amortization of deferred policy acquisition costs	**268**	263	**782**	758
Non-deferrable insurance commissions	**146**	138	**435**	433
Advisory fee expenses	**65**	65	**194**	201
General operating expenses	**459**	473	**1,442**	1,483
Interest expense	**128**	136	**419**	320
Total benefits and expenses	**3,300**	3,683	**12,962**	10,201
Noncontrolling interests	**32**	(126)	**46**	(281)
Adjusted pre-tax operating income	**$ 813**	$ 630	**$ 2,373**	$ 2,150

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

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

APTOI increased $183 million, primarily due to:

- lower policyholder benefits of $555 million primarily on new pension risk transfer business;
- higher net investment income of $425 million primarily driven by higher base portfolio income; and
- lower income attributable to noncontrolling interest of $158 million.

partially offset by:

- lower premiums of $597 million primarily on new pension risk transfer business;
- higher interest credited to policyholder account balances of $181 million primarily due to higher sales activity in fixed and fixed index annuities and increased interest rates on the growing GIC business; and
- lower policy and advisory fee income, net of advisory fee expenses of $49 million primarily due to lower average separate account asset values driven by negative net flows.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

APTOI increased $223 million, primarily due to:

- higher premiums of $2.2 billion primarily on new pension risk transfer business;
- higher net investment income of $820 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 $327 million.

  partially offset by:

- higher policyholder benefits of $2.2 billion primarily on new pension risk transfer business;
- higher interest credited to policyholder account balances of $469 million primarily due to higher sales activity in fixed and fixed index annuities and increased interest rates on the growing GIC business;
- lower policy and advisory fee income, net of advisory fee expenses of $194 million primarily due to lower average variable annuity separate account asset values driven by negative net flows; and
- higher interest expense of $99 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 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. Corebridge previously announced agreements to sell Laya and AIG Life (United Kingdom). The sale of Laya closed on [October 31, 2023] and the AIG Life sale is expected to close in the first half of 2024.
- **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 the Condensed Consolidated Financial Statements.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Individual Retirement	**$ 576**	$ 375	**$ 1,684**	$ 1,208
Group Retirement	**192**	190	**575**	611
Life Insurance	**136**	124	**294**	305
Institutional Markets	**75**	83	**286**	274
Corporate and Other	**(163)**	(146)	**(462)**	(262)
Consolidation and elimination	**(3)**	4	**(4)**	14
Adjusted pre-tax operating income	**$ 813**	$ 630	**$ 2,373**	$ 2,150

DISCUSSION OF SEGMENT RESULTS

Individual Retirement

Individual Retirement Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 29**	$ 56	**$ 173**	$ 172
Policy fees	**182**	192	**528**	563
Net investment income:				
Base portfolio income	**1,230**	953	**3,547**	2,683
Variable investment income	**10**	(13)	**45**	141
Net investment income	**1,240**	940	**3,592**	2,824
Advisory fee and other income*	**107**	108	**318**	346
Total adjusted revenues	**1,558**	1,296	**4,611**	3,905
Benefits and expenses:				
Policyholder benefits	**29**	69	**165**	212
Interest credited to policyholder account balances	**582**	492	**1,654**	1,412
Amortization of deferred policy acquisition costs	**150**	139	**425**	384
Non-deferrable insurance commissions	**90**	87	**270**	265
Advisory fee expenses	**35**	34	**105**	106
General operating expenses	**96**	100	**308**	318
Total benefits and expenses	**982**	921	**2,927**	2,697
Adjusted pre-tax operating income	**$ 576**	$ 375	**$ 1,684**	$ 1,208

* 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Spread income[(a)]	**$ 672**	$ 463	**$ 1,979**	$ 1,453
Fee income	**289**	300	**846**	909
Policyholder benefits, net of premiums	**—**	(13)	**8**	(40)
Non-deferrable insurance commissions	**(90)**	(87)	**(270)**	(265)
Amortization of DAC and DSI	**(164)**	(154)	**(466)**	(425)
General operating expenses	**(96)**	(100)	**(308)**	(318)
Other[(b)]	**(35)**	(34)	**(105)**	(106)
Adjusted pre-tax operating income	**$ 576**	$ 375	**$ 1,684**	$ 1,208

(a) Spread income represents net investment income less interest credited to policyholder account balances, exclusive of amortization of DSI of $14 million and $15 million for the three months ended September 30, 2023 and 2022, respectively, and $41 million and $41 million for the nine months ended September 30, 2023 and 2022, respectively.

(b) Other represents advisory fee expenses.

Financial Highlights

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

APTOI increased $201 million, primarily due to:

- higher spread income of $209 million primarily driven by higher base spread income of $186 million due to improved base portfolio yields and higher variable investment income of $23 million primarily due to higher alternative investment income and higher yield enhancement income.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

APTOI increased $476 million, primarily due to:

- higher spread income of $526 million primarily driven by higher base spread income of $622 million mostly due to improved base portfolio yields, partially offset by lower variable investment income of $96 million primarily due to lower alternative investment income, partially offset by higher yield enhancement income.

  partially offset by:

- lower fee income of $63 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.

AUMA

The following table presents Individual Retirement AUMA by product:

(in millions)	September 30, 2023	December 31, 2022
Fixed annuities	$ 50,034	$ 51,806
Fixed index annuities	37,262	30,403
Variable annuities:		
Variable annuities - General Account	7,318	9,443
Variable annuities - Separate Accounts	44,476	45,044
Variable annuities	51,794	54,487
Total	$ 139,090	$ 136,696

September 30, 2023 to December 31, 2022 AUMA Comparison

AUMA increased $2.4 billion driven by an increase of $3.0 billion in the general account, offset by lower separate accounts asset values of $0.6 billion. The general account increased mostly due to positive general account net flows and income. The separate account decreased primarily due to outflows from the separate account, partially offset by increases in the equity markets.

Spread and Fee Income

The following table presents Individual Retirement spread and fee income:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Spread income:				
Total spread income				
Base portfolio income	$ 1,230	$ 953	$ 3,547	$ 2,683
Interest credited to policyholder account balances	(568)	(477)	(1,613)	(1,371)
Base spread income	662	476	1,934	1,312
Variable investment income	10	(13)	45	141
Total spread income*	$ 672	$ 463	$ 1,979	$ 1,453
Fee income:				
Policy fees	$ 182	$ 192	$ 528	$ 563
Advisory fees and other income	107	108	318	346
Total fee income	$ 289	$ 300	$ 846	$ 909

* Excludes amortization of DSI assets of $14 million and $15 million for the three months ended September 30, 2023 and 2022, respectively, and $41 million and $41 million for the nine months ended September 30, 2023 and 2022, respectively.

The following table presents Individual Retirement net investment spread:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Fixed annuities base net investment spread:				
Base yield*	**5.10 %**	4.06 %	**4.97 %**	3.86 %
Cost of funds	**2.97**	2.71	**2.89**	2.68
Fixed annuities base net investment spread	**2.13**	1.35	**2.08**	1.18
Fixed index annuities base net investment spread:				
Base yield*	**4.91**	3.92	**4.72**	3.80
Cost of funds	**2.06**	1.55	**1.94**	1.50
Fixed index annuities base net investment spread	**2.85**	2.37	**2.78**	2.30
Variable annuities base net investment spread:				
Base yield*	**3.88**	3.94	**3.81**	3.84
Cost of funds	**1.49**	1.46	**1.48**	1.43
Variable annuities base net investment spread	**2.39**	2.48	**2.33**	2.41
Total Individual Retirement base net investment spread:				
Base yield*	**4.97**	4.04	**4.81**	3.85
Cost of funds	**2.50**	2.19	**2.42**	2.17
Total Individual Retirement base net investment spread	**2.47 %**	1.85 %	**2.39 %**	1.68 %

* Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison and Nine Months Ended September 30, 2023 to Nine Months Ended September 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Fixed annuities	**$ 1,339**	$ 1,316	**$ 4,855**	$ 4,269
Fixed index annuities	**2,224**	1,745	**6,598**	4,567
Variable annuities	**398**	731	**1,436**	2,457
Total	**$ 3,961**	$ 3,792	**$ 12,889**	$ 11,293

Net Flows	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Fixed annuities	**$ (1,356)**	$ (250)	**$ (2,561)**	$ (47)
Fixed index annuities	**1,519**	1,306	**4,519**	3,371
Variable annuities	**(906)**	(360)	**(2,397)**	(1,126)
Total	**$ (743)**	$ 696	**$ (439)**	$ 2,198

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison

Fixed Annuities Net outflows increased by $1.1 billion over the prior year, primarily due to higher surrenders and withdrawals of $965 million and higher death benefits of $164 million, partially offset by higher premiums and deposits of $23 million due to higher interest rates.

Fixed Index Annuities Net inflows increased by $213 million primarily due to higher premiums and deposits of $479 million driven by competitive pricing and higher interest rates, partially offset by higher surrenders and withdrawals of $245 million and higher death benefits of $21 million.

Variable Annuities Net outflows increased $546 million primarily due to lower premium and deposits of $333 million driven by market volatility, higher surrenders and withdrawals of $209 million and higher death benefits of $4 million.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Comparison

Fixed Annuities Net outflows increased by $2.5 billion over the prior year, primarily due to higher surrenders and withdrawals of $3.0 billion and death benefits of $81 million. Partially offset by higher premiums and deposits of $586 million due to competitive pricing and higher interest rates.

Fixed Index Annuities Net inflows increased by $1.1 billion primarily due to higher premiums and deposits of $2.0 billion due to competitive pricing and higher interest rates, partially offset by higher surrenders and withdrawals of $818 million and higher death benefits of $65 million.

Variable Annuities Net outflows increased $1.3 billion primarily due to lower premium and deposits of $1.0 billion, due to market volatility and higher surrenders and withdrawals of $287 million, partially offset by lower death benefits of $37 million.

