

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 10-Q

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

For the quarterly period ended **June 30, 2024**
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 **001-34820**

KKR
KKR & CO. INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

88-1203639
(I.R.S. Employer
Identification Number)

30 Hudson Yards
New York, New York 10001
Telephone: (212) 750-8300

(Address, zip code, and telephone number, including
area code, of registrant's principal executive office.)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	KKR	New York Stock Exchange
4.625% Subordinated Notes due 2061 of KKR Group Finance Co. IX LLC	KKRS	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 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, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of August 8, 2024, there were 887,439,879 shares of common stock of the registrant outstanding.

KKR & CO. INC.
FORM 10-Q
For the Quarterly Period Ended June 30, 2024

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believe," "think," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate," "visibility," "positioned," "path to," "conviction", the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. Without limiting the foregoing, statements regarding KKR's business, financial condition, liquidity and results of operations, including capital invested, uncalled commitments, cash and short-term investments, and levels of indebtedness; the potential for future business growth; outstanding shares of common stock of KKR & Co. Inc. and its capital structure; non-GAAP and segment measures and performance metrics, including assets under management ("AUM"), fee paying assets under management ("FPAUM"), Adjusted Net Income, Total Operating Earnings, Total Segment Earnings, Fee Related Earnings ("FRE"), Insurance Operating Earnings, Strategic Holdings Operating Earnings, Total Investing Earnings, and Total Segment Earnings; the declaration and payment of dividends on capital stock of KKR & Co. Inc.; the timing, manner and volume of repurchase of shares of common stock of KKR & Co. Inc.; our statements regarding the potential of, and future financial results from, KKR's Strategic Holdings segment (including expectations about dividend payments from companies and businesses in the Strategic Holdings segment in the future, the future growth of such companies and businesses, the potential for compounding earnings over a long period of time from such segment, and the belief that such segment is an unconstrained business line); KKR's ability to grow its AUM, to deploy capital, to realize unrealized investment appreciation, and the time period over which such events may occur; KKR's ability to manage the investments in and operations of acquired companies and businesses; the effects of any transactional activity on KKR's operating results, including pending sales of investments; expansion and growth opportunities and other synergies resulting from acquisitions of companies (including the acquisition of Global Atlantic and businesses in our Strategic Holdings segment), internal reorganizations or strategic partnerships with third parties; the timing and expected impact to our business of any new investment fund, vehicle or product launches; the timing and completion of certain transactions contemplated by the Reorganization Agreement entered into on October 8, 2021 by KKR & Co. Inc. pursuant to which the parties agreed to undertake a series of integrated transactions to effect a number of transformative structural and governance changes in the future; the implementation or execution of, or results from, any strategic initiatives, including efforts to access private wealth investors and the modification of our compensation framework announced on November 29, 2023, which decreased the targeted percentage of compensation from fee related revenues and increased the targeted percentage from realized carried interest and incentive fees. Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements or cause the anticipated benefits and synergies from transactions to not be realized. We believe these factors include those described in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 (our "Annual Report"). These factors should be read in conjunction with the other cautionary statements that are included in this report and in our other filings with the U.S. Securities and Exchange Commission ("SEC"). We do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

CERTAIN TERMS USED IN THIS REPORT

In this report, references to "KKR," "we," "us" and "our" refer to KKR & Co. Inc. and its subsidiaries, including The Global Atlantic Financial Group LLC ("TGAFG" and, together with its insurance companies and other subsidiaries, "Global Atlantic"), unless the context requires otherwise.

References to the "Series I preferred stockholder" or "KKR Management" are to KKR Management LLP, the holder of the sole outstanding share of our Series I preferred stock. References to our "senior principals" are to our senior employees who hold interests in the Series I preferred stockholder, including Mr. Henry Kravis and Mr. George Roberts (our "Co-Founders"). References to "principals" are to our current and former employees who formerly held interests ("KKR Holdings Units") in KKR Holdings L.P. ("KKR Holdings"), which we acquired on May 31, 2022, pursuant to the Reorganization Agreement, as discussed below. References to "carry pool participants" are to our current and former employees who hold interests in our "carry pool," which refers to the carried interest generated by KKR's business that is allocated to KKR Associates Holdings L.P. ("Associates Holdings"), in which carry pool participants are limited partners. Associates Holdings is currently not a subsidiary of KKR & Co. Inc.

KKR Group Partnership L.P. ("KKR Group Partnership") is the intermediate holding company that owns the entirety of KKR's business. Unless otherwise indicated, references to equity interests in KKR's business, or to percentage interests in KKR's business, reflect the aggregate equity interests in KKR Group Partnership, and are net of amounts that have been allocated to carry pool participants and any other holders of minority interests in KKR Group Partnership. References to "KKR Group Partnership" for periods prior to January 1, 2020 refer to KKR Fund Holdings L.P., KKR Management Holdings L.P. and KKR International Holdings L.P., collectively, which were combined on that date to form KKR Group Partnership. References to a "KKR Group Partnership Unit" refer to (i) one Class A partner interest in each of KKR Fund Holdings L.P., KKR Management Holdings L.P. and KKR International Holdings L.P., collectively, for periods prior to prior to January 1, 2020, and (ii) one Class A partner interest in KKR Group Partnership for periods on and after January 1, 2020. "Exchangeable securities" refers to securities that have the right to acquire KKR Group Partnership Units and to exchange them for our shares of common stock. As of the date of this report, our only outstanding exchangeable securities are (i) restricted holdings units issued through KKR Holdings II L.P. ("KKR Holdings II"), which are issued under the Amended and Restated KKR & Co. Inc. 2019 Equity Incentive Plan (the "2019 Equity Incentive Plan"), and (ii) restricted holdings units issued through KKR Holdings III L.P. ("KKR Holdings III"), which are not issued under the 2019 Equity Incentive Plan and are currently held by certain Global Atlantic employees who received 2.6 million units (a majority of which are unvested) in connection with the January 2, 2024 transaction described below. In the future, we may issue securities other than restricted holdings units that may constitute exchangeable securities.

On October 8, 2021, KKR entered into a Reorganization Agreement (the "Reorganization Agreement") with KKR Holdings, KKR Management, Associates Holdings, and the other parties thereto. Pursuant to the Reorganization Agreement, the parties agreed to undertake a series of integrated transactions to effect a number of transformative structural and governance changes, including (a) the acquisition by KKR of KKR Holdings and all of the KKR Group Partnership Units held by it (which as noted below was completed), (b) the future elimination of voting control by KKR Management and the Series I preferred stock held by it, (c) the future establishment of voting rights for all common stock on a one vote per share basis, including with respect to the election of directors, and (d) the future control of the carry pool by KKR. On May 31, 2022, KKR completed the acquisition of KKR Holdings and the 258.3 million KKR Group Partnership Units held by it, and in exchange KKR issued and delivered 266.8 million shares of common stock to our principals. On the "Sunset Date" (which will occur no later than December 31, 2026), KKR will cancel the Series I preferred stock, establish voting rights for all common stock on a one vote per share basis, and acquire control of the carry pool. For more information about the Reorganization Agreement, see Note 1 "Organization" in our financial statements included in this report.

KKR's asset management business is conducted by Kohlberg Kravis Roberts & Co. L.P. and various other subsidiaries of KKR & Co. Inc. other than Global Atlantic. KKR's insurance business is operated by Global Atlantic, which KKR acquired a majority controlling interest in on February 1, 2021 ("2021 GA Acquisition"). On January 2, 2024, KKR acquired the remaining minority interests of Global Atlantic held by third party co-investors and Global Atlantic employees in exchange for cash and securities exchangeable for shares of KKR & Co. Inc. common stock (the "2024 GA Acquisition"). As of January 2, 2024, KKR owns 100.0% of Global Atlantic. KJR Management ("KJRM") is a Japanese real estate asset manager, which KKR acquired on April 28, 2022.

References to our "funds," "vehicles" or "investment vehicles" refer to a wide array of investment funds, vehicles and accounts that are advised, managed or sponsored by one or more subsidiaries of KKR, including collateralized loan obligations ("CLOs") and business development companies (each, a "BDC"), unless the context requires otherwise. These references do not include the investment funds, vehicles or accounts of any hedge fund partnership or any other third-party asset manager with which we have formed a strategic partnership or have acquired a minority ownership interest. Unless the context requires otherwise, references to "fund investors" or "investors in our investment vehicles" refers to the third-party investors in these funds and investment vehicles. References to "strategic investor partnerships" refers to separately managed accounts with certain investors, which typically have investment periods longer than our traditional funds and typically provide for investments across different investment strategies. References to "hedge fund partnerships" refers to strategic partnerships with third-party hedge fund managers in which KKR owns a minority stake.

Unless otherwise indicated, references in this report to our outstanding common stock on a fully exchanged and diluted basis reflect (i) actual shares of common stock outstanding, (ii) shares of common stock into which all outstanding shares of Series C Mandatory Convertible Preferred Stock were convertible (for periods prior to the date of its mandatory redemption, which occurred in September 2023), (iii) shares of common stock issuable pursuant to equity awards actually granted pursuant to the Amended and Restated KKR & Co. Inc. 2010 Equity Incentive Plan (the "2010 Equity Incentive Plan" and, together with the 2019 Equity Incentive Plan, our "Equity Incentive Plans") and (iv) shares of common stock issuances from exchangeable securities, including vested partnership interests in KKR Holdings III L.P. Our outstanding common stock on a fully exchanged and diluted basis does not include shares of common stock available for issuance pursuant to the Equity Incentive Plans for which equity awards have not yet been granted.

In this report, the term "GAAP" refers to accounting principles generally accepted in the United States of America. We disclose certain financial measures in this report that are calculated and presented using methodologies other than in accordance with GAAP, including Adjusted Net Income, Total Asset Management Segment Revenues, Total Segment Earnings, Total Investing Earnings, Total Operating Earnings, FRE, Insurance Operating Earnings and Strategic Holdings Operating Earnings. We believe that providing these performance measures on a supplemental basis to our GAAP results is helpful to stockholders in assessing the overall performance of KKR's businesses. These non-GAAP financial measures should not be considered as a substitute for similar financial measures calculated in accordance with GAAP. We caution readers that these non-GAAP financial measures may differ from the calculations of other investment managers, and as a result, may not be comparable to similar measures presented by other investment managers. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, where applicable, are included under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Segment Balance Sheet Measures—Reconciliations to GAAP Measures." This report also uses the terms AUM, FPAUM and capital invested. You should note that our calculations of these and other operating metrics may differ from the calculations of other investment managers and, as a result, may not be comparable to similar metrics presented by other investment managers. These non-GAAP and operating metrics are defined in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Segment and Non-GAAP Performance Measures—Other Terms and Capital Metrics."