Surrenders

The following table presents Individual Retirement surrender rates:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Fixed annuities	**17.7 %**	9.7 %	**16.2 %**	8.1 %
Fixed index annuities	**6.4**	4.6	**6.6**	4.2
Variable annuities	**7.9**	6.4	**7.6**	6.3

The following table presents account values for fixed annuities, fixed index annuities and variable annuities by surrender charge category:

	September 30, 2023			December 31, 2022		
(in millions)	**Fixed Annuities**	**Fixed Index Annuities**	**Variable Annuities**	Fixed Annuities	Fixed Index Annuities	Variable Annuities
No surrender charge	**$ 22,357**	**$ 1,669**	**$ 27,443**	$ 24,889	$ 2,270	$ 27,037
Greater than 0% - 2%	**1,040**	**2,809**	**6,360**	1,783	1,353	6,962
Greater than 2% - 4%	**2,804**	**6,392**	**5,081**	2,256	4,532	5,081
Greater than 4%	**20,147**	**27,318**	**11,335**	18,905	25,196	12,082
Non-surrenderable[(a)]	**2,361**	**—**	**1,156**	2,453	—	1,155
Total account value[(b)]	**$ 48,709**	**$ 38,188**	**$ 51,375**	$ 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 September 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 September 30, 2023 compared to December 31, 2022 was principally due to normal aging of business.

Group Retirement

Group Retirement Results

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Premiums	**$ 6**	$ 3	**$ 16**	$ 16
Policy fees	**102**	101	**304**	319
Net investment income:				
Base portfolio income	**487**	485	**1,462**	1,389
Variable investment income	**17**	6	**46**	117
Net investment income	**504**	491	**1,508**	1,506
Advisory fee and other income*	**78**	74	**230**	232
Total adjusted revenues	**690**	669	**2,058**	2,073
Benefits and expenses:				
Policyholder benefits	**12**	5	**27**	28
Interest credited to policyholder account balances	**298**	289	**883**	859
Amortization of deferred policy acquisition costs	**21**	20	**62**	59
Non-deferrable insurance commissions	**29**	31	**90**	89
Advisory fee expenses	**29**	31	**87**	95
General operating expenses	**109**	103	**334**	332
Total benefits and expenses	**498**	479	**1,483**	1,462
Adjusted pre-tax operating income	**$ 192**	$ 190	**$ 575**	$ 611

* 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:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Spread income[(a)]	**$ 209**	$ 205	**$ 635**	$ 657
Fee income[(b)]	**180**	175	**534**	551
Policyholder benefits, net of premiums	**(6)**	(2)	**(11)**	(12)
Non-deferrable insurance commissions	**(29)**	(31)	**(90)**	(89)
Amortization of DAC and DSI	**(24)**	(23)	**(72)**	(69)
General operating expenses	**(109)**	(103)	**(334)**	(332)
Other[(c)]	**(29)**	(31)	**(87)**	(95)
Adjusted pre-tax operating income	**$ 192**	$ 190	**$ 575**	$ 611

(a) Excludes amortization of DSI assets of $3 million and $3 million for the three months ended September 30, 2023 and 2022, respectively, and $10 million and $10 million for the nine months ended September 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 September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

APTOI increased $2 million, primarily due to:

- higher spread income of $4 million driven by an increase in variable investment income of $11 million mostly due to higher alternative investment income, partially offset by lower base spread income.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

APTOI decreased $36 million, primarily due to:

- lower spread income of $22 million driven by a decrease in variable investment income of $71 million primarily due to lower alternative investment income, partially offset by higher base spread income of $49 million primarily due to higher yields on the base portfolio assets; and
- lower fee income, net of advisory fee expenses of $9 million due to lower average separate account assets driven by negative net flows.

AUMA

The following table presents Group Retirement AUMA by product:

(in millions)	September 30, 2023	December 31, 2022
AUMA by asset type:		
In-plan spread based	$ 24,704	$ 27,473
In-plan fee based	49,756	47,838
Total in-plan AUMA[(a)]	74,460	75,311
Out-of-plan proprietary - general account	15,763	16,769
Out-of-plan proprietary - separate accounts	10,350	10,429
Total out-of-plan proprietary annuities[(b)]	26,113	27,198
Advisory and brokerage assets	13,421	12,423
Total out-of-plan AUMA	39,534	39,621
Total AUMA	$ 113,994	$ 114,932

(a) Includes $12.2 billion of AUMA at September 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 $3.7 billion of AUMA at September 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 $17.1 billion of out-of-plan advisory and brokerage assets at September 30, 2023, $16.4 billion of out-of-plan advisory and brokerage assets at December 31, 2022.

September 30, 2023 to December 31, 2022 AUMA Comparison

In-plan assets decreased by $0.9 billion driven by $2.8 billion decrease in spread based assets, primarily due to negative net flows, partially offset by a $1.9 billion increase in fee based assets, primarily due to higher equity markets. Out-of-plan proprietary annuity assets decreased by $1.1 billion, primarily due to negative net flows. The increase of advisory and brokerage assets of $1.0 billion was driven by net new client deposits and higher equity markets.

Spread and Fee Income

The following table presents Group Retirement spread and fee income:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Spread income:				
Base portfolio income	$ 487	$ 485	$ 1,462	$ 1,389
Interest credited to policyholder account balances	(295)	(286)	(873)	(849)
Base spread income	192	199	589	540
Variable investment income	17	6	46	117
Total spread income*	$ 209	$ 205	$ 635	$ 657
Fee income:				
Policy fees	$ 102	$ 101	$ 304	$ 319
Advisory fees and other income	78	74	230	232
Total fee income	$ 180	$ 175	$ 534	$ 551

* Excludes amortization of DSI assets of $3 million and $3 million for the three months ended September 30, 2023 and 2022, respectively, and $10 million and $10 million for the nine months ended September 30, 2023 and 2022, respectively.

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Base net investment spread:				
Base yield*	4.30 %	4.18 %	4.27 %	3.99 %
Cost of funds	2.78	2.61	2.74	2.60
Base net investment spread	1.52 %	1.57 %	1.53 %	1.39 %

* Includes returns from base portfolio, including accretion and income (loss) from certain other invested assets.

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison and Nine Months Ended September 30, 2023 to Nine Months Ended September 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 September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
In-plan[(a)(b)]	$ 1,225	$ 1,471	$ 3,935	$ 4,274
Out-of-plan proprietary variable annuity	189	236	550	776
Out-of-plan proprietary fixed and index annuities	417	332	1,515	649
Premiums and deposits[(c)]	$ 1,831	$ 2,039	$ 6,000	$ 5,699
Net Flows	$ (2,188)	$ (788)	$ (4,753)	$ (2,155)

(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 $773 million and $896 million for the three months ended September 30, 2023 and 2022, respectively, and $2.5 billion and $2.5 billion for the nine months ended September 30, 2023 and 2022, respectively.

(c) Excludes client deposits into advisory and brokerage accounts of $656 million and $463 million for the three months ended September 30, 2023 and 2022, respectively, and $1.8 billion and $1.6 billion for the nine months ended September 30, 2023 and 2022, respectively.

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison

Net flows remained negative and declined by $1.4 billion primarily due to an increase in surrenders and withdrawals of $1.2 billion, driven largely by an increase in large plan surrenders, a decrease in deposits of $208 million and an increase in death and payout benefit annuity benefits of $12 million. Large plan acquisitions and surrenders resulted in lower net flows of $1.0 billion 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.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Comparison

Net flows remained negative and declined by $2.6 billion primarily due to an increase in surrenders and withdrawals of $2.9 billion, partially offset by an increase in deposits of $301 million and a decrease in death and payout benefit annuity benefits of $34 million. Large plan acquisitions and surrenders resulted in lower net flows of $1.4 billion 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 September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Surrender rates	**14.5 %**	10.4 %	**12.9 %**	8.8 %

The following table presents account value for Group Retirement annuities by surrender charge category:

(in millions)	**September 30, 2023**[a]	December 31, 2022[a]
No surrender charge[b]	**$ 68,533**	$ 69,885
Greater than 0% - 2%	**1,159**	454
Greater than 2% - 4%	**1,735**	435
Greater than 4%	**5,374**	6,281
Non-surrenderable	**476**	945
Total account value[c]	**$ 77,277**	$ 78,000

(a) Excludes mutual fund assets under administration of $25.0 billion and $24.0 billion at September 30, 2023 and December 31, 2022, respectively.

(b) Group Retirement amounts in this category include account value in the general account of approximately $4.2 billion and $4.5 billion at September 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 $5.4 billion and $5.8 billion at September 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 September 30, 2023, Group Retirement annuity account values with no surrender charge decreased compared to December 31, 2022 primarily due to a decrease in assets under management from negative net flows, partially offset by higher equity markets.

Life Insurance

Life Insurance Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenues:				
Premiums	**$ 449**	$ 417	**$ 1,317**	$ 1,282
Policy fees	**371**	393	**1,117**	1,167
Net investment income:				
Base portfolio income	**310**	305	**948**	911
Variable investment income	**3**	2	**9**	102
Net investment income	**313**	307	**957**	1,013
Other income	**29**	28	**84**	94
Total adjusted revenues	**1,162**	1,145	**3,475**	3,556
Benefits and expenses:				
Policyholder benefits	**673**	666	**2,102**	2,144
Interest credited to policyholder account balances	**86**	84	**253**	256
Amortization of deferred policy acquisition costs	**95**	102	**289**	310
Non-deferrable insurance commissions	**22**	15	**60**	62
Advisory fee expenses	**1**	—	**2**	—
General operating expenses	**149**	154	**475**	479
Total benefits and expenses	**1,026**	1,021	**3,181**	3,251
Adjusted pre-tax operating income	**$ 136**	$ 124	**$ 294**	$ 305

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Underwriting margin*	**$ 384**	$ 370	**$ 1,101**	$ 1,131
General operating expenses	**(149)**	(154)	**(475)**	(479)
Non-deferrable insurance commissions	**(22)**	(15)	**(60)**	(62)
Amortization of DAC	**(95)**	(102)	**(289)**	(310)
Impact of annual actuarial assumption update	**19**	25	**19**	25
Other	**(1)**	—	**(2)**	—
Adjusted pre-tax operating income (loss)	**$ 136**	$ 124	**$ 294**	$ 305

* 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 September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

APTOI increased $12 million, primarily due to:

- higher underwriting margin, excluding update of actuarial assumptions of $14 million.

partially offset by:

- less favorable impact from the review and update of actuarial assumptions of $6 million.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

APTOI decreased $11 million, primarily due to:

- lower underwriting margin (excluding update of actuarial assumptions) of $30 million from:
  - lower net investment income, net of interest credited of $53 million driven by $93 million lower variable investment income reflecting lower gains on call and tender income and reduced alternatives performance partially offset by $40 million higher base portfolio income, net of interest credited, driven by lower yields.

  partially offset by:

  - favorable premiums and fees, net of policyholder benefits and reserves, of $33 million, primarily driven by favorable mortality; and
- less favorable impact from the review and update of actuarial assumption compared to prior year of $6 million.