The use of any defined term in this report to mean more than one entity, person, security or other item collectively is solely for convenience of reference and in no way implies that such entities, persons, securities or other items are one indistinguishable group. For example, notwithstanding the use of the defined terms "KKR," "we" and "our" in this report to refer to KKR & Co. Inc. and its subsidiaries, each subsidiary of KKR & Co. Inc. is a standalone legal entity that is separate and distinct from KKR & Co. Inc. and any of its other subsidiaries. Any KKR entity (including any Global Atlantic entity) referenced herein is responsible for its own financial, contractual and legal obligations. Additionally, references to "including" are for the purpose of illustration and shall be read to mean "including without limitation" unless the context explicitly requires otherwise.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)
(Amounts in Thousands, Except Share and Per Share Data)

	June 30, 2024	December 31, 2023
Assets		
<i>Asset Management and Strategic Holdings</i>		
Cash and Cash Equivalents	\$ 7,829,321	\$ 8,393,892
Restricted Cash and Cash Equivalents	168,888	116,599
Investments	102,046,987	98,634,801
Due from Affiliates	1,616,747	1,446,852
Other Assets	5,080,261	4,975,223
	<u>116,742,204</u>	<u>113,567,367</u>
<i>Insurance</i>		
Cash and Cash Equivalents	\$ 7,710,857	\$ 11,954,675
Restricted Cash and Cash Equivalents	360,705	342,954
Investments	163,502,261	141,370,323
Reinsurance Recoverable	45,473,921	36,617,344
Insurance Intangible Assets	4,904,683	4,450,824
Other Assets	5,651,906	4,883,707
Separate Account Assets	4,122,642	4,107,000
	<u>231,726,975</u>	<u>203,726,827</u>
Total Assets	<u>\$ 348,469,179</u>	<u>\$ 317,294,194</u>
Liabilities and Equity		
<i>Asset Management and Strategic Holdings</i>		
Debt Obligations	\$ 45,396,247	\$ 44,886,870
Due to Affiliates	444,947	538,099
Accrued Expenses and Other Liabilities	9,869,018	7,718,415
	<u>55,710,212</u>	<u>53,143,384</u>
<i>Insurance</i>		
Policy Liabilities (market risk benefit liabilities: \$1,019,763 and \$1,120,968, respectively.)	\$ 177,832,610	\$ 160,058,271
Debt Obligations	3,698,209	2,587,857
Funds Withheld Payable at Interest	43,943,834	34,339,522
Accrued Expenses and Other Liabilities	2,800,252	3,256,006
Reinsurance Liabilities	1,831,453	1,423,242
Separate Account Liabilities	4,122,642	4,107,000
	<u>234,229,000</u>	<u>205,771,898</u>
Total Liabilities	<u>289,939,212</u>	<u>258,915,282</u>

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Commitments and Contingencies (See Note 24)		
Redeemable Noncontrolling Interests (See Note 23)	\$ 1,291,487	\$ 615,427
Stockholders' Equity		
Series I Preferred Stock, \$0.01 par value. 1 share authorized, 1 share issued and outstanding as of June 30, 2024 and December 31, 2023.	—	—
Common Stock, \$0.01 par value. 3,500,000,000 shares authorized, 887,439,098 and 885,005,588 shares, issued and outstanding as of June 30, 2024 and December 31, 2023, respectively.	8,874	8,850
Additional Paid-In Capital	18,133,336	17,549,157
Retained Earnings	10,867,154	9,818,336
Accumulated Other Comprehensive Income (Loss) ("AOCI")	(7,336,261)	(4,517,649)
Total KKR & Co. Inc. Stockholders' Equity	<u>21,673,103</u>	<u>22,858,694</u>
Noncontrolling Interests (See Note 22)	35,565,377	34,904,791
Total Equity	<u>57,238,480</u>	<u>57,763,485</u>
Total Liabilities and Equity	<u>\$ 348,469,179</u>	<u>\$ 317,294,194</u>

See notes to financial statements.

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED) (CONTINUED)
(Amounts in Thousands)

The following presents the portion of the consolidated balances provided in the consolidated statements of financial condition attributable to consolidated variable interest entities ("VIEs"). As of June 30, 2024 and December 31, 2023, KKR's consolidated VIEs consist primarily of (i) certain collateralized financing entities ("CFEs") holding collateralized loan obligations ("CLOs"), (ii) certain investment funds, and (iii) certain VIEs formed by Global Atlantic. The noteholders, creditors and equity holders of these VIEs have no recourse to the assets of any other KKR entity.

With respect to consolidated CFEs and certain investment funds, the following assets may only be used to settle obligations of these consolidated VIEs and the following liabilities are only the obligations of these consolidated VIEs and not generally to KKR. Additionally, KKR has no right to the benefits from, nor does KKR bear the risks associated with, the assets held by these VIEs beyond KKR's beneficial interest therein and any income generated from the VIEs. There are neither explicit arrangements nor does KKR hold implicit variable interests that would require KKR to provide any material ongoing financial support to the consolidated VIEs, beyond amounts previously committed to them, if any.

With respect to certain other VIEs consolidated by Global Atlantic, Global Atlantic has formed certain VIEs to either (i) hold investments, including fixed maturity securities, consumer and other loans, renewable energy, transportation and real estate, or (ii) to conduct certain reinsurance activities with third party commitments. These VIEs issue beneficial interests primarily to Global Atlantic's insurance companies.

	June 30, 2024			
	Consolidated CFEs	Consolidated Funds and Other Investment Vehicles	Other VIEs	Total
Assets				
<i>Asset Management and Strategic Holdings</i>				
Cash and Cash Equivalents	\$ 2,163,401	\$ 1,291,312	\$ —	\$ 3,454,713
Restricted Cash and Cash Equivalents	—	163,447	—	163,447
Investments	24,890,663	59,353,463	—	84,244,126
Other Assets	560,251	452,800	—	1,013,051
	<u>27,614,315</u>	<u>61,261,022</u>	<u>—</u>	<u>88,875,337</u>
<i>Insurance</i>				
Cash and Cash Equivalents	—	—	985,123	985,123
Investments	—	—	25,613,118	25,613,118
Other Assets	—	—	484,626	484,626
	<u>—</u>	<u>—</u>	<u>27,082,867</u>	<u>27,082,867</u>
Total Assets	<u>\$ 27,614,315</u>	<u>\$ 61,261,022</u>	<u>\$ 27,082,867</u>	<u>\$ 115,958,204</u>
Liabilities				
<i>Asset Management and Strategic Holdings</i>				
Debt Obligations	\$ 25,253,120	\$ 8,923,718	\$ —	\$ 34,176,838
Accrued Expenses and Other Liabilities	1,356,648	317,846	—	1,674,494
	<u>26,609,768</u>	<u>9,241,564</u>	<u>—</u>	<u>35,851,332</u>
<i>Insurance</i>				
Debt	—	—	34,700	34,700
Accrued Expenses and Other Liabilities	—	—	380,569	380,569
	<u>—</u>	<u>—</u>	<u>415,269</u>	<u>415,269</u>
Total Liabilities	<u>\$ 26,609,768</u>	<u>\$ 9,241,564</u>	<u>\$ 415,269</u>	<u>\$ 36,266,601</u>

	December 31, 2023			
	Consolidated CFEs	Consolidated Funds and Other Investment Vehicles	Other VIEs	Total
Assets				
<i>Asset Management and Strategic Holdings</i>				
Cash and Cash Equivalents	\$ 1,709,523	\$ 1,162,174	\$ —	\$ 2,871,697
Restricted Cash and Cash Equivalents	—	110,308	—	110,308
Investments	24,996,298	57,343,237	—	82,339,535
Other Assets	429,827	345,509	—	775,336
	<u>27,135,648</u>	<u>58,961,228</u>	<u>—</u>	<u>86,096,876</u>
<i>Insurance</i>				
Cash and Cash Equivalents	—	—	783,015	783,015
Investments	—	—	22,556,040	22,556,040
Other Assets	—	—	491,607	491,607
	<u>—</u>	<u>—</u>	<u>23,830,662</u>	<u>23,830,662</u>
Total Assets	<u>\$ 27,135,648</u>	<u>\$ 58,961,228</u>	<u>\$ 23,830,662</u>	<u>\$ 109,927,538</u>
Liabilities				
<i>Asset Management and Strategic Holdings</i>				
Debt Obligations	\$ 25,276,404	\$ 8,554,449	\$ —	\$ 33,830,853
Accrued Expenses and Other Liabilities	869,765	488,717	—	1,358,482
	<u>26,146,169</u>	<u>9,043,166</u>	<u>—</u>	<u>35,189,335</u>
<i>Insurance</i>				
Accrued Expenses and Other Liabilities	—	—	337,162	337,162
Total Liabilities	<u>\$ 26,146,169</u>	<u>\$ 9,043,166</u>	<u>\$ 337,162</u>	<u>\$ 35,526,497</u>

See notes to financial statements.

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in Thousands, Except Share and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
<i>Asset Management and Strategic Holdings</i>				
Fees and Other	\$ 822,324	\$ 754,447	\$ 1,515,850	\$ 1,431,463
Capital Allocation-Based Income (Loss)	738,125	696,897	2,001,067	1,145,915
	<u>1,560,449</u>	<u>1,451,344</u>	<u>3,516,917</u>	<u>2,577,378</u>
<i>Insurance</i>				
Net Premiums	935,794	626,429	6,972,316	1,100,053
Policy Fees	333,900	315,382	662,847	629,184
Net Investment Income	1,580,498	1,311,055	3,100,400	2,611,752
Net Investment-Related Gains (Losses)	(302,620)	(117,550)	(544,106)	(241,383)
Other Income	63,889	39,858	120,274	77,016
	<u>2,611,461</u>	<u>2,175,174</u>	<u>10,311,731</u>	<u>4,176,622</u>
Total Revenues	<u>4,171,910</u>	<u>3,626,518</u>	<u>13,828,648</u>	<u>6,754,000</u>
Expenses				
<i>Asset Management and Strategic Holdings</i>				
Compensation and Benefits	895,165	657,114	2,211,613	1,232,784
Occupancy and Related Charges	23,306	23,593	46,846	45,742
General, Administrative and Other	304,489	289,586	582,470	503,275
	<u>1,222,960</u>	<u>970,293</u>	<u>2,840,929</u>	<u>1,781,801</u>
<i>Insurance</i>				
Net Policy Benefits and Claims (including market risk benefit loss (gain) of \$11,790, \$(75,286), \$(89,970) and \$71,024, respectively.)	2,199,160	1,736,014	9,460,229	3,263,068
Amortization of Policy Acquisition Costs	32,808	170	29,056	44,381
Interest Expense	65,750	39,832	120,317	80,093
Insurance Expenses	244,954	172,121	444,190	397,439
General, Administrative and Other	180,697	204,052	364,552	415,783
	<u>2,723,369</u>	<u>2,152,189</u>	<u>10,418,344</u>	<u>4,200,764</u>
Total Expenses	<u>3,946,329</u>	<u>3,122,482</u>	<u>13,259,273</u>	<u>5,982,565</u>
Investment Income (Loss) - Asset Management and Strategic Holdings				
Net Gains (Losses) from Investment Activities	392,667	570,085	1,030,829	410,676
Dividend Income	471,349	246,939	716,406	395,106
Interest Income	903,861	850,061	1,793,963	1,578,677
Interest Expense	(783,253)	(720,108)	(1,537,317)	(1,296,446)
Total Investment Income (Loss)	<u>984,624</u>	<u>946,977</u>	<u>2,003,881</u>	<u>1,088,013</u>
Income (Loss) Before Taxes	1,210,205	1,451,013	2,573,256	1,859,448
Income Tax Expense (Benefit)	216,969	324,955	486,170	473,702

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (Loss)	993,236	1,126,058	2,087,086	1,385,746
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	29,666	(1,740)	62,344	(9,043)
Net Income (Loss) Attributable to Noncontrolling Interests	295,644	266,086	674,602	193,083
Net Income (Loss) Attributable to KKR & Co. Inc.	667,926	861,712	1,350,140	1,201,706
Series C Mandatory Convertible Preferred Stock Dividends	—	17,249	—	34,499
Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders	\$ 667,926	\$ 844,463	\$ 1,350,140	\$ 1,167,207
Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock				
Basic	\$ 0.75	\$ 0.98	\$ 1.52	\$ 1.36
Diluted	\$ 0.72	\$ 0.94	\$ 1.45	\$ 1.32
Weighted Average Shares of Common Stock Outstanding				
Basic	887,394,513	861,553,274	886,200,169	861,332,121
Diluted	932,046,386	912,147,881	928,593,777	913,068,567

See notes to financial statements.

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Amounts in Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (Loss)	\$ 993,236	\$ 1,126,058	\$ 2,087,086	\$ 1,385,746
Other Comprehensive Income (Loss), Net of Tax:				
Unrealized Gains (Losses) on Available-For-Sale Securities and Other	(427,602)	(220,665)	(627,823)	912,087
Net effect of changes in discount rates and instrument-specific credit risk on policy liabilities	147,304	13,551	272,484	(123,550)
Foreign Currency Translation Adjustments	(93,820)	(106,615)	(200,981)	(124,853)
Comprehensive Income (Loss)	619,118	812,329	1,530,766	2,049,430
Comprehensive Income (Loss) Attributable to Redeemable Noncontrolling Interests	29,666	(1,740)	62,344	(9,043)
Comprehensive Income (Loss) Attributable to Noncontrolling Interests	292,286	188,936	669,764	483,121
Comprehensive Income (Loss) Attributable to KKR & Co. Inc.	\$ 297,166	\$ 625,133	\$ 798,658	\$ 1,575,352

See notes to financial statements.