AUMA

The following table presents Life Insurance AUMA:

	September 30,	December 31,
(in millions)	**2023**	2022
Total AUMA*	**$ 24,811**	$ 27,760

* The September 2023 AUMA excludes $262 million of assets that were reclassified to Assets held-for-sale in the Condensed Consolidated Balance Sheets. *See Note 4 of Notes to the Condensed Consolidated Financial Statements for additional information.*

September 30, 2023 to December 31, 2022 AUMA Comparison

AUMA decreased $2.9 billion in the nine months ended September 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Premiums	**$ 449**	$ 417	**$ 1,317**	$ 1,282
Policy fees	**371**	393	**1,117**	1,167
Net investment income	**313**	307	**957**	1,013
Other income	**29**	28	**84**	94
Policyholder benefits	**(673)**	(666)	**(2,102)**	(2,144)
Interest credited to policyholder account balances	**(86)**	(84)	**(253)**	(256)
Less: Impact of annual actuarial assumption update	**(19)**	(25)	**(19)**	(25)
Underwriting margin	**$ 384**	$ 370	**$ 1,101**	$ 1,131

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison and Nine Months Ended September 30, 2023 to Nine Months Ended September 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Traditional Life	**$ 453**	$ 457	**$ 1,348**	$ 1,357
Universal Life	**393**	404	**1,175**	1,190
Total U.S.	**846**	861	**2,523**	2,547
International	**239**	196	**674**	616
Premiums and deposits	**$ 1,085**	$ 1,057	**$ 3,197**	$ 3,163

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison

Premiums and deposits, excluding the effect of foreign exchange, increased $13 million for the three months ended September 30, 2023 compared to the prior year primarily due to growth in international life premiums.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Comparison

Premiums and deposits, excluding the effect of foreign exchange, increased $39 million for the nine months ended September 30, 2023 compared to the prior year primarily due to growth in international life premiums.

Institutional Markets

Institutional Markets Results

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Premiums	$ 200	$ 804	$ 3,686	$ 1,538
Policy fees	47	49	145	145
Net investment income:				
Base portfolio income	401	253	1,086	701
Variable investment income	7	4	61	59
Net investment income	408	257	1,147	760
Other income	1	—	1	1
Total adjusted revenues	656	1,110	4,979	2,444
Benefits and expenses:				
Policyholder benefits	389	918	4,188	1,880
Interest credited to policyholder account balances	165	85	421	215
Amortization of deferred policy acquisition costs	2	2	6	5
Non-deferrable insurance commissions	5	4	14	15
General operating expenses	20	18	64	55
Total benefits and expenses	581	1,027	4,693	2,170
Adjusted pre-tax operating income	$ 75	$ 83	$ 286	$ 274

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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Spread income[(a)]	$ 70	$ 66	$ 269	$ 234
Fee income[(b)]	16	16	48	47
Underwriting margin[(c)]	14	19	51	60
Non-deferrable insurance commissions	(5)	(4)	(14)	(15)
General operating expenses	(20)	(18)	(64)	(55)
Other[(d)]	—	4	(4)	3
Adjusted pre-tax operating income	$ 75	$ 83	$ 286	$ 274

(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 $2 million for the three months ended September 30, 2023 and 2022, respectively, and $0 million and $4 million for the nine months ended September 30, 2023 and 2022, respectively.

Financial Highlights

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

APTOI decreased $8 million, primarily due to:

- lower underwriting margin of $5 million driven by higher policyholder benefits in the Corporate Markets business; and
- lower other activity of $4 million primarily driven by a less favorable impact from the review and update of actuarial assumptions.

partially offset by:

- higher spread income of $4 million primarily driven by higher variable investment income from yield enhancements.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

APTOI increased $12 million, primarily due to:

- higher spread income of $35 million driven by $24 million higher base portfolio spread income and $11 million higher variable investment income primarily from private equity investments and yield enhancements.

partially offset by:

- lower underwriting margin of $9 million primarily driven by lower variable investment income from private equity and call and tender income in the Corporate Markets business;
- higher general operating expenses of $9 million supporting the business growth; and
- lower other activity of $7 million primarily driven by a less favorable impact from the review and update of actuarial assumptions and lower variable investment income from private equity investments and yield enhancements.

AUMA

The following table presents Institutional Markets AUMA:

(in millions)		September 30, 2023		December 31, 2022
SVW (AUA)	$	45,234	$	47,078
GIC, PRT and Structured settlements (AUM)		30,200		23,096
All other (AUM)		6,975		7,590
Total AUMA	$	82,409	$	77,764

September 30, 2023 to December 31, 2022 AUMA Comparison

AUMA increased $4.6 billion, primarily due to premiums and deposits of PRT and GIC products of $7.3 billion and investment performance and other activity of $2.6 billion, partially offset by benefit payments on the GIC, PRT and structured settlement products of $2.6 billion and net outflows of $2.7 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 September 30,				Nine Months Ended September 30,			
(in millions)		2023		2022		2023		2022
Premiums	$	209		814	$	3,713	$	1,566
Net investment income		373		221		1,042		648
Policyholder benefits		(375)		(910)		(4,147)		(1,844)
Interest credited to policyholder account balances		(137)		(58)		(339)		(135)
Less: actuarial assumption update		—		(1)		—		(1)
Total spread income[(a)]	$	70	$	66	$	269	$	234
SVW fees	$	16	$	16	$	48	$	47
Total fee income	$	16	$	16	$	48	$	47
Premiums	$	(9)	$	(10)	$	(27)	$	(28)
Policy fees (excluding SVW)		31		33		97		98
Net investment income		35		34		105		108
Other income		1		—		1		1
Policyholder benefits		(14)		(8)		(41)		(36)
Interest credited to policyholder account balances		(28)		(27)		(82)		(80)
Less: actuarial assumption update		(2)		(3)		(2)		(3)
Total underwriting margin[(b)]	$	14	$	19	$	51	$	60

(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 September 30, 2023 to Three Months Ended September 30, 2022 Comparison and Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Comparison

See "—Financial Highlights."

Premiums and Deposits

The following table presents the Institutional Markets premiums and deposits:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
PRT	$ 137	$ 756	$ 3,550	$ 1,421
GICs	1,921	1,000	3,344	1,000
Other*	198	141	435	353
Premiums and deposits	$ 2,256	$ 1,897	$ 7,329	$ 2,774

* Other principally consists of structured settlements, Corporate Markets and SVW product.

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 Comparison

Premiums and deposits increased compared to the prior year period by $0.4 billion, primarily due to higher deposits on new GICs of $0.9 billion, partially offset by lower premiums on new PRT business.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 Comparison

Premiums and deposits increased compared to the prior year period by $4.6 billion, primarily due to higher deposits on new GICs of $2.3 billion and higher premiums on new PRT business of $2.1 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

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Premiums(a)	$ 19	$ 20	$ 59	$ 62
Net investment income	(2)	39	85	361
Net realized gains on real estate investments	(5)	132	—	143
Other income	10	31	40	101
Total adjusted revenues	22	222	184	667
Benefits and expenses:				
Policyholder benefits	—	—	(3)	—
Non-deferrable insurance commissions	—	1	1	2
General operating expenses:				
Corporate and other(a)	69	65	208	174
Asset management(b)	16	32	53	123
Total general operating expenses	85	97	261	297
Interest expense:				
Corporate	110	85	324	196
Asset Management and other	22	59	109	153
Total interest expense	132	144	433	349
Total benefits and expenses	217	242	692	648
Noncontrolling interest(c)	32	(126)	46	(281)
Adjusted pre-tax operating loss before consolidation and eliminations	(163)	(146)	(462)	(262)
Consolidations and eliminations	(3)	4	(4)	14
Adjusted pre-tax operating loss	$ (166)	$ (142)	$ (466)	$ (248)

(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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Corporate expenses	**$ (44)**	$ (49)	**$ (139)**	$ (114)
Interest expense on financial debt	**(110)**	(85)	**(324)**	(196)
Asset Management	**5**	12	**16**	23
Consolidated investment entities	**(1)**	14	**4**	22
Other[(a)(b)]	**(16)**	(34)	**(23)**	17
Adjusted pre-tax operating income (loss)	**$ (166)**	$ (142)	**$ (466)**	$ (248)

(a) Includes $56 million for the nine months ended September 30, 2022 related to Corebridge's ownership interest in Fortitude Re Bermuda, which is recorded using the measurement alternative for equity securities.

(b) Includes $(41) million for the three and nine months ended September 30, 2022 related to non-recurring losses associated with the unwind of internal securitizations with AIG as part of separation.

Financial Highlights

Three Months Ended September 30, 2023 to Three Months Ended September 30, 2022 APTOI Comparison

Adjusted pre-tax operating loss increased $24 million primarily due to:

- higher interest expense on financial debt of $25 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.

Nine Months Ended September 30, 2023 to Nine Months Ended September 30, 2022 APTOI Comparison

Adjusted pre-tax operating loss increased $218 million primarily due to:

- higher interest expense on financial debt of $128 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 $40 million primarily due to a $56 million gain related to a change in value of our minority investment in Fortitude Re partially offset by net investment losses from certain legacy investments 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 September 30, 2023, for $188.6 billion of invested assets supporting our insurance operating companies, approximately 45% are in corporate debt securities. Mortgage-backed securities ("MBS"), ABS and CLOs represent 32% 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 September 30, 2023, Blackstone managed $54.7 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 September 30, 2023, BlackRock manages approximately $83.6 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 6.7 years as of September 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
September 30, 2023			
Bonds available for sale:			
U.S. government and government-sponsored entities	$ 867	$ 233	$ 1,100
Obligations of states, municipalities and political subdivisions	4,811	591	5,402
Non-U.S. governments	3,446	253	3,699
Corporate debt	84,533	10,842	95,375
Mortgage-backed, asset-backed and collateralized:			
RMBS	11,995	786	12,781
CMBS	9,135	465	9,600
CLO	10,319	199	10,518
ABS	12,315	588	12,903
Total mortgage-backed, asset-backed and collateralized	43,764	2,038	45,802
Total bonds available for sale	137,421	13,957	151,378
Other bond securities	409	3,777	4,186
Total fixed maturities	137,830	17,734	155,564
Equity securities	126	—	126
Mortgage and other loans receivable:			
Residential mortgages	7,836	—	7,836
Commercial mortgages	29,994	3,343	33,337
Life insurance policy loans	1,426	335	1,761
Commercial loans, other loans and notes receivable	2,933	187	3,120
Total mortgage and other loans receivable[(a)]	42,189	3,865	46,054
Other invested assets[(b)]	8,458	1,978	10,436
Short-term investments	4,610	120	4,730
Total[(c)]	$ 193,213	$ 23,697	$ 216,910
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 $752 million and $600 million at September 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 September 30, 2023 and December 31, 2022, respectively, which are generally reported on a one-quarter lag.