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(Amounts in Thousands, Except Share and Per Share Data)

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
	Amounts	Shares	Amounts	Shares
Series I Preferred Stock				
Beginning of Period	—	1	—	1
End of Period	—	1	—	1
Common Stock				
Beginning of Period	8,850	885,010,967	8,850	885,005,588
Clawback of Transfer Restricted Shares	—	(9,725)	—	(9,725)
Exchange of KKR Restricted Holdings Units	—	61,381	—	61,381
Private Placement Share Issuance	—	—	—	5,379
Net Delivery of Common Stock (Equity Incentive Plans)	24	2,376,475	24	2,376,475
End of Period	8,874	887,439,098	8,874	887,439,098
Additional Paid-In Capital				
Beginning of Period	18,032,599		17,549,157	
Compensation Modification (See Note 19)	—		226,011	
Compensation Modification - Issuance of Holdings III Units (See Note 19)	—		(53,623)	
Net Delivery of Common Stock (Equity Incentive Plans)	(92,970)		(92,970)	
Equity-Based Compensation	76,755		156,259	
2024 GA Acquisition - Issuance of Holdings III Units (See Note 1)	—		(40,789)	
Change in KKR & Co. Inc.'s Ownership Interest - 2024 GA Acquisition	—		128,194	
Change in KKR & Co. Inc.'s Ownership Interest (See Note 22)	116,952		261,097	
End of Period	18,133,336		18,133,336	
Retained Earnings				
Beginning of Period	10,354,524		9,818,336	
Net Income (Loss) Attributable to KKR & Co. Inc.	667,926		1,350,140	
Common Stock Dividends (\$0.175 and \$0.34 per share)	(155,296)		(301,322)	
End of Period	10,867,154		10,867,154	
Accumulated Other Comprehensive Income (Loss) (net of tax)				
Beginning of Period	(6,974,780)		(4,517,649)	
Other Comprehensive Income (Loss)	(370,760)		(551,482)	
Change in KKR & Co. Inc.'s Ownership Interest - 2024 GA Acquisition	—		(2,297,494)	
Change in KKR & Co. Inc.'s Ownership Interest (See Note 22)	9,279		30,364	
End of Period	(7,336,261)		(7,336,261)	
Total KKR & Co. Inc. Stockholders' Equity	21,673,103		21,673,103	
Noncontrolling Interests (See Note 22)	35,565,377		35,565,377	
Total Equity	\$ 57,238,480		\$ 57,238,480	
Redeemable Noncontrolling Interests (See Note 23)	\$ 1,291,487		\$ 1,291,487	

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)
(Amounts in Thousands, Except Share and Per Share Data)

	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023	
	Amounts	Shares	Amounts	Shares
Series C Mandatory Convertible Preferred Stock				
Beginning of Period	1,115,792	22,999,974	1,115,792	22,999,974
Conversion of Series C Mandatory Convertible Preferred Stock	—	(1,172)	—	(1,172)
End of Period	1,115,792	22,998,802	1,115,792	22,998,802
Series I Preferred Stock				
Beginning of Period	—	1	—	1
End of Period	—	1	—	1
Common Stock				
Beginning of Period	8,611	861,104,000	8,611	861,110,478
Net Delivery of Common Stock (Equity Incentive Plans)	20	1,974,782	20	1,981,928
Clawback of Transfer Restricted Shares	—	(6,153)	—	(19,777)
Conversion of Series C Mandatory Convertible Preferred Stock	—	1,366	—	1,366
Repurchases of Common Stock	(51)	(5,086,354)	(51)	(5,086,354)
End of Period	8,580	857,987,641	8,580	857,987,641
Additional Paid-In Capital				
Beginning of Period (as previously reported for the prior period)	16,339,472		16,190,407	
Adoption of New Accounting Standard	—		93,650	
Beginning of Period (as revised for the prior period)	16,339,472		16,284,057	
Net Delivery of Common Stock (Equity Incentive Plans)	(31,775)		(31,775)	
Repurchases of Common Stock	(272,224)		(272,224)	
Equity-Based Compensation	41,537		96,952	
Change in KKR & Co. Inc.'s Ownership Interest (See Note 22)	107,241		107,241	
Tax Effects of Changes in Ownership and Other	2,647		2,647	
End of Period	16,186,898		16,186,898	
Retained Earnings				
Beginning of Period (as previously reported for the prior period)	6,890,381		6,315,711	
Adoption of New Accounting Standard	—		385,396	
Beginning of Period (as revised for the prior period)	6,890,381		6,701,107	
Net Income (Loss) Attributable to KKR & Co. Inc.	861,712		1,201,706	
Series C Mandatory Convertible Preferred Stock Dividends (\$0.75 and \$1.50 per share for the three and six months ended June 30, 2023, respectively)	(17,249)		(34,499)	
Common Stock Dividends (\$0.165 and \$0.32 per share)	(142,273)		(275,743)	
End of Period	7,592,571		7,592,571	
Accumulated Other Comprehensive Income (Loss) (net of tax)				
Beginning of Period (as previously reported for the prior period)	(4,691,575)		(5,901,701)	
Adoption of New Accounting Standard	—		599,901	
Beginning of Period (as revised for the prior period)	(4,691,575)		(5,301,800)	
Other Comprehensive Income (Loss)	(236,579)		373,646	
Change in KKR & Co. Inc.'s Ownership Interest (See Note 22)	5,880		5,880	
End of Period	(4,922,274)		(4,922,274)	
Total KKR & Co. Inc. Stockholders' Equity	19,981,567		19,981,567	
Noncontrolling Interests (See Note 22)	40,429,454		40,429,454	
Total Equity	\$ 60,411,021		\$ 60,411,021	
Redeemable Noncontrolling Interests (See Note 23)	\$ 183,413		\$ 183,413	

See notes to financial statements.

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in Thousands)

	Six Months Ended June 30,	
	2024	2023
Operating Activities		
Net Income (Loss)	\$ 2,087,086	\$ 1,385,746
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Equity-Based and Other Non-Cash Compensation	368,318	331,667
Net Realized (Gains) Losses - Asset Management and Strategic Holdings	(33,150)	289,920
Change in Unrealized (Gains) Losses - Asset Management and Strategic Holdings	(997,679)	(700,596)
Capital Allocation-Based (Income) Loss - Asset Management and Strategic Holdings	(2,001,067)	(1,145,915)
Net Investment and Policy Liability-Related (Gains) Losses - Insurance	1,373,769	1,464,930
Net Accretion and Amortization	(40,942)	37,449
Interest Credited to Policyholder Account Balances (net of Policy Fees) - Insurance	1,929,802	1,332,504
Other Non-Cash Amounts	97,174	69,461
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Reinsurance Transactions and Acquisitions, Net of Cash Provided - Insurance	652,163	263,170
Change in Premiums, Notes Receivable and Reinsurance Recoverable, Net of Reinsurance Premiums Payable - Insurance	1,056,920	(16,926)
Change in Deferred Policy Acquisition Costs - Insurance	(351,746)	(244,503)
Change in Policy Liabilities and Accruals, Net - Insurance	(260,361)	(113,745)
Change in Consolidation	77,519	—
Change in Due from / to Affiliates	(270,892)	109,539
Change in Other Assets	(441,937)	354,029
Change in Accrued Expenses and Other Liabilities	1,658,023	(308,920)
Investments Purchased - Asset Management and Strategic Holdings	(21,360,831)	(19,797,968)
Proceeds from Investments - Asset Management and Strategic Holdings	21,343,106	12,118,149
Net Cash Provided (Used) by Operating Activities	4,885,275	(4,572,009)
Investing Activities		
Purchases of Fixed Assets	(43,768)	(61,762)
Investments Purchased - Insurance	(39,519,739)	(13,862,413)
Proceeds from Investments - Insurance	27,874,362	10,308,946
Other Investing Activities, Net - Insurance	13,749	(3,915)
Net Cash Provided (Used) by Investing Activities	(11,675,396)	(3,619,144)
Financing Activities		
Series C Mandatory Convertible Preferred Stock Dividends	—	(34,499)
Common Stock Dividends	(301,322)	(275,743)
Distributions to Redeemable Noncontrolling Interests	(10,405)	(1,785)
Contributions from Redeemable Noncontrolling Interests	624,121	69,997
Distributions to Noncontrolling Interests	(4,038,461)	(3,737,866)
Contributions from Noncontrolling Interests	3,392,401	7,404,393
2024 GA Acquisition - Cash consideration (See Note 1)	(2,622,230)	—
Net Delivery of Common Stock (Equity Incentive Plans)	(92,946)	(31,755)
Repurchases of Common Stock	—	(272,275)
Proceeds from Debt Obligations	13,870,893	8,711,285
Repayment of Debt Obligations	(11,969,531)	(5,815,835)
Financing Costs Paid	(13,871)	(11,220)
Additions to Contractholder Deposit Funds - Insurance	15,290,576	7,527,948
Withdrawals from Contractholder Deposit Funds - Insurance	(11,264,240)	(8,096,042)
Reinsurance Transactions, Net of Cash Provided - Insurance	48,109	79,903
Other Financing Activity, Net - Insurance	(807,024)	10,798
Net Cash Provided (Used) by Financing Activities	2,106,070	5,527,304

	Six Months Ended June 30,	
	2024	2023
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(54,298)	27,197
Net Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash	\$ (4,738,349)	\$ (2,636,652)
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	20,808,120	13,385,370
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 16,069,771	\$ 10,748,718
Cash, Cash Equivalents and Restricted Cash are comprised of the following:		
Beginning of the Period		
<i>Asset Management and Strategic Holdings</i>		
Cash and Cash Equivalents	\$ 8,393,892	\$ 6,705,325
Restricted Cash and Cash Equivalents	116,599	253,431
<i>Total Asset Management and Strategic Holdings</i>	<u>8,510,491</u>	<u>6,958,756</u>
<i>Insurance</i>		
Cash and Cash Equivalents	\$ 11,954,675	\$ 6,118,231
Restricted Cash and Cash Equivalents	342,954	308,383
<i>Total Insurance</i>	<u>12,297,629</u>	<u>6,426,614</u>
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	<u>\$ 20,808,120</u>	<u>\$ 13,385,370</u>
End of the Period		
<i>Asset Management and Strategic Holdings</i>		
Cash and Cash Equivalents	\$ 7,829,321	\$ 5,885,308
Restricted Cash and Cash Equivalents	168,888	102,620
<i>Total Asset Management and Strategic Holdings</i>	<u>7,998,209</u>	<u>5,987,928</u>
<i>Insurance</i>		
Cash and Cash Equivalents	\$ 7,710,857	\$ 4,421,172
Restricted Cash and Cash Equivalents	360,705	339,618
<i>Total Insurance</i>	<u>8,071,562</u>	<u>4,760,790</u>
Cash, Cash Equivalents and Restricted Cash, End of Period	<u>\$ 16,069,771</u>	<u>\$ 10,748,718</u>

KKR & CO. INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)
(Amounts in Thousands)

	Six Months Ended June 30,	
	2024	2023
Supplemental Disclosures of Cash Flow Information		
Payments for Interest	\$ 1,482,365	\$ 1,229,610
Payments for Income Taxes	\$ 374,725	\$ 598,252
Payments for Operating Lease Liabilities	\$ 32,181	\$ 28,896
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Non-Cash Contribution from Noncontrolling Interests	\$ 3,879	\$ —
Debt Obligations - Net Gains (Losses), Translation and Other	\$ 380,456	\$ (437,029)
Right-of-Use Assets obtained in Exchange for new Operating Lease Liabilities	\$ —	\$ 17,167
Investments Acquired through Reinsurance Agreements	\$ 11,393,248	\$ 788,095
Contractholder Deposit Funds Acquired through Reinsurance Agreements	\$ 2,039,960	\$ 43,968
Change in Consolidation		
Investments - Asset Management and Strategic Holdings	\$ 982,263	\$ (126,889)
Investments - Insurance	\$ —	\$ (93,545)
Other Assets	\$ 15,285	\$ —
Accrued Expenses and Other Liabilities	\$ 6,923	\$ (103)
Noncontrolling Interests	\$ 1,067,974	\$ (165,607)
Redeemable Noncontrolling Interests	\$ —	\$ (27,821)

See notes to financial statements.

KKR & CO. INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
(All Amounts in Thousands, Except Share and Per Share Data, and Except Where Noted)

1. ORGANIZATION

KKR & Co. Inc. (NYSE: KKR), through its subsidiaries (collectively, "KKR"), is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group LLC ("TGAFG" and, together with its insurance companies and other subsidiaries, "Global Atlantic").

KKR & Co. Inc. is the parent company of KKR Group Co. Inc., which in turn owns KKR Group Holdings Corp., which is the general partner of KKR Group Partnership L.P. ("KKR Group Partnership"). KKR & Co. Inc. both indirectly controls KKR Group Partnership and indirectly holds Class A partner interests in KKR Group Partnership ("KKR Group Partnership Units") representing economic interests in KKR's business. As of June 30, 2024, KKR & Co. Inc. held indirectly approximately 99.2% of the KKR Group Partnership Units. The remaining balance is held indirectly by KKR current and former employees through restricted holdings units representing an ownership interest in KKR Group Partnership Units, which may be exchanged for shares of common stock of KKR & Co. Inc. ("exchangeable securities"). As limited partner interests, these KKR Group Partnership Units are non-voting and do not entitle anyone other than KKR to manage its business and affairs. KKR Group Partnership also has outstanding limited partner interests that provide for a carry pool provided by KKR Associates Holdings L.P. ("Associates Holdings").

On January 2, 2024, KKR acquired the remaining minority interests of Global Atlantic held by third party co-investors and Global Atlantic employees in exchange for cash and securities exchangeable for shares of KKR & Co. Inc. common stock (the "2024 GA Acquisition"). The purchase price paid by KKR was approximately \$2.6 billion in cash and approximately \$41 million in securities exchangeable for shares of KKR & Co. Inc. common stock. Global Atlantic was consolidated prior to January 2, 2024 and consequently, this transaction was accounted for as an equity transaction. At the time of the 2024 GA Acquisition, the carrying value of the noncontrolling interests held by third party co-investors and Global Atlantic employees in Global Atlantic was lower than the purchase price paid by KKR, which was determined by excluding unrealized losses on its available-for-sale portfolio and consistent with the calculation of the purchase price paid by KKR to acquire Global Atlantic in 2021. As such, this transaction resulted in a decrease in KKR & Co. Inc. Stockholders' Equity.

References to "KKR" in these financial statements refer to KKR & Co. Inc. and its subsidiaries, including Global Atlantic, unless the context requires otherwise, especially in sections where "KKR" is intended to refer to the asset management and strategic holdings businesses only. References in these financial statements to "principals" are to KKR's current and former employees who held interests in KKR's business through KKR Holdings prior to the Reorganization Mergers (as defined below). References to "Global Atlantic" in these financial statements includes the insurance companies and other subsidiaries of Global Atlantic, which are consolidated by KKR.

Reorganization Agreement

On October 8, 2021, KKR entered into a Reorganization Agreement (the "Reorganization Agreement") with KKR Holdings L.P. ("KKR Holdings"), KKR Management LLP (which holds the sole outstanding share of Series I preferred stock), Associates Holdings, and the other parties thereto. Pursuant to the Reorganization Agreement, the parties agreed to undertake a series of integrated transactions to effect a number of transformative structural and governance changes, some of which were completed on May 31, 2022, and other changes to be completed in the future. On May 31, 2022, KKR completed the merger transactions ("Reorganization Mergers") contemplated by the Reorganization Agreement pursuant to which KKR acquired KKR Holdings (which changed its name to KKR Group Holdings L.P.) and all of the KKR Group Partnership Units held by it.

Pursuant to the Reorganization Agreement, the following transactions will occur in the future on the Sunset Date (as defined below):

- i. the control of KKR & Co. Inc. by KKR Management LLP and the Series I Preferred Stock held by it will be eliminated,
- ii. the voting rights for all common stock of KKR & Co. Inc., including with respect to the election of directors, will be established on a one vote per share basis, and
- iii. KKR will acquire control of Associates Holdings, the entity providing for the allocation of carry proceeds to KKR employees, also known as the carry pool.

The "Sunset Date" will be the earlier of (i) December 31, 2026 and (ii) the six-month anniversary of the first date on which the death or permanent disability of both Mr. Henry Kravis and Mr. George Roberts (collectively, "Co-Founders") has occurred (or any earlier date consented to by KKR Management LLP in its sole discretion). In addition, KKR Management LLP agreed not to transfer its ownership of the sole share of Series I Preferred Stock, and, the changes to occur effective on the Sunset Date are unconditional commitments of the parties to the Reorganization Agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited financial statements of KKR & Co. Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to this Quarterly Report on Form 10-Q. The condensed consolidated financial statements (referred to hereafter as the "financial statements"), including these notes, are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) such that the financial statements are presented fairly and that estimates made in preparing the financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The consolidated balance sheet data as of December 31, 2023 were derived from audited financial statements included in KKR & Co. Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission ("SEC") on February 29, 2024 (our "Annual Report"), and the financial statements should be read in conjunction with the audited financial statements included therein. Additionally, in the accompanying financial statements, the condensed consolidated statements of financial condition are referred to hereafter as the "consolidated statements of financial condition"; the condensed consolidated statements of operations are referred to hereafter as the "consolidated statements of operations"; the condensed consolidated statements of comprehensive income (loss) are referred to hereafter as the "consolidated statements of comprehensive income (loss)"; the condensed consolidated statements of changes in equity are referred to hereafter as the "consolidated statements of changes in equity"; and the condensed consolidated statements of cash flows are referred to hereafter as the "consolidated statements of cash flows."

KKR consolidates the financial results of KKR Group Partnership and its consolidated entities, which include the accounts of KKR's investment management and capital markets companies, the general partners of certain unconsolidated investment funds, general partners of consolidated investment funds and their respective consolidated investment funds, Global Atlantic's insurance companies and certain other entities including CFEs.

The presentations in the consolidated statement of financial condition and consolidated statement of operations reflect the significant industry diversification of KKR by its acquisition of Global Atlantic. Global Atlantic operates an insurance business, and KKR operates an asset management business, which manages the operations of the newly-formed Strategic Holdings segment (see Note 21 - "Segment Reporting"), each of which possess distinct characteristics. As a result, KKR developed a two-tiered approach for the financial statements presentation, where Global Atlantic's insurance operations are presented separately from KKR's asset management business. KKR believes that these separate presentations provide a more informative view of the consolidated financial position and results of operations than traditional aggregated presentations and that reporting Global Atlantic's insurance operations separately is appropriate given, among other factors, the relative significance of Global Atlantic's policy liabilities, which are not obligations of KKR. (other than the insurance companies that issued them). If a traditional aggregate presentation were to be used, KKR would expect to eliminate or combine several identical or similar captions, which would condense the presentations, but would also reduce the level of information presented. KKR also believes that using a traditional aggregate presentation would result in no new line items compared to the two-tier presentation included in the financial statements in this report.

In the ordinary course of business, KKR's Asset Management business, Strategic Holdings business and Insurance business enter into transactions with each other, which may include transactions pursuant to their investment management agreements and certain financing arrangements. The borrowings from these financing arrangements are non-recourse to KKR beyond the assets designated to support such borrowings. All of the investment management and financing arrangements amongst KKR segments are eliminated in consolidation.

All intercompany transactions and balances have been eliminated.

For a detailed discussion about KKR's significant accounting policies and for further information on accounting updates adopted in the prior year, see Note 2 to the financial statements in the Annual Report. Other than the items listed below, during the six months ended June 30, 2024, there were no significant updates to KKR's significant accounting policies.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the recognition and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, investment income (loss) and income taxes during the reporting periods. Such estimates include but are not limited to (i) the valuation of investments and financial instruments, (ii) the determination of the income tax provision, (iii) the impairment of goodwill and intangible assets, (iv) the impairment of available-for-sale investments, (v) the valuation of insurance policy liabilities, including market risk benefits, (vi) the valuation of embedded derivatives in policy liabilities and funds withheld, (vii) the determination of the allowance for loan losses, and (viii) amortization of deferred revenues and expenses associated with the insurance business.

Certain events particular to each industry and country or region in which the portfolio companies conduct their operations, as well as general market, economic, political and geopolitical, regulatory and public health conditions, may have a significant negative impact on KKR's investments and profitability. Such events are beyond KKR's control, and the likelihood that they may occur and the effect on KKR's use of estimates cannot be predicted. Actual results could differ from those estimates, and such differences could be material to the financial statements.

Compensation and Benefits

Carry Pool Allocation

With respect to our funds that provide for carried interest, KKR allocates a portion of the realized and unrealized carried interest that KKR earns to Associates Holdings, which is referred to as the carry pool, from which KKR's asset management employees and certain other carry pool participants are eligible to receive a carried interest allocation. The allocation is determined based upon a fixed arrangement between Associates Holdings and KKR, and KKR does not exercise discretion on whether to make an allocation to the carry pool upon a realization event. KKR refers to the portion of carried interest that KKR allocates to the carry pool as the carry pool percentage.

As of December 31, 2023, the carry pool percentage was fixed at 40%, 43% or 65% by investment fund, depending on the fund's vintage. For funds that closed after December 31, 2020 but before December 31, 2023, the carry pool percentage was fixed at 65%. For funds that closed after June 30, 2017 but before December 31, 2020, the carry pool percentage was fixed at 43%, and the carry pool percentage was fixed at 40% for older funds that contributed to KKR's carry pool. Effective January 2, 2024, KKR is authorized to apply a carry pool percentage in excess of these fixed percentages of up to 80% for all funds.

This increase to the carry pool percentage was approved by a majority of KKR's independent directors, and the carry pool percentage may not be increased above 80% without the further approval of a majority of KKR's independent directors. For funds that closed after December 31, 2023, the carry pool percentage is fixed at 80%. For funds that closed prior to December 31, 2023, the carry pool percentage is calculated at a fixed percentage of 40%, 43% or 65% (depending on the fund's vintage) for carried interest realized up to a high water mark, which was established based on the unrealized carried interest balance that existed on January 2, 2024, plus an additional percentage amount up to 80% based on a formulaic allocation, only if the unrealized carried interest balance at any period end exceeds the high water mark. This imposes a limitation of the carry pool allocation for such funds based on the amount of cumulative unrealized carried interest income earned subsequent to December 31, 2023.

For funds that closed before December 31, 2023, if the cumulative carried interest subsequent to December 31, 2023 is not sufficient to fund this formulaic allocation, the allocation of carried interest reverts to the carry pool percentage in effect before this modification. As such, upon modification of the carry pool percentage effective on January 2, 2024, the cumulative unrealized carried interest was not sufficient to fund the additional formulaic allocation percentage in excess of the pre-existing 40%, 43% and 65% carry pool percentages, and therefore no incremental expense was recognized as of such date. The carry pool percentage applicable for all funds that closed prior to December 31, 2023 will not be less than their applicable carry pool percentages of 40%, 43% or 65% prior to December 31, 2023, and will not be more than 80%. The intent of this modification is that for all funds that closed prior to January 2, 2024, upon the final liquidation of each fund, realized carried interest distributed will equal the historical fund carry pool allocations up to the high water mark and only distributions of realized carried interest in excess of the high water mark will be distributed at 80 percent if and only if the unrealized carried interest balance at any period end exceeds the high water mark. Under no circumstance would a distribution of carried interest exceed 80% of the total allocable carried interest at any time.