(c) Includes the consolidation of approximately $5.8 billion and $9.7 billion of consolidated investment entities at September 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)	September 30, 2023	December 31, 2022
Bonds available for sale:		
U.S. government and government-sponsored entities	$ 867	$ 928
Obligations of states, municipalities and political subdivisions	4,812	5,194
Non-U.S. governments	3,443	3,978
Corporate Debt		
Public Credit	64,619	68,135
Private Credit	20,205	20,741
Total Corporate Debt	84,824	88,876
Mortgage-backed, asset-backed and collateralized:		
RMBS	12,386	11,546
CMBS	9,135	9,527
CLO	10,317	8,292
ABS	12,315	9,775
Total mortgage-backed, asset-backed and collateralized	44,153	39,140
Total bonds available for sale	138,099	138,116
Other bond securities	412	357
Total fixed maturities	138,511	138,473
Equity securities	119	119
Mortgage and other loans receivable:		
Residential mortgages	6,252	4,181
Commercial mortgages	30,535	29,632
Commercial loans, other loans and notes receivable	2,997	4,465
Total mortgage and other loans receivable[(a)(b)]	39,784	38,278
Other invested assets		
Hedge Funds	363	796
Private Equity	4,838	4,529
Real Estate Investments	268	266
Other Invested Assets - All Other	335	254
Total Other invested assets[(b)]	5,804	5,845
Short-term investments	4,350	3,781
Total[(d)]	$ 188,568	$ 186,496

(a) Does not reflect allowance for credit loss on mortgage loans of $612 million and $509 million at September 30, 2023 and December 31, 2022, respectively.

(b) Does not reflect policy loans of $1.4 billion and $1.4 billion at September 30, 2023 and December 31, 2022, respectively.

(c) Private equity funds are generally reported on a one-quarter lag.

(d) Excludes approximately $5.8 billion and $9.7 billion of consolidated investment entities as well as $1.8 billion and $2.7 billion of eliminations primarily between the consolidated investment entities and the insurance operating companies at September 30, 2023 and December 31, 2022, respectively.

Credit Ratings

At September 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 September 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 September 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
September 30, 2023									
Other fixed maturity securities	**$ 44,117**	**$ 42,197**	**$ 86,314**	**$ 3,864**	**$ 3,042**	**$ 480**	**$ 37**	**$ 7,423**	**$ 93,737**
Mortgage-backed, asset-backed and collateralized	**38,138**	**5,355**	**43,493**	**214**	**206**	**60**	**109**	**589**	**44,082**
Total[(b)]	**$ 82,255**	**$ 47,552**	**$ 129,807**	**$ 4,078**	**$ 3,248**	**$ 540**	**$ 146**	**$ 8,012**	**$ 137,819**
Fortitude Re funds withheld assets									**$ 17,734**
Total fixed maturities									**$ 155,553**
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 $53 million and $4 million of consolidated CLOs that are rated NAIC 4 and 5, respectively, as of September 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 $11 million and $21 million of fixed maturity securities for which no NAIC Designation is available at September 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)	**September 30, 2023**	December 31, 2022
NAIC 1	**$ 82,648**	$ 78,518
NAIC 2	**47,894**	50,946
NAIC 3	**4,078**	4,860
NAIC 4	**3,196**	3,224
NAIC 5 and 6	**684**	904
Total[(a)(b)]	**$ 138,500**	$ 138,452

(a) Excludes approximately $71 million and $3.4 billion of consolidated investment entities and $3 billion and $1.2 billion of eliminations primarily related to the consolidated investment entities and the insurance operating subsidiaries at September 30, 2023 and December 31, 2022, respectively.

(b) Excludes $11 million and $21 million of fixed maturity securities for which no NAIC Designation is available at September 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
September 30, 2023								
Other fixed maturity securities	**$ 44,599**	**$ 41,682**	**$ 86,281**	**$ 3,930**	**$ 3,112**	**$ 414**	**$ 7,456**	**$ 93,737**
Mortgage-backed, asset-backed and collateralized	**34,578**	**5,969**	**40,547**	**381**	**364**	**2,790**	**3,535**	**44,082**
Total[(c)]	**$ 79,177**	**$ 47,651**	**$ 126,828**	**$ 4,311**	**$ 3,476**	**$ 3,204**	**$ 10,991**	**$ 137,819**
Fortitude Re funds withheld assets								**$ 17,734**
Total fixed maturities								**$ 155,553**
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 $2.8 billion and $3.0 billion at September 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 $72 million of consolidated CLOs as of September 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 $11 million and $21 million of fixed maturity securities for which no NAIC Designation is available at September 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
September 30, 2023								
Other fixed maturity securities	**$ 44,592**	**$ 42,030**	**$ 86,622**	**$ 3,925**	**$ 3,070**	**$ 406**	**$ 7,401**	**$ 94,023**
Mortgage-backed, asset-backed and collateralized	**34,963**	**5,974**	**40,937**	**386**	**366**	**2,788**	**3,540**	**44,477**
Total fixed maturities*	**$ 79,555**	**$ 48,004**	**$ 127,559**	**$ 4,311**	**$ 3,436**	**$ 3,194**	**$ 10,941**	**$ 138,500**
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 $11 million and $21 million of fixed maturity securities for which no NAIC Designation is available at September 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 September 30, 2023	Available for Sale December 31, 2022	Other Fixed Maturity Securities, at Fair Value September 30, 2023	Other Fixed Maturity Securities, at Fair Value December 31, 2022	Total September 30, 2023	Total December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	$ 1,460	$ 2,493	$ —	$ —	$ 1,460	$ 2,493
AA	19,481	17,600	22	16	19,503	17,616
A	23,615	25,950	21	—	23,636	25,950
BBB	41,643	44,065	39	3	41,682	44,068
Below investment grade	7,455	11,855	9	7	7,464	11,862
Non-rated	3	73	—	2	3	75
Total	$ 93,657	$ 102,036	$ 91	$ 28	$ 93,748	$ 102,064
Mortgage-backed, asset-backed and collateralized						
AAA	$ 8,124	$ 11,418	$ 19	$ 22	$ 8,143	$ 11,440
AA	19,462	11,737	88	90	19,550	11,827
A	6,787	6,009	98	91	6,885	6,100
BBB	5,921	5,736	48	32	5,969	5,768
Below investment grade	3,414	3,391	65	21	3,479	3,412
Non-rated	56	127	—	—	56	127
Total	$ 43,764	$ 38,418	$ 318	$ 256	$ 44,082	$ 38,674
Total						
AAA	$ 9,584	$ 13,911	$ 19	$ 22	$ 9,603	$ 13,933
AA	38,943	29,337	110	106	39,053	29,443
A	30,402	31,959	119	91	30,521	32,050
BBB	47,564	49,801	87	35	47,651	49,836
Below investment grade	10,869	15,246	74	28	10,943	15,274
Non-rated	59	200	—	2	59	202
Total	$ 137,421	$ 140,454	$ 409	$ 284	$ 137,830	$ 140,738

Fortitude Re Funds Withheld Assets *(in millions)*	Available for Sale		Other Fixed Maturity Securities, at Fair Value		Total	
	September 30, 2023	December 31, 2022	**September 30, 2023**	December 31, 2022	**September 30, 2023**	December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	**$ 341**	$ 439	**$ 21**	$ 22	**$ 362**	$ 461
AA	**3,256**	3,272	**730**	706	**3,986**	3,978
A	**3,150**	4,022	**95**	168	**3,245**	4,190
BBB	**4,652**	5,734	**1,069**	935	**5,721**	6,669
Below investment grade	**520**	705	**435**	420	**955**	1,125
Non-rated	**—**	—	**9**	2	**9**	2
Total	**$ 11,919**	$ 14,172	**$ 2,359**	$ 2,253	**$ 14,278**	$ 16,425
Mortgage-backed, asset-backed and collateralized						
AAA	**$ 134**	$ 222	**$ 115**	$ 88	**$ 249**	$ 310
AA	**768**	727	**531**	478	**1,299**	1,205
A	**235**	289	**206**	146	**441**	435
BBB	**350**	348	**510**	459	**860**	807
Below investment grade	**550**	581	**55**	60	**605**	641
Non-rated	**1**	—	**1**	1	**2**	1
Total	**$ 2,038**	$ 2,167	**$ 1,418**	$ 1,232	**$ 3,456**	$ 3,399
Total						
AAA	**$ 475**	$ 661	**$ 136**	$ 110	**$ 611**	$ 771
AA	**4,024**	3,999	**1,261**	1,184	**5,285**	5,183
A	**3,385**	4,311	**301**	314	**3,686**	4,625
BBB	**5,002**	6,082	**1,579**	1,394	**6,581**	7,476
Below investment grade	**1,070**	1,286	**490**	480	**1,560**	1,766
Non-rated	**1**	—	**10**	3	**11**	3
Total	**$ 13,957**	$ 16,339	**$ 3,777**	$ 3,485	**$ 17,734**	$ 19,824