KKR accounts for the carry pool as a compensatory profit-sharing arrangement in Accrued Expenses and Other Liabilities within the accompanying consolidated statements of financial condition in conjunction with the related carried interest income and it is recorded as compensation expense. The liability that is recorded in each period reflects the legal entitlement of Associates Holdings at each point in time should the total unrealized carried interest be realized at the value recorded at each reporting date. Upon a reversal of carried interest income, the related carry pool allocation, if any, is also reversed. Accordingly, such compensation expense is subject to both positive and negative adjustments.

Adoption of new accounting pronouncements

Fair value measurement of equity securities subject to contractual sale restrictions

In June 2022, the FASB issued ASU 2022-03, ASC Subtopic 820 "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" ("ASU 2022-03"). According to ASU 2022-03, an entity should not consider the contractual sale restriction when measuring the equity security's fair value and an entity is not allowed to recognize a contractual sale restriction as a separate unit of account.

ASU 2022-03 is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. KKR adopted this accounting standard effective January 1, 2024 and its adoption on a prospective basis did not have any material impact on KKR's consolidated financial statements.

Accounting for Investments in Tax Credit Structures

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

Future application of accounting standards

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 intends to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. KKR is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

Scope Application of Profits Interest and Similar Awards

In March 2024, the FASB issued ASU 2024-01, Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards ("ASU 2024-01"). ASU 2024-01 amends the guidance in Accounting Standard Codification 718 ("ASC 718") by adding an illustrative example to demonstrate and clarify how to apply the scope guidance to determine whether profits interests and similar awards should be accounted for as a share-based payment arrangement under ASC 718 or another standard. ASU 2024-01 will be effective for KKR's reporting period ended March 31, 2025. KKR is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

Improvements to Income Tax Disclosures

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

3. REVENUES - ASSET MANAGEMENT AND STRATEGIC HOLDINGS

For the three and six months ended June 30, 2024 and 2023, respectively, Asset Management and Strategic Holdings revenues consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management Fees	\$ 470,076	\$ 446,809	\$ 956,830	\$ 899,902
Fee Credits	(83,456)	(49,612)	(177,502)	(107,143)
Transaction Fees	316,457	269,416	535,075	479,255
Monitoring Fees	43,313	34,796	92,280	64,649
Incentive Fees	27,203	12,158	33,829	18,571
Expense Reimbursements	27,168	16,840	35,261	32,384
Consulting Fees	21,563	24,040	40,077	43,845
Fees and Other	822,324	754,447	1,515,850	1,431,463
Carried Interest	640,322	540,615	1,785,250	883,685
General Partner Capital Interest	97,803	156,282	215,817	262,230
Total Capital Allocation-Based Income (Loss)	738,125	696,897	2,001,067	1,145,915
Total Revenues	\$ 1,560,449	\$ 1,451,344	\$ 3,516,917	\$ 2,577,378

4. NET GAINS (LOSSES) FROM INVESTMENT ACTIVITIES - ASSET MANAGEMENT AND STRATEGIC HOLDINGS

Net Gains (Losses) from Investment Activities in the consolidated statements of operations consist primarily of the realized and unrealized gains and losses on investments (including foreign exchange gains and losses attributable to foreign denominated investments and related activities) and other financial instruments, including those for which the fair value option has been elected. Unrealized gains or losses result from changes in the fair value of these investments and other financial instruments during a period. Upon disposition of an investment or financial instrument, previously recognized unrealized gains or losses are reversed and an offsetting realized gain or loss is recognized in the current period.

The following table summarizes total Net Gains (Losses) from Investment Activities:

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Private Equity ⁽¹⁾	\$ 37,556	\$ 98,384	\$ 135,940	\$ (27,156)	\$ 507,346	\$ 480,190
Credit ⁽¹⁾	10,864	(77,138)	(66,274)	(276,849)	316,985	40,136
Investments of Consolidated CFEs ⁽¹⁾	(1,715)	(89,021)	(90,736)	(44,865)	251,101	206,236
Real Assets ⁽¹⁾	58,512	110,136	168,648	51,620	(183,635)	(132,015)
Equity Method - Other ⁽¹⁾	101,086	55,650	156,736	18,817	233,278	252,095
Other Investments ⁽¹⁾	(1,129)	(85,041)	(86,170)	(210,136)	188,596	(21,540)
Foreign Exchange Forward Contracts and Options ⁽²⁾	22,699	67,212	89,911	61,106	(70,072)	(8,966)
Securities Sold Short ⁽²⁾	(9,580)	12,784	3,204	2,519	(5,669)	(3,150)
Other Derivatives ⁽²⁾	(7,584)	6,405	(1,179)	16,070	(8,419)	7,651
Debt Obligations and Other ⁽³⁾	13,346	69,241	82,587	19,574	(270,126)	(250,552)
Net Gains (Losses) From Investment Activities	\$ 224,055	\$ 168,612	\$ 392,667	\$ (389,300)	\$ 959,385	\$ 570,085

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Private Equity ⁽¹⁾	\$ 24,880	\$ 446,825	\$ 471,705	\$ 171,925	\$ 470,682	\$ 642,607
Credit ⁽¹⁾	68,294	(158,589)	(90,295)	(299,812)	421,760	121,948
Investments of Consolidated CFEs ⁽¹⁾	3,290	7,952	11,242	(49,882)	568,982	519,100
Real Assets ⁽¹⁾	(50,886)	4,913	(45,973)	61,054	(509,544)	(448,490)
Equity Method - Other ⁽¹⁾	203,989	143,190	347,179	58,036	262,783	320,819
Other Investments ⁽¹⁾	(270,987)	260,437	(10,550)	(322,799)	188,077	(134,722)
Foreign Exchange Forward Contracts and Options ⁽²⁾	57,838	215,415	273,253	2,471	(33,803)	(31,332)
Securities Sold Short ⁽²⁾	(16,749)	10,691	(6,058)	(956)	(3,428)	(4,384)
Other Derivatives ⁽²⁾	(7,497)	8,768	1,271	13,948	5,911	19,859
Debt Obligations and Other ⁽³⁾	20,978	58,077	79,055	76,095	(670,824)	(594,729)
Net Gains (Losses) From Investment Activities	\$ 33,150	\$ 997,679	\$ 1,030,829	\$ (289,920)	\$ 700,596	\$ 410,676

(1) See Note 7 "Investments."

(2) See Note 8 "Derivatives" and Note 14 "Other Assets and Accrued Expenses and Other Liabilities."

(3) See Note 16 "Debt Obligations."

5. NET INVESTMENT INCOME - INSURANCE

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

The components of net investment income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fixed Maturity Securities – Interest and Other Income	\$ 1,417,627	\$ 1,086,016	\$ 2,744,637	\$ 2,136,812
Mortgage and Other Loan Receivables	629,555	472,074	1,189,237	931,220
Investments in Transportation and Other Leased Assets	84,046	78,727	162,506	154,915
Investments in Renewable Energy	11,811	17,346	25,402	37,929
Investments in Real Estate	52,259	43,360	98,238	79,461
Short-term and Other Investment Income	124,920	54,678	292,251	132,294
Income Assumed from Funds Withheld Receivable at Interest	18,483	25,681	40,716	47,782
Policy Loans	19,577	8,424	44,080	18,701
Income Ceded to Funds Withheld Payable at Interest	(586,365)	(317,260)	(1,106,364)	(618,483)
Gross Investment Income	1,771,913	1,469,046	3,490,703	2,920,631
<i>Less Investment Expenses:</i>				
Investment Management and Administration	115,233	80,137	232,322	165,478
Transportation, Renewable Energy and Real-estate Asset Depreciation and Maintenance	49,768	57,226	99,919	106,388
Interest Expense on Derivative Collateral and Repurchase Agreements	26,414	20,628	58,062	37,013
Net Investment Income	\$ 1,580,498	\$ 1,311,055	\$ 3,100,400	\$ 2,611,752

6. NET INVESTMENT-RELATED GAINS (LOSSES) - INSURANCE

Net investment-related losses from insurance operations primarily consists of (i) realized gains (losses) from the disposal of investments, (ii) unrealized gains (losses) from investments held for trading, equity securities, real estate investments accounted for under investment company accounting, and investments with fair value remeasurements recognized in earnings as a result of the election of a fair-value option, (iii) unrealized gains (losses) on funds withheld receivable and payable at interest, (iv) unrealized gains (losses) from derivatives (excluding certain derivatives designated as hedge accounting instruments), and (v) allowances for credit losses, and other impairments of investments.

Net investment-related losses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Realized Losses on Available-for-sale Fixed Maturity Debt Securities	\$ (74,466)	\$ (55,471)	\$ (102,623)	\$ (52,039)
Credit Loss Allowances on Available-for-sale Securities	(20,627)	(30,622)	8,740	(106,940)
Credit Loss Allowances on Mortgage and Other Loan Receivables	(44,554)	(30,580)	(171,456)	(94,691)
Allowances on Unfunded Commitments	31,839	39,594	27,261	31,594
Impairment of Available-for-sale Fixed Maturity Debt Securities Due to Intent to Sell	—	—	—	(26,741)
Unrealized (Losses) Gains on Fixed Maturity Securities Classified as Trading	(485,257)	(66,627)	(584,836)	309,663
Unrealized Losses on Investments Recognized under the Fair-value Option and Equity Investments	(34,961)	(3,440)	(77,168)	(59,213)
Unrealized (Losses) Gains on Real Estate Investments Recognized at Fair Value Under Investment Company Accounting	(28,766)	(43,371)	(106,777)	19,821
Net Gains (Losses) on Derivative Instruments	324,818	78,244	425,786	(269,981)
Realized Gains on Funds Withheld at Interest Payable Portfolio	46,018	3,632	70,305	7,612
Realized (Losses) Gains on Funds Withheld at Interest Receivable Portfolio	(20,762)	(12,020)	(23,048)	5,713
Other Realized (Losses) Gains	4,098	3,111	(10,290)	(6,181)
Net Investment-Related Losses	\$ (302,620)	\$ (117,550)	\$ (544,106)	\$ (241,383)

Allowance for credit losses

Available-for-sale fixed maturity securities

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

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Corporate	Structured	Total	Corporate	Structured	Total
Balance, as of Beginning of Period	\$ 28,919	\$ 181,041	\$ 209,960	\$ 49,008	\$ 219,704	\$ 268,712
Initial Credit Loss Allowance Recognized on Securities with No Previously Recognized Allowance	13,649	383	14,032	22,343	1,260	23,603
Accretion of Initial Credit Loss Allowance on PCD Securities	—	152	152	—	315	315
Reductions due to Sales (or Maturities, Pay Downs or Prepayments) During the Period of Securities with a Previously Recognized Credit Loss Allowance	(180)	(2,968)	(3,148)	(240)	(8,827)	(9,067)
Net Additions / Reductions for Securities with a Previously Recognized Credit Loss Allowance	22,222	(15,627)	6,595	17,128	(49,471)	(32,343)
Balances Charged Off	—	(12,377)	(12,377)	(23,629)	(12,377)	(36,006)
Balance, as of End of Period	\$ 64,610	\$ 150,604	\$ 215,214	\$ 64,610	\$ 150,604	\$ 215,214

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Corporate	Structured	Total	Corporate	Structured	Total
Balance, as of beginning of period	\$ 1,449	\$ 199,665	\$ 201,114	\$ 1,298	\$ 127,034	\$ 128,332
Initial Credit Loss Allowance Recognized on Securities with No Previously Recognized Allowance	20,586	1,808	22,394	20,737	47,008	67,745
Accretion of Initial Credit Loss Allowance on PCD Securities	—	336	336	—	687	687
Reductions due to Sales (or Maturities, Pay Downs or Prepayments) During the Period of Securities with a Previously Recognized Credit Loss Allowance	—	(2,774)	(2,774)	—	(6,661)	(6,661)
Net Additions / Reductions for Securities with a Previously Recognized Credit Loss Allowance	916	7,312	8,228	916	38,279	39,195
Balance, as of End of Period	\$ 22,951	\$ 206,347	\$ 229,298	\$ 22,951	\$ 206,347	\$ 229,298

Mortgage and other loan receivables

Changes in the allowance for credit losses on mortgage and other loan receivables held by Global Atlantic are summarized below:

	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	Commercial Mortgage Loans	Residential Mortgage Loans	Consumer and Other Loan Receivables	Total	Commercial Mortgage Loans	Residential Mortgage Loans	Consumer and Other Loan Receivables	Total
Balance, as of Beginning of Period	\$ 360,408	\$ 101,424	\$ 214,164	\$ 675,996	\$ 319,631	\$ 107,204	\$ 175,608	\$ 602,443
Net Provision (Release)	30,184	(9,047)	23,417	44,554	87,340	(14,188)	98,304	171,456
Charge-offs	(82,225)	(2,143)	(41,125)	(125,493)	(98,604)	(2,782)	(82,564)	(183,950)
Recoveries of Amounts Previously Charged-off	—	—	6,199	6,199	—	—	11,307	11,307
Balance, as of End of Period	\$ 308,367	\$ 90,234	\$ 202,655	\$ 601,256	\$ 308,367	\$ 90,234	\$ 202,655	\$ 601,256

	Three Months Ended June 30, 2023				Six Months Ended June 30, 2023			
	Commercial Mortgage Loans	Residential Mortgage Loans	Consumer and Other Loan Receivables	Total	Commercial Mortgage Loans	Residential Mortgage Loans	Consumer and Other Loan Receivables	Total
Balance, as of Beginning of Period	\$ 247,426	\$ 134,447	\$ 207,227	\$ 589,100	\$ 227,315	\$ 125,824	\$ 207,089	\$ 560,228
Net Provision (Release)	6,440	7,218	16,922	30,580	26,551	17,534	50,606	94,691
Charge-offs	(14,000)	(1,729)	(34,576)	(50,305)	(14,000)	(3,422)	(69,948)	(87,370)
Recoveries of Amounts Previously Charged-off	—	—	8,674	8,674	—	—	10,500	10,500
Balance, as of End of Period	\$ 239,866	\$ 139,936	\$ 198,247	\$ 578,049	\$ 239,866	\$ 139,936	\$ 198,247	\$ 578,049

Proceeds and gross gains and losses from voluntary sales

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
AFS Fixed Maturity Securities:				
Proceeds from Voluntary Sales	\$ 6,960,180	\$ 1,728,403	\$ 8,959,469	\$ 3,135,328
Gross Gains	\$ 35,365	\$ 15,101	\$ 43,724	\$ 30,565
Gross Losses	\$ (102,469)	\$ (70,812)	\$ (119,013)	\$ (80,856)

7. INVESTMENTS

Investments consist of the following:

	June 30, 2024	December 31, 2023
<i>Asset Management and Strategic Holdings</i>		
Private Equity	\$ 33,772,195	\$ 32,742,484
Credit	7,925,996	8,274,904
Investments of Consolidated CFEs	24,890,663	24,996,298
Real Assets	13,245,951	12,000,008
Equity Method - Other	8,249,013	8,163,831
Equity Method - Capital Allocation-Based Income	9,241,215	7,877,904
Other Investments	4,721,953	4,579,372
Investments - Asset Management and Strategic Holdings	\$ 102,046,987	\$ 98,634,801
<i>Insurance</i>		
Fixed Maturity Securities, Available-for-sale, at Fair Value ⁽¹⁾	\$ 73,822,837	\$ 69,414,188
Mortgage and Other loan Receivables	46,820,112	39,177,927
Fixed Maturity Securities, Trading, at Fair Value ⁽²⁾	24,851,300	18,805,470
Other Investments	13,755,206	9,683,326
Funds Withheld Receivable at Interest	2,621,913	2,713,645
Policy Loans	1,609,396	1,556,030
Equity Securities at Fair Value	21,497	19,737
Investments - Insurance	\$ 163,502,261	\$ 141,370,323
Total Investments	\$ 265,549,248	\$ 240,005,124

(1) Amortized cost of \$83.8 billion and \$78.7 billion, net of credit loss allowances of \$215.2 million and \$268.7 million, respectively.

(2) Amortized cost of \$27.1 billion and \$20.5 billion, respectively. Trading fixed maturity securities are held to back funds withheld payable at interest. The investment performance on these investments is ceded to third-party reinsurers.

As of June 30, 2024 and December 31, 2023, there were no investments which represented greater than 5% of total investments.

Fixed maturity securities

The cost or amortized cost and fair value for AFS fixed maturity securities were as follows:

As of June 30, 2024	Cost or Amortized Cost	Allowance for Credit Losses ⁽¹⁾⁽²⁾	Gross Unrealized		Fair Value
			Gains	Losses	
AFS Fixed Maturity Securities Portfolio by Type:					
U.S. Government and Agencies	\$ 2,692,499	\$ —	\$ 3,946	\$ (103,068)	\$ 2,593,377
U.S. State, Municipal and Political Subdivisions	5,148,330	—	11,136	(1,023,745)	4,135,721
Corporate	46,812,242	(64,610)	95,151	(7,225,518)	39,617,265
Residential Mortgage-backed Securities, or "RMBS"	11,528,424	(107,667)	35,851	(744,752)	10,711,856
Commercial Mortgage-backed Securities, or "CMBS"	8,148,249	(22,643)	7,542	(543,926)	7,589,222
Collateralized Bond Obligations, or "CBOs"	2,804,013	(1,366)	—	(135,757)	2,666,890
CLOs	3,723,617	(9,175)	13,506	(37,703)	3,690,245
Asset-Backed Securities, or "ABSs"	2,939,066	(9,753)	18,222	(129,274)	2,818,261
Total AFS Fixed Maturity Securities	\$ 83,796,440	\$ (215,214)	\$ 185,354	\$ (9,943,743)	\$ 73,822,837

- (1) Represents the cumulative amount of credit impairments that have been recognized in the consolidated statements of operations (as net investment (losses) gains) or that were recognized as a gross-up of the purchase price of PCD securities. Amount excludes unrealized losses related to non-credit impairment.
- (2) Includes credit loss allowances on purchase-credit deteriorated fixed-maturity securities of \$(6.5) million.

As of December 31, 2023	Cost or Amortized Cost	Allowance for Credit Losses ⁽¹⁾⁽²⁾	Gross Unrealized		Fair Value
			Gains	Losses	
AFS Fixed Maturity Securities Portfolio by Type:					
U.S. Government and Agencies	\$ 1,209,507	\$ —	\$ 62,514	\$ (68,929)	\$ 1,203,092
U.S. State, Municipal and Political Subdivisions	5,562,826	—	29,699	(985,133)	4,607,392
Corporate	46,378,337	(49,008)	211,570	(6,592,143)	39,948,756
RMBS	8,734,629	(152,067)	38,206	(674,550)	7,946,218
CMBS	7,491,743	(35,953)	4,195	(731,358)	6,728,627
CBOs	2,951,511	(1,214)	—	(143,818)	2,806,479
CLOs	3,493,731	(19,077)	6,483	(52,365)	3,428,772
ABSs	2,901,573	(11,393)	14,358	(159,686)	2,744,852
Total AFS Fixed Maturity Securities	\$ 78,723,857	\$ (268,712)	\$ 367,025	\$ (9,407,982)	\$ 69,414,188

- (1) Represents the cumulative amount of credit impairments that have been recognized in the consolidated statements of operations (as net investment (losses) gains) or that were recognized as a gross-up of the purchase price of PCD securities. Amount excludes unrealized losses related to non-credit impairment.
- (2) Includes credit loss allowances on purchase-credit deteriorated fixed-maturity securities of \$(12.8) million.

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

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

As of June 30, 2024	Cost or Amortized Cost (Net of Allowance)	Fair Value
Due in One Year or Less	\$ 1,329,075	\$ 1,305,155
Due After One Year Through Five Years	13,855,349	13,413,774
Due After Five Years Through Ten Years	7,331,464	6,820,971
Due After Ten Years	32,072,573	24,806,463
Subtotal	54,588,461	46,346,363
RMBS	11,420,757	10,711,856
CMBS	8,125,606	7,589,222
CBOs	2,802,647	2,666,890
CLOs	3,714,442	3,690,245
ABSs	2,929,313	2,818,261
Total AFS Fixed Maturity Securities	\$ 83,581,226	\$ 73,822,837

Securities in a continuous unrealized loss position

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

As of June 30, 2024	Less Than 12 months		12 months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
AFS Fixed Maturity Securities Portfolio by Type:						
U.S. Government and Agencies	\$ 1,952,172	\$ (26,359)	\$ 253,096	\$ (76,709)	\$ 2,205,268	\$ (103,068)
U.S. State, Municipal and Political Subdivisions	232,819	(2,375)	3,568,898	(1,021,370)	3,801,717	(1,023,745)
Corporate	6,962,052	(235,497)	24,557,419	(6,990,021)	31,519,471	(7,225,518)
RMBS	3,393,010	(96,345)	4,363,414	(648,407)	7,756,424	(744,752)
CMBS	880,997	(5,984)	5,440,403	(537,942)	6,321,400	(543,926)
CBOs	2,969	(167)	2,663,922	(135,590)	2,666,891	(135,757)
CLOs	595,198	(1,264)	432,627	(36,439)	1,027,825	(37,703)
ABSs	443,668	(6,475)	1,715,971	(122,799)	2,159,639	(129,274)
Total AFS Fixed Maturity Securities in a Continuous Loss Position	\$ 14,462,885	\$ (374,466)	\$ 42,995,750	\$ (9,569,277)	\$ 57,458,635	\$ (9,943,743)

As of December 31, 2023	Less Than 12 months		12 months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
AFS Fixed Maturity Securities Portfolio by Type:						
U.S. Government and Agencies	\$ 94,807	\$ (2,512)	\$ 198,750	\$ (66,417)	\$ 293,557	\$ (68,929)
U.S. State, Municipal and Political Subdivisions	112,468	(4,140)	3,829,447	(980,993)	3,941,915	(985,133)
Corporate	4,360,234	(189,026)	27,108,292	(6,403,117)	31,468,526	(6,592,143)
RMBS	1,371,230	(66,550)	4,354,902	(608,000)	5,726,132	(674,550)
CMBS	332,095	(4,535)	6,031,766	(726,823)	6,363,861	(731,358)
CBOs	1,867	(118)	2,804,612	(143,700)	2,806,479	(143,818)
CLOs	246,728	(868)	1,679,813	(51,497)	1,926,541	(52,365)
ABSs	553,438	(15,760)	1,742,373	(143,926)	2,295,811	(159,686)
Total AFS Fixed Maturity Securities in a Continuous Loss Position	\$ 7,072,867	\$ (283,509)	\$ 47,749,955	\$ (9,124,473)	\$ 54,822,822	\$ (9,407,982)

Unrealized gains and losses can be created by changing interest rates or several other factors, including changing credit spreads. Global Atlantic had gross unrealized losses on below investment grade AFS fixed maturity securities of \$667.8 million and \$694.6 million as of June 30, 2024 and December 31, 2023, respectively. The single largest unrealized loss on AFS fixed maturity securities was \$53.8 million and \$53.4 million as of June 30, 2024 and December 31, 2023, respectively. Global Atlantic had 6,386 and 5,886 securities in an unrealized loss position as of June 30, 2024 and December 31, 2023, respectively.

As of June 30, 2024, AFS fixed maturity securities in an unrealized loss position for 12 months or more consisted of 4,808 debt securities. These debt securities primarily relate to Corporate, RMBS, and U.S. state, municipal and political subdivisions fixed maturity securities, which have depressed values due primarily to an increase in interest rates since the purchase of these securities. Unrealized losses were not recognized in net income on these debt securities since Global Atlantic neither intends to sell the securities nor does it believe that it is more likely than not that it will be required to sell these securities before recovery of their cost or amortized cost basis. For securities with significant declines in value, individual security level analysis was performed utilizing underlying collateral default expectations, market data and industry analyst reports.