Total (in millions)	Available for Sale September 30, 2023	Available for Sale December 31, 2022	Other Fixed Maturity Securities, at Fair Value September 30, 2023	Other Fixed Maturity Securities, at Fair Value December 31, 2022	Total September 30, 2023	Total December 31, 2022
Rating:						
Other fixed maturity securities*						
AAA	**$ 1,801**	$ 2,932	**$ 21**	$ 22	**$ 1,822**	$ 2,954
AA	**22,737**	20,872	**752**	722	**23,489**	21,594
A	**26,765**	29,972	**116**	168	**26,881**	30,140
BBB	**46,295**	49,799	**1,108**	938	**47,403**	50,737
Below investment grade	**7,975**	12,560	**444**	427	**8,419**	12,987
Non-rated	**3**	73	**9**	4	**12**	77
Total	**$ 105,576**	$ 116,208	**$ 2,450**	$ 2,281	**$ 108,026**	$ 118,489
Mortgage-backed, asset-backed and collateralized						
AAA	**$ 8,258**	$ 11,640	**$ 134**	$ 110	**$ 8,392**	$ 11,750
AA	**20,230**	12,464	**619**	568	**20,849**	13,032
A	**7,022**	6,298	**304**	237	**7,326**	6,535
BBB	**6,271**	6,084	**558**	491	**6,829**	6,575
Below investment grade	**3,964**	3,972	**120**	81	**4,084**	4,053
Non-rated	**57**	127	**1**	1	**58**	128
Total	**$ 45,802**	$ 40,585	**$ 1,736**	$ 1,488	**$ 47,538**	$ 42,073
Total						
AAA	**$ 10,059**	$ 14,572	**$ 155**	$ 132	**$ 10,214**	$ 14,704
AA	**42,967**	33,336	**1,371**	1,290	**44,338**	34,626
A	**33,787**	36,270	**420**	405	**34,207**	36,675
BBB	**52,566**	55,883	**1,666**	1,429	**54,232**	57,312
Below investment grade	**11,939**	16,532	**564**	508	**12,503**	17,040
Non-rated	**60**	200	**10**	5	**70**	205
Total	**$ 151,378**	$ 156,793	**$ 4,186**	$ 3,769	**$ 155,564**	$ 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)	September 30, 2023 Excluding Fortitude Re Funds Withheld Assets	September 30, 2023 Fortitude Re Funds Withheld Assets	September 30, 2023 Total	December 31, 2022 Excluding Fortitude Re Funds Withheld Assets	December 31, 2022 Fortitude Re Funds Withheld Assets	December 31, 2022 Total
Chile	**$ 318**	**$ 12**	**$ 330**	$ 343	$ 19	$ 362
Indonesia	**305**	**19**	**324**	381	34	415
Mexico	**232**	**12**	**244**	239	27	266
United Arab Emirates	**205**	**4**	**209**	298	12	310
Qatar	**187**	**59**	**246**	218	87	305
France	**179**	**16**	**195**	149	17	166
Saudi Arabia	**165**	**18**	**183**	200	22	222
Norway	**154**	**—**	**154**	162	—	162
Panama	**144**	**19**	**163**	150	29	179
China	**134**	**—**	**134**	149	13	162
Other	**1,422**	**107**	**1,529**	1,688	177	1,865
Total*	**$ 3,445**	**$ 266**	**$ 3,711**	$ 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:

	September 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	**$ 22,988**	**$ 2,205**	**$ 25,193**	$ 23,751	$ 2,699	$ 26,450
Utilities	**12,633**	**2,340**	**14,973**	13,579	2,708	16,287
Communications	**5,205**	**640**	**5,845**	5,718	767	6,485
Consumer noncyclical	**11,211**	**1,301**	**12,512**	12,466	1,525	13,991
Capital goods	**3,826**	**371**	**4,197**	4,491	462	4,953
Energy	**7,691**	**998**	**8,689**	7,361	1,126	8,487
Consumer cyclical	**4,578**	**478**	**5,056**	6,820	581	7,401
Basic materials	**2,836**	**317**	**3,153**	3,285	467	3,752
Other	**13,565**	**2,192**	**15,757**	14,468	2,418	16,886
Total*	**$ 84,533**	**$ 10,842**	**$ 95,375**	$ 91,939	$ 12,753	$ 104,692

* 92% and 89% of investments were rated investment grade at September 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 September 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:

	September 30, 2023			December 31, 2022	
(in millions)	Fair Value	Percent of Total		Fair Value	Percent of Total
Agency RMBS	$ 4,048	34%	$	4,478	40%
AAA	20			4,345	
AA	4,028			133	
A	—			—	
BBB	—			—	
Below investment grade	—			—	
Non-rated	—			—	
Alt-A RMBS	2,793	23%		2,641	24%
AAA	272			24	
AA	696			689	
A	38			35	
BBB	41			41	
Below investment grade	1,746			1,852	
Non-rated	—			—	
Subprime RMBS	1,155	9%		1,217	11%
AAA	—			—	
AA	81			68	
A	61			65	
BBB	36			51	
Below investment grade	977			1,033	
Non-rated	—			—	
Prime non-agency	2,000	17%		1,471	13%
AAA	921			331	
AA	798			803	
A	117			136	
BBB	40			57	
Below investment grade	124			144	
Non-rated	—			—	
Other housing related	1,999	17%		1,315	12%
AAA	1,254			795	
AA	383			230	
A	266			206	
BBB	84			77	
Below investment grade	12			6	
Non-rated	—			1	
Total RMBS excluding Fortitude Re funds withheld assets	11,995	100 %		11,122	100%
Total RMBS Fortitude Re funds withheld assets	786			822	
Total RMBS[(a)(b)]	$ 12,781		$	11,944	

(a) Includes $2.8 billion and $3.0 billion at September 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 7 years at September 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:

	September 30, 2023		December 31, 2022	
(in millions)	**Fair Value**	**Percent of Total**	Fair Value	Percent of Total
CMBS (traditional)	**$ 7,963**	**87 %**	$ 8,085	85 %
AAA	**3,532**		3,875	
AA	**2,754**		2,642	
A	**735**		732	
BBB	**662**		564	
Below investment grade	**280**		272	
Non-rated	**—**		—	
Agency	**777**	**9 %**	1,017	11 %
AAA	**3**		484	
AA	**774**		525	
A	**—**		—	
BBB	**—**		8	
Below investment grade	**—**		—	
Non-rated	**—**		—	
Other	**395**	**4 %**	426	4 %
AAA	**90**		105	
AA	**123**		131	
A	**95**		97	
BBB	**87**		93	
Below investment grade	**—**		—	
Non-rated	**—**		—	
Total excluding Fortitude Re funds withheld assets	**9,135**	**100 %**	9,528	100 %
Total Fortitude Re funds withheld assets	**465**		540	
Total	**$ 9,600**		$ 10,068	

The fair value of CMBS holdings decreased slightly during the nine months ended September 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:

	September 30, 2023		December 31, 2022	
(in millions)	Fair Value	Percent of Total	Fair Value	Percent of Total
CDO - bank loan (CLO)	$ 10,173	45 %	$ 7,893	44 %
AAA	1,600		1,056	
AA	4,988		4,049	
A	2,839		2,384	
BBB	682		400	
Below investment grade	64		4	
Non-rated	—		—	
CDO - other	146	1 %	100	1 %
AAA	1		—	
AA	126		100	
A	—		—	
BBB	1		—	
Below investment grade	3		—	
Non-rated	15		—	
ABS	12,315	54 %	9,775	55 %
AAA	431		403	
AA	4,711		2,367	
A	2,636		2,354	
BBB	4,288		4,445	
Below investment grade	208		80	
Non-rated	41		126	
Total excluding Fortitude Re funds withheld assets	22,634	100 %	17,768	100 %
Total Fortitude Re funds withheld assets	787		805	
Total	$ 23,421		$ 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:

September 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	$ 18,434	$ 891	1,900	$ 3,364	$ 1,120	249	$ 35	$ 27	3	$ 21,833	$ 2,038	2,152
7-11 months	17,319	1,550	1,575	12,704	4,165	1,194	188	105	10	30,211	5,820	2,779
12 months or more	45,716	4,686	5,388	38,633	11,617	3,281	736	399	32	85,085	16,702	8,701
Total	81,469	7,127	8,863	54,701	16,902	4,724	959	531	45	137,129	24,560	13,632
Below-investment-grade bonds												
0-6 months	1,497	65	271	62	22	10	22	15	7	1,581	102	288
7-11 months	1,188	64	287	212	63	53	7	5	1	1,407	132	341
12 months or more	4,809	347	1,019	918	263	195	25	17	12	5,752	627	1,226
Total	7,494	476	1,577	1,192	348	258	54	37	20	8,740	861	1,855
Total bonds												
0-6 months	19,931	956	2,171	3,426	1,142	259	57	42	10	23,414	2,140	2,440
7-11 months	18,507	1,614	1,862	12,916	4,228	1,247	195	110	11	31,618	5,952	3,120
12 months or more	50,525	5,033	6,407	39,551	11,880	3,476	761	416	44	90,837	17,329	9,927
Total excluding Fortitude Re funds withheld assets	$ 88,963	$ 7,603	10,440	$ 55,893	$ 17,250	4,982	$ 1,013	$ 568	65	$ 145,869	$ 25,421	15,487
Total Fortitude Re funds withheld assets										$ 17,214	$ 4,217	870
Total										$ 163,083	$ 29,638	16,357

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 September 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 $8 million and $7 million for investment grade bonds, and $102 million and $141 million for below-investment-grade bonds as of September 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 nine months ended September 30, 2023, was primarily attributable to a change in the fair value of fixed maturity securities. For the three months ended September 30, 2023, net unrealized losses related to fixed maturity securities were $6.4 billion due primarily to a significant increase in interest rates and widening of credit spreads. For the nine months ended September 30, 2023, net unrealized losses were $4.1 billion due primarily to an increase in interest rates, partially offset by narrowing of credit spreads.

The change in net unrealized gains and losses on investments for the three and nine months ended September 30, 2022 was primarily attributable to decreases in the fair value of fixed maturity securities. For the three months ended September 30, 2022, net unrealized losses related to fixed maturity securities increased by $10.0 billion due primarily to an increase in rates and widening of credit spreads. For the nine months ended September 30, 2022, net unrealized losses related to fixed maturity securities increased by $42.3 billion due primarily to an increase in interest rates.

For further discussion of our investment portfolio, see Notes 5 and 6 to the Condensed Consolidated Financial Statements.

Commercial Mortgage Loans

At September 30, 2023 and December 31, 2022, we had direct commercial mortgage loan exposure of $34.0 billion and $33.0 billion, respectively. At September 30, 2023 and December 31, 2022, we had an allowance for credit losses of $681 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**
September 30, 2023									
State:									
New York	**72**	**$ 1,383**	**$ 3,709**	**$ 278**	**$ 395**	**$ 70**	**$ —**	**$ 5,835**	**19 %**
California	**56**	**681**	**830**	**103**	**1,093**	**582**	**12**	**3,301**	**11 %**
New Jersey	**74**	**1,953**	**73**	**265**	**628**	**—**	**21**	**2,940**	**10 %**
Texas	**37**	**755**	**611**	**131**	**151**	**18**	**—**	**1,666**	**5 %**
Massachusetts	**19**	**550**	**501**	**482**	**15**	**—**	**—**	**1,548**	**5 %**
Florida	**56**	**542**	**107**	**209**	**210**	**455**	**—**	**1,523**	**5 %**
Illinois	**20**	**502**	**353**	**3**	**40**	**—**	**20**	**918**	**3 %**
Pennsylvania	**19**	**124**	**94**	**208**	**188**	**23**	**—**	**637**	**2 %**
Ohio	**19**	**78**	**6**	**81**	**407**	**—**	**—**	**572**	**2 %**
Colorado	**14**	**278**	**62**	**—**	**70**	**158**	**—**	**568**	**2 %**
Other States	**107**	**2,226**	**261**	**508**	**717**	**145**	**46**	**3,903**	**13 %**
Foreign	**76**	**3,636**	**1,024**	**626**	**1,339**	**283**	**216**	**7,124**	**23 %**
Total[b]	**569**	**$ 12,708**	**$ 7,631**	**$ 2,894**	**$ 5,253**	**$ 1,734**	**$ 315**	**$ 30,535**	**100 %**
Fortitude Re funds withheld assets								**$ 3,483**	
Total Commercial Mortgages								**$ 34,018**	
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
September 30, 2023				
Loan-to-value ratios[b]				
Less than 65%	**$ 18,152**	**$ 3,052**	**$ 284**	**$ 21,488**
65% to 75%	**5,474**	**1,192**	**47**	**6,713**
76% to 80%	**640**	**—**	**47**	**687**
Greater than 80%	**788**	**443**	**416**	**1,647**
Total commercial mortgages excluding Fortitude Re[c]	**$ 25,054**	**$ 4,687**	**$ 794**	**$ 30,535**
Total commercial mortgages including Fortitude Re				**$ 3,483**
Total commercial mortgages				**$ 34,018**
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 September 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 59% and 59% at September 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 September 30, 2023 and December 31, 2022, we had direct residential mortgage loan exposure of $7.9 billion and $5.9 billion, respectively.

The following tables present credit quality performance indicators for residential mortgages by year of vintage:

September 30, 2023 *(in millions)*	2023	2022	2021	2020	2019	Prior	Total
FICO:[a]							
780 and greater	**$ 354**	**$ 507**	**$ 2,294**	**$ 628**	**$ 241**	**$ 505**	**$ 4,529**
720 - 779	**821**	**581**	**549**	**168**	**99**	**214**	**2,432**
660 - 719	**215**	**248**	**102**	**40**	**37**	**123**	**765**
600 - 659	**2**	**21**	**10**	**8**	**9**	**50**	**100**
Less than 600	**—**	**—**	**2**	**2**	**4**	**16**	**24**
Total residential mortgages[b][c]	**$ 1,392**	**$ 1,357**	**$ 2,957**	**$ 846**	**$ 390**	**$ 908**	**$ 7,850**

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 7 to the Condensed Consolidated Financial Statements.

For additional discussion on credit losses, see Note 6 to the Condensed Consolidated Financial Statements.

Net Realized Gains and Losses

Three Months Ended September 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	**$ (4)**	**$ (5)**	**$ (9)**	$ (42)	$ (62)	$ (104)
Change in allowance for credit losses on fixed maturity securities	**(41)**	**(7)**	**(48)**	(9)	8	(1)
Change in allowance for credit losses on loans	**(25)**	**(25)**	**(50)**	(40)	(22)	(62)
Foreign exchange transactions, net of related hedges	**135**	**(20)**	**115**	525	44	569
Index-linked interest credited embedded derivatives, net of related hedges	**133**	**—**	**133**	35	—	35
All other derivatives and hedge accounting*	**141**	**(170)**	**(29)**	120	(89)	31
Sale of alternative investments and real estate	**40**	**(1)**	**39**	137	32	169
Other	**(11)**	**—**	**(11)**	(2)	—	(2)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	**368**	**(228)**	**140**	724	(89)	635
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	**—**	**1,080**	**1,080**	—	1,463	1,463
Net realized gains (losses)	**$ 368**	**$ 852**	**$ 1,220**	$ 724	$ 1,374	$ 2,098

Nine Months Ended September 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	**$ (275)**	**$ (68)**	**$ (343)**	$ (304)	$ (185)	$ (489)
Change in allowance for credit losses on fixed maturity securities	**(84)**	**(9)**	**(93)**	(56)	(32)	(88)
Change in allowance for credit losses on loans	**(107)**	**(52)**	**(159)**	(53)	(22)	(75)
Foreign exchange transactions, net of related hedges	**31**	**(11)**	**20**	1,034	82	1,116
Index-linked interest credited embedded derivatives, net of related hedges	**(186)**	**—**	**(186)**	220	—	220
All other derivatives and hedge accounting*	**235**	**(199)**	**36**	105	(151)	(46)
Sale of alternative investments and real estate	**48**	**(1)**	**47**	147	35	182
Other	**(59)**	**2**	**(57)**	(10)	1	(9)
Net realized gains (losses) – excluding Fortitude Re funds withheld embedded derivative	**(397)**	**(338)**	**(735)**	1,083	(272)	811
Net realized gains (losses) on Fortitude Re funds withheld embedded derivative	**—**	**177**	**177**	—	6,694	6,694
Net realized gains (losses)	**$ (397)**	**$ (161)**	**$ (558)**	$ 1,083	$ 6,422	$ 7,505

* 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 15.*

Higher net realized losses excluding Fortitude Re funds withheld assets in the three and nine months ended September 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 nine months ended September 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 6 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:

	September 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)]	$ 6,068	$ 1,856	$ 7,924	$ 6,121	$ 1,893	$ 8,014
Investment real estate[(c)]	1,737	122	1,859	1,698	133	1,831
All other investments[(d)]	653	—	653	573	—	573
Total	$ 8,458	$ 1,978	$ 10,436	$ 8,392	$ 2,026	$ 10,418

(a) At September 30, 2023, included hedge funds of $451 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) The majority of our hedge fund investments are redeemable upon a single month or quarter’s notice, though redemption terms vary from single, immediate withdrawals, to withdrawals staggered up to eight quarters. Some of the portfolio consists of illiquid run-off or “side-pocket” positions whose liquidation horizons are uncertain and likely beyond a year after submission of the redemption notice.

(c) Net of accumulated depreciation of $642 million and $616 million as of September 30, 2023 and December 31, 2022, respectively. The accumulated depreciation related to the investment real estate held by legacy affordable housing partnerships was $106 million and $124 million at September 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 September 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 5 and 10 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:

	September 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	$ 179	$ 191	$ 3,042	$ 92	$ 155	$ 202	$ 1,798	$ 77
Foreign exchange contracts	5,946	578	362	19	3,166	523	3,095	162
Derivatives not designated as hedging instruments[(a)]								
Interest rate contracts	30,482	933	23,085	2,877	23,916	481	16,263	1,859
Foreign exchange contracts	10,796	809	1,654	244	4,357	643	6,126	428
Equity contracts	40,896	1,417	24,637	854	26,041	417	9,962	27
Credit contracts	—	—	—	—	—	—	—	—
Other contracts[(b)]	45,311	16	—	—	47,128	15	48	—
Total derivatives, excluding Fortitude Re funds withheld	$ 133,610	$ 3,944	$ 52,780	$ 4,086	$ 104,763	$ 2,281	$ 37,292	$ 2,553
Total derivatives, Fortitude Re funds withheld	$ 4,563	$ 1,195	$ 6,358	$ 1,204	$ 4,382	$ 971	$ 6,096	$ 782
Total derivatives, gross	$ 138,173	$ 5,139	$ 59,138	$ 5,290	$ 109,145	$ 3,252	$ 43,388	$ 3,335
Counterparty netting[(c)]		(3,680)		(3,680)		(2,547)		(2,547)
Cash collateral[(d)]		(1,187)		(1,520)		(406)		(691)
Total derivatives on Condensed Consolidated Balance Sheets[(e)]		$ 272		$ 90		$ 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 September 30, 2023 and December 31, 2022. Fair value of liabilities related to bifurcated embedded derivatives was $6.6 billion and $6.7 billion, respectively, at September 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* 8 *to the Condensed Consolidated Financial Statements*.

For additional information, see Note 10 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 September 30, 2023 and December 31, 2022, approximately $25.2 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 $2 billion of such statutory reserves to the same unaffiliated reinsurer under an amendment to the July 1, 2016 agreement. Effective September 30, 2023, AGL recaptured universal life reserves of $1 billion issued from 2017 to 2019 from AGC subject to the NAIC Actuarial Guideline 38 (“Guideline AXXX”) and ceded approximately $2 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 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 additional information on our valuation methodology for MRBs, see Note 5 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:

(in millions)	September 30, 2023	December 31, 2022
Reconciliation of market risk benefits and economic hedge target:		
Market risk benefits liability, net	$ 927	$ 1,657
Exclude non-performance risk adjustment	(556)	(479)
Market risk benefits liability, excluding NPA	371	1,178
Adjustments for risk margins and differences in valuation	253	(281)
Economic hedge target liability	$ 624	$ 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 decrease in the economic hedge target liability in the nine months ended September 30, 2023, was primarily driven by higher interest rates and equity markets, partially offset by tightening credit spreads.

Update of Actuarial Assumptions and Models

Our life insurance companies review and update actuarial assumptions at least annually, generally in the third quarter.

Investment-oriented products

We review and update assumptions used to value our universal life product with secondary guarantees at least annually. These benefit reserves are also adjusted to reflect the changes in the fair value of available-for-sale securities with an offset to OCI. DAC and related items (which may include VOBA, DSI and unearned revenue reserves) are amortized on a constant level basis.