Mortgage and other loan receivables

Mortgage and other loan receivables consist of the following:

	June 30, 2024	December 31, 2023
Commercial Mortgage Loans ⁽¹⁾	\$ 23,388,168	\$ 21,861,245
Residential Mortgage Loans ⁽¹⁾	18,048,717	12,722,778
Consumer Loans	4,548,750	4,424,882
Other Loan Receivables ⁽²⁾	1,435,733	771,465
Total Mortgage and Other Loan Receivables	47,421,368	39,780,370
Allowance for Credit Losses ⁽³⁾	(601,256)	(602,443)
Total Mortgage and Other Loan Receivables, Net of Allowance for Credit Losses	\$ 46,820,112	\$ 39,177,927

- (1) Includes \$603.2 million and \$697.4 million of loans carried at fair value using the fair value option as of June 30, 2024 and December 31, 2023, respectively. The fair value option was elected for these loans for asset-liability matching purposes. These loans had unpaid principal balances of \$683.7 million and \$785.2 million as of June 30, 2024 and December 31, 2023, respectively.
- (2) As of June 30, 2024, other loan receivables consisted primarily of renewable energy development loans, warehouse facility loans backed by agricultural mortgages, loans collateralized by aircraft and loans collateralized by residential mortgages of \$454.7 million, \$427.0 million, \$347.5 million and \$200.0 million, respectively. As of December 31, 2023, other loan receivables consisted primarily of loans collateralized by aircraft and loans collateralized by residential mortgages of \$315.4 million and \$200.0 million, respectively.
- (3) Includes credit loss allowances on purchase-credit deteriorated mortgage and other loan receivables of \$(74.2) million and \$(91.7) million as of June 30, 2024 and December 31, 2023, respectively.

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

Years	Residential	Commercial	Total Mortgage Loans
Remainder of 2024	\$ 38,199	\$ 1,397,343	\$ 1,435,542
2025	13,554	4,172,761	4,186,315
2026	718,315	6,519,410	7,237,725
2027	705,246	4,778,327	5,483,573
2028	132,725	1,629,779	1,762,504
2029	12,568	1,058,119	1,070,687
Thereafter	16,428,110	3,832,429	20,260,539
Total	\$ 18,048,717	\$ 23,388,168	\$ 41,436,885

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

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

Mortgage Loans – Carrying Value by Geographic Region	June 30, 2024		December 31, 2023	
Pacific	\$ 10,404,460	25.1 %	\$ 8,649,256	25.0 %
West South Central	4,905,114	11.8 %	4,202,501	12.2 %
South Atlantic	11,436,329	27.6 %	9,653,955	27.9 %
Middle Atlantic	5,124,146	12.4 %	4,436,129	12.8 %
East North Central	1,387,501	3.3 %	1,166,460	3.4 %
Mountain	3,887,484	9.4 %	3,262,801	9.4 %
New England	1,596,074	3.9 %	1,470,741	4.3 %
East South Central	882,066	2.1 %	731,053	2.1 %
West North Central	434,126	1.0 %	358,609	1.0 %
Other regions	1,379,585	3.4 %	652,518	1.9 %
Total by Geographic Region	\$ 41,436,885	100.0 %	\$ 34,584,023	100.0 %

Mortgage Loans – Carrying Value by Property Type	June 30, 2024		December 31, 2023	
Residential	\$ 18,048,717	43.6 %	\$ 12,722,778	36.8 %
Office Building	4,395,821	10.6 %	4,586,277	13.3 %
Multi-family	11,681,149	28.2 %	11,495,638	33.2 %
Industrial	5,667,852	13.7 %	4,415,819	12.8 %
Retail	487,948	1.2 %	493,596	1.4 %
Warehouse	341,488	0.8 %	291,116	0.8 %
Other Property Types	813,910	1.9 %	578,799	1.7 %
Total by Property Type	\$ 41,436,885	100.0 %	\$ 34,584,023	100.0 %

As of June 30, 2024 and December 31, 2023, Global Atlantic had \$392.1 million and \$510.9 million of mortgage loans that were 90 days or more past due or are in the process of foreclosure, respectively, and have been classified as non-income producing (non-accrual status). Global Atlantic ceases accrual of interest on loans that are more than 90 days past due or are in the process of foreclosure and recognizes income as cash is received.

Credit quality indicators

Mortgage and loan receivable performance status

The following table represents the portfolio of mortgage and loan receivables by origination year and performance status as of June 30, 2024 and December 31, 2023:

Performance Status as of June 30, 2024	By Year of Origination						
	2024	2023	2022	2021	2020	Prior	Total
Commercial Mortgage Loans							
Gross Charge-offs for the Six Months Ended June 30, 2024	\$ —	\$ —	\$ —	\$ (43,298)	\$ (10,695)	\$ (44,611)	\$ (98,604)
Current	\$ 1,853,348	\$ 3,539,657	\$ 6,408,684	\$ 6,596,440	\$ 622,724	\$ 4,183,327	\$ 23,204,180
30 to 59 Days Past Due	—	—	—	—	—	—	—
60 to 89 Days Past Due	—	—	—	—	—	—	—
90 days or More Past Due or in Process of Foreclosure	—	—	—	138,573	—	45,415	183,988
Total Commercial Mortgage Loans	\$ 1,853,348	\$ 3,539,657	\$ 6,408,684	\$ 6,735,013	\$ 622,724	\$ 4,228,742	\$ 23,388,168
Residential Mortgage Loans							
Gross Charge-offs for the Six Months Ended June 30, 2024	\$ (6)	\$ (7)	\$ (530)	\$ (1,403)	\$ (418)	\$ (418)	\$ (2,782)
Current	\$ 3,950,152	\$ 4,353,437	\$ 1,958,298	\$ 4,290,436	\$ 1,336,736	\$ 1,613,202	\$ 17,502,261
30 to 59 Days Past Due	85,723	43,443	26,092	27,062	4,694	81,575	268,589
60 to 89 Days Past Due	1,141	11,112	7,786	19,770	1,203	28,739	69,751
90 days or More Past Due or in Process of Foreclosure	—	12,460	21,473	50,993	7,767	115,423	208,116
Total Residential Mortgage Loans	\$ 4,037,016	\$ 4,420,452	\$ 2,013,649	\$ 4,388,261	\$ 1,350,400	\$ 1,838,939	\$ 18,048,717
Consumer Loans							
Gross Charge-offs for the Six Months Ended June 30, 2024	\$ (62)	\$ (2,040)	\$ (12,021)	\$ (41,055)	\$ (11,436)	\$ (15,823)	\$ (82,437)
Current	\$ 115,898	\$ 481,349	\$ 508,131	\$ 1,556,029	\$ 632,189	\$ 1,155,580	\$ 4,449,176
30 to 59 Days Past Due	140	1,953	3,973	25,195	3,344	14,789	49,394
60 to 89 Days Past Due	124	1,223	2,045	10,695	2,194	6,254	22,535
90 days or More Past Due or in Process of Foreclosure	35	1,480	3,683	10,909	2,716	8,822	27,645
Total Consumer Loans	\$ 116,197	\$ 486,005	\$ 517,832	\$ 1,602,828	\$ 640,443	\$ 1,185,445	\$ 4,548,750
Total Mortgage and Consumer Loan Receivables	\$ 6,006,561	\$ 8,446,114	\$ 8,940,165	\$ 12,726,102	\$ 2,613,567	\$ 7,253,126	\$ 45,985,635

Performance Status as of December 31, 2023	By Year of Origination						
	2023	2022	2021	2020	2019	Prior	Total
Commercial Mortgage Loans							
Gross Charge-offs for the Year Ended December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ (14,000)	\$ (7,616)	\$ (21,616)
Current	\$ 3,600,652	\$ 6,278,419	\$ 6,633,293	\$ 624,457	\$ 1,395,717	\$ 2,969,381	\$ 21,501,919
30 to 59 Days Past Due	—	—	—	—	—	—	—
60 to 89 Days Past Due	—	—	—	—	—	79,635	79,635
90 days or More Past Due or in Process of Foreclosure	—	—	182,069	36,859	—	60,763	279,691
Total Commercial Mortgage Loans	\$ 3,600,652	\$ 6,278,419	\$ 6,815,362	\$ 661,316	\$ 1,395,717	\$ 3,109,779	\$ 21,861,245
Residential Mortgage Loans							
Gross Charge-offs for the Year Ended December 31, 2023	\$ (6)	\$ (1,228)	\$ (2,244)	\$ (913)	\$ (1,412)	\$ (2,373)	\$ (8,176)
Current	\$ 2,794,600	\$ 1,981,373	\$ 4,518,357	\$ 1,358,200	\$ 221,566	\$ 1,365,231	\$ 12,239,327
30 to 59 Days Past Due	43,432	22,291	37,082	3,554	5,461	84,079	195,899
60 to 89 Days Past Due	8,467	8,520	9,991	1,437	1,389	26,565	56,369
90 days or More Past Due or in Process of Foreclosure	2,518	19,326	72,753	12,048	9,265	115,273	231,183
Total Residential Mortgage Loans	\$ 2,849,017	\$ 2,031,510	\$ 4,638,183	\$ 1,375,239	\$ 237,681	\$ 1,591,148	\$ 12,722,778
Consumer Loans							
Gross Charge-offs for the Year Ended December 31, 2023	\$ (185)	\$ (18,117)	\$ (83,147)	\$ (23,273)	\$ (15,740)	\$ (19,783)	\$ (160,245)
Current	\$ 109,393	\$ 497,113	\$ 1,726,280	\$ 701,655	\$ 610,988	\$ 656,270	\$ 4,301,699
30 to 59 Days Past Due	1,707	4,229	28,966	5,082	4,497	12,686	57,167
60 to 89 Days Past Due	1,193	2,548	14,872	3,298	2,561	6,756	31,228
90 days or More Past Due or in Process of Foreclosure	2,597	3,991	13,461	4,281	3,907	6,551	34,788
Total Consumer Loans	\$ 114,890	\$ 507,881	\$ 1,783,579	\$ 714,316	\$ 621,953	\$ 682,263	\$ 4,424,882
Total Mortgage and Consumer Loan Receivables	\$ 6,564,559	\$ 8,817,810	\$ 13,237,124	\$ 2,750,871	\$ 2,255,351	\$ 5,383,190	\$ 39,008,905

Loan-to-value ratio on mortgage loans

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

Loan-to-value as of June 30, 2024, by Year of Origination	Carrying Value Loan- to-value 70% and Less	Carrying Value Loan- to-value 71% - 90%	Carrying Value Loan- to-value Over 90%	Total Carrying Value
2024	\$ 1,853,348	\$ —	\$ —	\$ 1,853,348
2023	3,539,657	—	—	3,539,657
2022	6,042,790	365,894	—	6,408,684
2021	4,864,697	1,552,069	318,247	6,735,013
2020	495,159	92,375	35,190	622,724
2019	1,249,252	54,831	38,589	1,342,672
Prior	2,730,291	53,666	102,113	2,886,070
Total Commercial Mortgage Loans	\$ 20,775,194	\$ 2,118,835	\$ 494,139	\$ 23,388,168

Loan-to-value as of December 31, 2023, by Year of Origination	Carrying Value Loan-to-value 70% and Less	Carrying Value Loan-to-value 71% - 90%	Carrying Value Loan-to-value Over 90%	Total Carrying Value
2023	\$ 3,600,652	\$ —	\$ —	\$ 3,600,652
2022	5,912,623	365,796	—	6,278,419
2021	5,110,011	1,483,763	221,588	6,815,362
2020	496,085	93,210	72,021	661,316
2019	1,257,983	93,661	44,073	1,395,717
2018	881,620	52,640	114,989	1,049,249
Prior	1,991,780	—	68,750	2,060,530
Total Commercial Mortgage Loans	\$ 19,250,754	\$ 2,089,070	\$ 521,421	\$ 21,861,245

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

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

Loan modifications

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

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

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

Six Months Ended June 30, 2024 by Loan Type	Deferral of Amounts Due	Interest Rate Relief	Maturity Extension	Combination ⁽¹⁾	Total	Percentage of Total Carrying Value Outstanding
Commercial Mortgage Loans	\$ —	\$ —	\$ —	\$ 221,089	\$ 221,089	0.95 %
Residential Mortgage Loans ⁽²⁾	3,291	—	148	8,227	11,666	0.06 %
Consumer Loans	1,607	667	20,329	24,207	46,810	1.03 %
Total	\$ 4,898	\$ 667	\$ 20,477	\$ 253,523	\$ 279,565	

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

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

Six Months Ended June 30, 2023 by Loan Type	Deferral of Amounts Due	Interest Rate Relief	Maturity Extension	Combination ⁽¹⁾	Total	Percentage of Total Carrying Value Outstanding
Commercial Mortgage Loans	\$ —	\$ —	\$ —	\$ 198,371	\$ 198,371	1.01 %
Residential Mortgage Loans ⁽²⁾	1,090	1,201	29,493	2,292	34,076	0.30 %
Consumer Loans	4,266	1,395	44,074	9,513	59,248	1.23 %
Total	\$ 5,356	\$ 2,596	\$ 73,567	\$ 210,176	\$ 291,695	

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

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

All of the commercial mortgage loans that had a combination of modifications had both interest rate relief and maturity extensions. For these loans, the interest rate relief generally involved either a change from a floating rate or a decrease in fixed rate to a weighted average rate of 4.7% and 4.0%, for the six months ended June 30, 2024 and 2023, respectively. The maturity extensions for these loans added a weighted-average of 3.7 years and 2.5 years to the life of the loans, for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, Global Atlantic has commitments to lend additional funds of \$9.3 million for the modified commercial mortgage loans disclosed above.