We also review assumptions related to variable annuities, fixed annuities, and fixed index annuities guaranteed benefits that are accounted for as MRBs or embedded derivatives and measured at fair value. The fair value of these MRBs or embedded derivatives is based on actuarial assumptions, including policyholder behavior, as well as capital market assumptions.

Traditional long-duration products

For traditional long-duration products discussed below, which includes whole life insurance, term life insurance, accident and health insurance, PRT, and life-contingent single premium immediate annuities and structured settlements, cash flow assumptions are reviewed at least annually to determine any changes in the liability for future policy benefits. DAC and related items (which may include VOBA) are amortized on a constant level basis.

The net impacts to pre-tax income and APTOI because of the update of actuarial assumptions for the nine months ended September 30, 2023, and 2022 are shown in the following tables.

The following table presents the increase in pre-tax income resulting from the annual update of actuarial assumptions, by line item as reported in Results of Operations:

	Nine Months Ended September 30,	
(in millions)	**2023**	2022
Policyholder benefits	**$ 22**	$ 29
Increase in adjusted pre-tax operating income	**22**	29
Change in the fair value of market risk benefits, net	**7**	105
Net realized losses	**(7)**	(2)
Increase in pre-tax income	**$ 22**	$ 132

The following table presents the increase in adjusted pre-tax operating income resulting from the annual update of actuarial assumptions, by segment and product line:

	Nine Months Ended September 30,	
(in millions)	2023	2022
Individual Retirement	**$ 1**	$ —
Life Insurance	**19**	25
Institutional Markets	**2**	4
Total increase in adjusted pre-tax operating income from the update of assumptions*	**$ 22**	$ 29

* Liabilities ceded to Fortitude Re are reported in Corporate and Other. There is no impact to adjusted pre-tax operating income due to the annual update of actuarial assumptions as these liabilities are 100% ceded.

Update of Actuarial Assumptions Impact to Consolidated pre-tax income (loss)

Corebridge recognized favorable impacts to pre-tax income of $22 million and $132 million for the nine months ended September 30, 2023 and 2022, respectively, attributable to the annual actuarial assumption review. For 2023, the assumption update impacts were primarily driven by updates to the portfolio yield assumption, refinements to the modeling for universal life with secondary guarantees and similar features, and mortality assumption updates, partially offset by updated premium assumptions, and other refinements on life insurance products. For 2022, the assumption update impacts were driven by updates to the relationship between projected equity growth and interest rates, and updates to premium and withdrawal assumption for annuities, partially offset by updated investments spreads on life insurance products.

Update of Actuarial Assumptions Impact to Consolidated APTOI

Corebridge recognized favorable impacts to adjusted pre-tax operating income of $22 million and $29 million for the nine months ended September 30, 2023 and 2022, respectively, attributable to the annual actuarial assumption review. For 2023, the assumption update impacts were primarily driven by updates to the portfolio yield assumption, refinements to the modeling for universal life with secondary guarantees and similar features, and mortality assumption updates, partially offset by updated premium assumptions, and other refinements on life insurance products. For 2022, the assumption update impacts were primarily driven by modeling refinements to reflect actual versus expected asset data related to calls and capital gains for life insurance products.

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 September 30, 2023 and December 31, 2022, Corebridge Parent and its non-regulated intermediate holding companies ("Corebridge Hold Cos.") had $4.2 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 September 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 September 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 $150 million and $272 million at September 30, 2023 and December 31, 2022, respectively.

The following table presents Corebridge Hold Cos.' liquidity sources:

(in millions)	September 30, 2023	December 31, 2022
Cash and short-term investments	$ 1,707	$ 1,495
Total Corebridge Hold Cos. liquidity	1,707	1,495
Available capacity under committed, revolving credit facility	2,500	2,500
Total Corebridge Hold Cos. liquidity sources	$ 4,207	$ 3,995

COREBRIDGE HOLD COS. LIQUIDITY AND CAPITAL RESOURCES HIGHLIGHTS

SOURCES

During the three and nine months ended September 30, 2023, Corebridge Hold Cos. received $527 million and $1.5 billion in dividends from subsidiaries, respectively. During the three and nine months ended September 30, 2022, Corebridge Hold Cos. received $421 million and $1.6 billion in dividends from subsidiaries, respectively.

On April 5, 2022, Corebridge Parent issued $6.5 billion aggregate principal amount of senior unsecured notes.

On August 23, 2022, Corebridge Parent issued $1.0 billion of fixed-to-fixed reset rate junior subordinated notes.

On September 15, 2022, Corebridge Parent borrowed an aggregate principal amount of $1.5 billion under the Three-Year Delayed Draw Term Loan Agreement (the "Three-Year DDTL Facility").

On September 15, 2023, Corebridge Parent issued $500 million aggregate principal amount of senior unsecured notes. The net proceeds of the issuance of the notes were used to repay $500 million of the $1.5 billion aggregate principal amount which had been drawn under the Three-Year DDTL Facility on September 15, 2022.

For further information, see “Short-term and Long-term debt” below.

USES

Interest Payments

We made interest payments on our debt instruments totaling $39 million and $261 million during the three and nine months ended September 30, 2023, respectively. We made interest payments on our debt instruments totaling $68 million and $96 million during the three and nine months ended September 30, 2022, respectively.

Debt Reduction

In 2022, we repaid the $8.3 billion promissory note issued in November 2021.

On September 15, 2023, Corebridge Parent repaid $500 million of the Three-Year DDTL Facility.

Dividends

During the three and nine months ended September 30, 2023, Corebridge Parent paid cash dividends of $0.23 and $1.31 per share of its common stock totaling $146 million and $846 million, including a special dividend of $0.62 per share paid during the second quarter 2023. During the three and nine months ended September 30, 2022, Corebridge Parent paid cash dividends of $0 million and $580 million, respectively.

Repurchase of Common Stock

During the three and nine months ended September 30, 2023, Corebridge Parent repurchased approximately 2.5 million and 14.7 million shares of its common stock, for an aggregate purchase price of approximately $46 million and $246 million, respectively.

For additional information, see Note 17 to the Condensed Consolidated Financial Statements.

Tax Sharing Payments

We distributed tax sharing payments of $2 million and $10 million to AIG in the three and nine months ended September 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 $5.7 billion and $4.6 billion which were due to FHLBs in their respective districts at September 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 September 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 September 30, 2023 and no liabilities to borrowers for collateral received at September 30, 2023.

Our U.S. insurance companies distributed tax sharing payments of $188 million and $1.0 billion to AIG, Inc. in the three and nine months ended September 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 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 September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	2022	**2023**	2022
Subsidiary dividends paid	**$ 527**	$ 421	**$ 1,527**	$ 1,621
Tax sharing payments related to utilization of tax attributes	**—**	128	**—**	401
Normalized distributions	**$ 527**	$ 549	**$ 1,527**	$ 2,022

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:

	Nine Months Ended September 30,	
(in millions)	2023	2022
Sources:		
Operating activities, net	$ 2,590	$ 2,150
Net changes in policyholder account balances	4,141	5,095
Issuance of long-term debt	496	7,451
Issuance of debt of consolidated investment entities	202	860
Contributions from noncontrolling interests	63	45
Financing other, net	73	—
Issuance of short-term debt	—	1,512
Effect of exchange rate changes on cash and restricted cash	3	—
Total Sources	7,568	17,113
Uses:		
Investing activities, net	(3,267)	(3,330)
Repayments of debt of consolidated investment entities	(374)	(1,090)
Repayments of short-term debt	(500)	(8,312)
Distributions to noncontrolling interests	(59)	(395)
Dividends paid on common stock	(846)	(580)
Net change in securities lending and repurchase agreements	(2,290)	(3,474)
Repurchase of common stock	(246)	—
Financing other, net	—	(80)
Effect of exchange rate changes on cash and restricted cash	—	(9)
Total Uses	(7,582)	(17,270)
Net increase (decrease) in cash and cash equivalents	$ (14)	$ (157)

Operating Activities

Cash inflows from operating activities primarily include insurance premiums, fees and investment income. Cash outflows from operating activities primarily include benefit payments, general operating expenses and servicing of debt. 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, repurchases of common stock, distributions to noncontrolling interests and outflows for the settlement of securities lending and repurchase agreements.

CONTRACTUAL OBLIGATIONS

As of September 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 September 30, 2023
Short-term debt issued by Corebridge:						
Three-Year DDTL Facility*	2023	$ 1,500	$ —	$ (500)	$ —	**$ 1,000**
Total short-term debt		1,500	—	(500)	—	**1,000**
Long-term debt issued by Corebridge:						
Senior unsecured notes	2025-2052	6,500	500	—	—	**7,000**
Hybrid junior subordinated notes	2052	1,000	—	—	—	**1,000**
Long-term debt issued by Corebridge subsidiaries:						
CRBGLH notes	2025-2029	200	—	—	—	**200**
CRBGLH junior subordinated debentures	2030-2046	227	—	—	—	**227**
Total long-term debt		7,927	500	—	—	**8,427**
Debt issuance costs		(59)	—	—	3	**(56)**
Total long-term debt, net of debt issuance costs		7,868	500	—	3	**8,371**
Total debt, net of issuance costs		$ 9,368	$ 500	$ (500)	$ 3	**$ 9,371**

* 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.We reduced the borrowing to $1.0 billion on September 15, 2023 after issuing senior unsecured notes. The current interest period continues through November 24, 2023. We have the ability to further continue this borrowing through February 25, 2025.

SENIOR UNSECURED NOTES AND DELAYED DRAW TERM LOAN

On September 15, 2023, Corebridge Parent issued $500 million of 6.050% senior unsecured notes due 2033.

On September 15, 2022, Corebridge Parent borrowed an aggregate principal amount of $1.5 billion under the Three-Year DDTL Facility. On September 15, 2023, Corebridge Parent used the net proceeds of the issuance of the senior unsecured notes due 2033 and cash on hand to repay $500 million of the $1.5 billion aggregate principal amount which had been drawn under the Three-Year DDTL Facility on September 15, 2022. For the current interest period, the Three-Year DDTL Facility will end on November 24, 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”). 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 September 30, 2023**
Debt of consolidated investment entities – not guaranteed by Corebridge[a][b]	$ 5,958	$ 202	$ (374)	$ 25	$ (3,215)	**$ 2,596**

(a) At September 30, 2023, includes debt of consolidated investment entities related to real estate investments of $1.2 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 nine months ended September 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 September 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 material 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 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 15 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 5 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 September 30, 2023 balances and the resulting hypothetical impact on pre-tax income and OCI, before hedging:

September 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%	$ 1,131	$ —	$ (883)	$ 147	$ 101
Effect of a decrease by 20%	$ (1,355)	$ —	$ 743	$ (524)	$ (88)
Interest Rate[(b)]					
Effect of an increase by 1%	$ 1,442	$ 2,015	$ 462	$ 1,736	$ 2,183
Effect of a decrease by 1%	$ (1,945)	$ (2,470)	$ (687)	$ (2,420)	$ (2,682)

(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 5, 10, 14 and 15 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.

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.

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 reserves 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;

"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 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;

"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.;

"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;

"CRBG Bermuda" means Corebridge Insurance Company of Bermuda, Ltd. (formerly known as AIG Life of Bermuda, Ltd.), a Bermuda insurance company;

"CRBGLH" means Corebridge Life Holdings, Inc. (formerly known as AIG Life Holdings, Inc.), a Texas 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 CRBG 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;

"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;

"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; and

"VALIC" means The Variable Annuity Life Insurance Company, a Texas insurance company;

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 September 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 September 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 September 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 16 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 September 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)
07/01/23 through 07/31/23	—	$ —	—	$ 800
08/01/23 through 08/31/23	113,636	17.89	113,636	798
09/01/23 through 09/30/23	2,359,084	18.71	2,359,084	754
Total	2,472,720		2,472,720	$ 754

* Excludes excise tax of $0.5 million due to the Inflation Reduction Act of 2022 for the three months ended September 30, 2023.

During the three months ended September 30, 2023, Corebridge Parent repurchased approximately 2.5 million shares of Corebridge Common Stock, par value $0.01 per share for an aggregate purchase price of $46 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 September 30, 2023, approximately $754 million remained under the share repurchase program authorization.

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, including the share repurchase plan Corebridge Parent adopted on August 28, 2023 (as amended on September 15, 2023) which, unless extended expires on November 3, 2023. 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
10.25*	Amendment Letter dated August 24, 2022 to the 3-Year Delayed Draw Term Loan Agreement dated as of February 25, 2022 among Corebridge Financial, Inc., as borrower, the lenders party thereto and JP Morgan Chase Bank, N.A. as administrative agent.
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 September 30, 2023 and December 31, 2022, (ii) the Condensed Consolidated Statements of Income (Loss) for the nine months ended September 30, 2023 and 2022, (iii) the Condensed Consolidated Statements of Equity for the nine months ended September 30, 2023 and 2022, (iv) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022, (v) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the nine months ended September 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 November 3, 2023

Exhibit 10.25

EXECUTION VERSION

AMENDMENT LETTER TO
LENDERS PARTY TO THE CREDIT AGREEMENT REFERENCED BELOW

August 24, 2022

Reference is made to the 3-Year Delayed Draw Term Loan Agreement (as amended, the "Credit Agreement") dated as of February 25, 2022 among Corebridge Financial, Inc. (f/k/a SAFG Retirement Services, Inc.) (the "Company"), the lenders party thereto (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent. Terms used but not defined herein shall have the meanings provided in the Credit Agreement.

Each Lender is hereby requested by the Company to confirm its agreement of the following:

1. Section 1.01 (Defined Terms) is amended by adding the following definition in appropriate alphabetical order:

   "Exempt Proceeds" has the meaning assigned to such term in Section 2.08(b)(ii).

2. Subsection 2.08(b) (Mandatory Prepayment Events) is amended by amending and restating the lead-in to clause (ii) thereof as follows:

   In the event and on each occasion that the Company receives Net Proceeds from any Prepayment Event, (x) the Company may elect to designate up to
   $500,000,000 of such Net Proceeds in aggregate over the life of this Agreement ("Exempt Proceeds") as being exempt from the provisions below in this Section 2.08(b)(ii), and (y) the Company shall, on or before the date ("Prepayment Date") that is the third (3^{rd}) Business Day following the receipt of any such Net Proceeds not constituting Exempt Proceeds ("Excess Proceeds"):

The undersigned is in agreement with the foregoing. Please signify your agreement with the foregoing by signing and returning a copy of this Amendment Letter to Elizabeth Hamilton (via pdf email at ehamilton@cgsh.com) at your earliest convenience but **not later than 5:00 p.m., New York City time, on August 23, 2022.**

Except as expressly modified by this Amendment Letter, all terms, conditions, covenants, representations and warranties contained in the Credit Agreement and the other Loan Documents, and all rights and remedies of the Lenders and the Administrative Agent and all of the obligations of the Loan Parties, shall remain in full force and effect. From and after the effectiveness of this Amendment Letter, the term "Agreement" (or words of similar import) in the Credit Agreement, and all references to the Credit Agreement in any related document, shall mean the Credit Agreement as modified by this Amendment Letter. This Amendment Letter shall constitute a "Loan Document" for purposes of the Credit Agreement and the other Loan Documents. The Company hereby represents and warrants to the Lenders and the Administrative Agent that (i) the representations and warranties of the Company and each Subsidiary Borrower (if any) set forth in the Credit Agreement and the other Loan Documents shall be true and correct in all material respects (or, in the case of any such representations and warranties qualified as to materiality, in all respects) on the date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specified date, as of such specified date) and as if each reference to "this Agreement" included reference to this Agreement Letter (it being agreed that it shall be deemed to be an Event of Default under the Credit Agreement if any of the foregoing representations and warranties shall prove to have been false in any material respect when made) and (ii) at the time of and immediately after giving effect to this Amendment Letter, no Default has occurred and or is continuing.

This Amendment Letter may be executed in any number of counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Amendment Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment Letter may be in the form of an Electronic Record (as defined herein) and may be executed using Electronic Signatures (as defined herein) (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by it pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the parties hereto without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original counterpart. "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

This Amendment Letter shall be construed in accordance with and governed by the law of the State of New York.

Please direct any questions of a legal nature to Elizabeth Hamilton at Cleary Gottlieb Steen & Hamilton (ehamilton@cgsh.com, 212-225-2145). Questions of a business nature should be directed to Sid Lahiri (sid.lahiri@jpmorgan.com) of JPMorgan Chase Bank, N.A.

[Signature pages follow]

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By:____________________________
Name: James S. Mintzer
Title: Executive Director

COREBRIDGE FINANCIAL, INC.

By:____________________________
Name: Justin Caulfield
Title: Treasurer

SO AGREED:

JPMORGAN CHASE BANK, N.A.

By:____________________________
Name: James S. Mintzer
Title: Executive Director

SO AGREED:

BANK OF AMERICA, N.A.

By:____________________________
Name: Christopher Choi
Title: Managing Director

SO AGREED:

CITIBANK, N.A.

By:____________________________
Name: Maureen P. Maroney
Title: Vice President

SO AGREED:

Morgan Stanley Bank, N.A.

By:____________________________
Name: David White
Title: Authorized Signatory

[*Signature page to Amendment Letter*]

SO AGREED:

GOLDMAN SACHS BANK USA

By: Keshia Leday
Name: Keshia Leday
Title: Authorized Signatory

SO AGREED:

WELLS FARGO BANK, N.A.

By: ______________________
Name: Jason Hafener
Title: Managing Director

DocuSign Envelope ID: 535D5B4E-0197-4389-8AF1-5114441FB155

SO AGREED:

BNP PARIBAS

By: ______________________
Name: Marguerite Lebon
Title: Vice President

By: ______________________
Name: Patrick Cunnane
Title: Vice President

SO AGREED:

Barclays Bank PLC

By: DocuSigned by: Warren Veech III
83E1FC31F95447D...
Name: Warren Veech III
Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH

By: ______________________
Name: Ming K. Chu ming.k.chu@db.com
Title: Director +1-212-250-5451

By: ______________________
Name: Marko Lukin marko.lukin@db.com
Title: Vice President +1-212-250-7283

[*Signature page to Amendment Letter*]

SO AGREED:

HSBC BANK USA, NATIONAL ASSOCIATION

By:______________________________
Name: Mrudul Kotia
Title: Vice President, Financial Institutions Group

SO AGREED:

PNC BANK, NATIONAL ASSOCIATION

By:______________________________
Name: Jennifer L Shafer
Title: Vice President

SO AGREED:

SUMITOMO MITSUI BANKING CORPORATION

By: __________________
Name: Brett Austin
Title: Managing Director

SO AGREED:

Mizuho Bank, Ltd.

By:______________________________
Name: Donna DeMagistris
Title: Executive Director

SO AGREED:

ROYAL BANK OF CANADA

By:______________________________
Name: Tim Stephens
Title: Authorized Signatory

SO AGREED:

The Bank of Nova Scotia

By: Priya RAghavan
Name: Priya Raghavan
Title: Managing Director & Head

[*Signature page to Amendment Letter*]

SO AGREED:

U.S. BANK NATIONAL ASSOCIATION

By: Kyle Rinderle

Name: Kyle Rinderle
Title: Assistant Vice President

SO AGREED:

KEYBANK NATIONAL ASSOCIATION

By: Jason A Nichols

Name: Jason A. Nichols
Title: Vice President

SO AGREED:

BANCO SANTANDER, S.A., NEW YORK BRANCH

By: Andres Barbosa

Name: Andres Barbosa
Title: Managing Director

By: Daniel S Kostman

Name: Daniel Kostman
Title: Executive Director

SO AGREED:

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Brooks W. Thropp

Name: Brooks W. Thropp
Title: Senior Vice President

[*Signature page to Amendment Letter*]

SO AGREED:

THE BANK OF NEW YORK MELLON

By: Ken Sneider
Name: Kenneth P. Sneider, Jr.
Title: Director

SO AGREED:

TRUIST BANK

By: Andrew Johnson
Name: Andrew Johnson
Title: Managing Director

[*Signature page to Amendment Letter*]

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: November 3, 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: November 3, 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 quarter ended September 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: November 3, 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 quarter ended September 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: November 3, 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.