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

Performance Status as of June 30, 2024 by Loan Type	Current	30-59 Days Past Due	60-89 Days Past Due	90 days or More Past Due or in Process of Foreclosure	Total
Commercial Mortgage Loans	\$ 531,915	\$ —	\$ —	\$ —	\$ 531,915
Residential Mortgage Loans	11,149	1,935	308	4,354	17,746
Consumer Loans	59,958	10,178	3,964	3,006	77,106
Total⁽¹⁾	\$ 603,022	\$ 12,113	\$ 4,272	\$ 7,360	\$ 626,767

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

Other investments

Other investments consist of the following:

	June 30, 2024	December 31, 2023
Investments in Real Estate ⁽¹⁾	\$ 7,172,981	\$ 4,778,431
Investments in Renewable Energy ⁽²⁾	1,349,150	1,348,080
Investments in Transportation and Other Leased Assets ⁽³⁾	3,033,344	2,972,469
Other Investment Funds and Partnerships	1,812,143	179,469
Federal Home Loan Bank (FHLB), Common Stock and Other Investments	387,588	404,877
Total Other Investments	\$ 13,755,206	\$ 9,683,326

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

(2) Net of accumulated depreciation attributed to consolidated renewable energy assets of \$172.8 million and \$154.1 million as of June 30, 2024 and December 31, 2023, respectively.

(3) Net of accumulated depreciation of \$371.8 million and \$313.6 million as of June 30, 2024 and December 31, 2023, respectively.

The total amount of other investments accounted for using the equity method of accounting was \$1.5 billion and \$143.3 million as of June 30, 2024 and December 31, 2023, respectively. Global Atlantic's maximum exposure to loss related to these equity method investments is limited to the carrying value of these investments plus unfunded commitments of \$194.8 million and \$19.7 million as of June 30, 2024 and December 31, 2023, respectively.

In addition, Global Atlantic has investments that would otherwise require the equity method of accounting for which the fair value option has been elected. The carrying amount of these investments was \$474.5 million and \$175.3 million as of June 30, 2024 and December 31, 2023, respectively.

Repurchase agreement transactions

As of June 30, 2024 and December 31, 2023, Global Atlantic participated in repurchase agreements with a notional value of \$565.0 million and \$1.4 billion, respectively. As collateral for these transactions, Global Atlantic typically posts AFS fixed maturity securities and residential mortgage loans, which are included in Insurance - Investments in the consolidated statements of financial condition. The gross obligation for repurchase agreements is reported in other liabilities in the consolidated statements of financial condition.

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

As of June 30, 2024	Overnight	<30 Days	30 - 90 Days	> 90 Days	Total
AFS Corporate Securities	\$ —	\$ 516,929	\$ —	\$ —	\$ 516,929
Residential Mortgage Loans	—	2,608	34,040	34,830	71,478
Total Assets Pledged	\$ —	\$ 519,537	\$ 34,040	\$ 34,830	\$ 588,407

As of December 31, 2023	Overnight	<30 Days	30 - 90 Days	> 90 Days	Total
AFS Corporate Securities	\$ —	\$ —	\$ 524,411	\$ 849,368	\$ 1,373,779
Residential Mortgage Loans	—	39,289	—	—	39,289
Total Assets Pledged	\$ —	\$ 39,289	\$ 524,411	\$ 849,368	\$ 1,413,068

Other pledges and restrictions

Certain Global Atlantic subsidiaries are members of regional banks in the FHLB system and such membership requires the members to own stock in these FHLBs. Global Atlantic owns an aggregate of \$129.1 million and \$131.7 million (accounted for at cost basis) of stock in FHLBs as of June 30, 2024 and December 31, 2023, respectively. In addition, Global Atlantic insurance company subsidiaries have entered into funding agreements with the FHLB, which require that Global Atlantic pledge eligible assets, such as fixed maturity securities and mortgage loans, as collateral. Assets pledged as collateral for these funding agreements had a carrying value of \$3.9 billion and \$3.6 billion as of June 30, 2024 and December 31, 2023, respectively.

The capital stock of one of Global Atlantic's equity method investments has been pledged as collateral security for the due payment and performance of the debt obligations of the investee. Global Atlantic's investment subject to this pledge had a carrying value of \$710.3 million as of June 30, 2024.

Insurance – statutory deposits

As of June 30, 2024 and December 31, 2023, the carrying value of the assets on deposit with various state and U.S. governmental authorities were \$142.4 million and \$148.5 million, respectively.

8. DERIVATIVES

Asset Management and Strategic Holdings

KKR and certain of its consolidated funds have entered into derivative transactions as part of its overall risk management for its investment strategies. These derivative contracts are not designated as hedging instruments for accounting purposes. Such contracts may include forward, swap and option contracts related to foreign currencies and interest rates to manage foreign exchange risk and interest rate risk arising from certain assets and liabilities. All derivatives are recognized in Other Assets or Accrued Expenses and Other Liabilities and are presented on a gross basis in the consolidated statements of financial condition and measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying consolidated statements of operations. KKR's derivative financial instruments contain credit risk to the extent that its counterparties may be unable to meet the terms of the agreements. KKR attempts to reduce this risk by limiting its counterparties to major financial institutions with strong credit ratings.

Insurance

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

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

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

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

The restricted cash which was held in connection with open derivative transactions with exchange brokers was \$175.2 million and \$133.0 million as of June 30, 2024 and December 31, 2023, respectively.

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

Credit Risk

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

Global Atlantic manages the credit risk on its derivatives by entering into derivative transactions with highly rated financial institutions and other creditworthy counterparties and, where feasible, by trading through central clearing counterparties. Global Atlantic further manages its credit risk on derivatives via the use of master netting agreements, which require the daily posting of collateral by the party in a liability position. Counterparty credit exposure and collateral values are monitored regularly and

measured against counterparty exposure limits. The provisions of derivative transactions may allow for the termination and settlement of a transaction if there is a downgrade to Global Atlantic's financial strength ratings below a specified level.

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

As of June 30, 2024	Notional Value	Derivative Assets	Derivative Liabilities
<i>Asset Management and Strategic Holdings</i>			
Foreign Exchange Contracts and Options	\$ 17,586,779	\$ 274,943	\$ 226,240
Other Derivatives	986,064	9,119	70
Total Asset Management and Strategic Holdings	\$ 18,572,843	\$ 284,062	\$ 226,310
<i>Insurance</i>			
<i>Derivatives Designated as Hedge Accounting Instruments:</i>			
Interest Rate Contracts	\$ 9,455,742	\$ 4,841	\$ 411,093
Foreign Currency Contracts	2,414,567	28,133	24,903
Total Derivatives Designated as Hedge Accounting Instruments	\$ 11,870,309	\$ 32,974	\$ 435,996
<i>Derivatives Not Designated as Hedge Accounting Instruments:</i>			
Interest Rate Contracts	\$ 28,197,299	\$ 153,008	\$ 352,870
Equity Market Contracts	35,972,616	1,819,500	185,033
Foreign Currency Contracts	2,536,288	68,301	60,284
Other Contracts	61,087	—	3,298
Total Derivatives Not Designated as Hedge Accounting Instruments	\$ 66,767,290	\$ 2,040,809	\$ 601,485
Impact of Netting ⁽²⁾	—	(2,042,776)	(733,319)
Total Insurance ⁽¹⁾	\$ 78,637,599	\$ 31,007	\$ 304,162
Fair Value Included Within Total Assets and Liabilities	\$ 97,210,442	\$ 315,069	\$ 530,472

(1) Excludes embedded derivatives. The fair value of these embedded derivatives related to assets was \$114.3 million and the fair value of these embedded derivatives related to liabilities was \$2.1 billion as of June 30, 2024.

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

As of December 31, 2023	Notional Value	Derivative Assets	Derivative Liabilities
<i>Asset Management and Strategic Holdings</i>			
Foreign Exchange Contracts and Options	\$ 15,771,463	\$ 264,621	\$ 441,608
Other Derivatives	374,604	4,792	2,382
Total Asset Management and Strategic Holdings	\$ 16,146,067	\$ 269,413	\$ 443,990
<i>Insurance</i>			
<i>Derivatives Designated as Hedge Accounting Instruments:</i>			
Interest Rate Contracts	\$ 7,320,500	\$ —	\$ 372,212
Foreign Currency Contracts	2,302,335	24,278	73,478
Total Derivatives Designated as Hedge Accounting Instruments	\$ 9,622,835	\$ 24,278	\$ 445,690
<i>Derivatives Not Designated as Hedge Accounting Instruments:</i>			
Interest Rate Contracts	\$ 22,259,423	\$ 284,067	\$ 306,244
Equity Market Contracts	35,203,206	1,480,875	248,127
Foreign Currency Contracts	1,331,345	65,803	56,616
Other Contracts	60,000	—	600
Total Derivatives Not Designated as Hedge Accounting Instruments	\$ 58,853,974	\$ 1,830,745	\$ 611,587
Impact of Netting ⁽²⁾	—	(1,809,329)	(911,080)
Total Insurance ⁽¹⁾	\$ 68,476,809	\$ 45,694	\$ 146,197
Fair Value Included Within Total Assets and Liabilities	\$ 84,622,876	\$ 315,107	\$ 590,187

(1) Excludes embedded derivatives. The fair value of these embedded derivatives related to assets was \$88.7 million and the fair value of these embedded derivatives related to liabilities was \$1.6 billion as of December 31, 2023.

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

Derivatives designated as accounting hedges

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

Fair value hedges

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

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

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

	As of June 30, 2024		As of December 31, 2023	
	Carrying Amount of Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of Hedged Assets/(Liabilities) ⁽¹⁾	Carrying Amount of Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of Hedged Assets/(Liabilities) ⁽¹⁾
AFS Fixed Maturity Securities ⁽²⁾	\$ 2,100,627	\$ (54,690)	\$ 2,324,364	\$ 80,210
Debt	(2,296,510)	(214,778)	(1,608,294)	(165,817)
Policy Liabilities	(4,137,823)	(251,943)	(4,380,048)	(255,308)

(1) Includes \$19.6 million and \$27.8 million of hedging adjustments on discontinued hedging relationships as of June 30, 2024 and December 31, 2023, respectively.

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

Cash flow hedges

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

As of June 30, 2024 and December 31, 2023, there was a cumulative loss of \$(180.4) million and \$(126.9) million, respectively, on the currently designated bond forwards recorded in accumulated other comprehensive loss. Amounts deferred in accumulated other comprehensive loss are reclassified to net investment income following the qualifying purchases of AFS securities, as an adjustment to the yield earned over the life of the purchased securities, using the effective interest method.

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

As of June 30, 2024, there was a cumulative gain (loss) of \$3.7 million on the currently designated interest rate swaps recorded in accumulated other comprehensive loss. Amounts deferred in accumulated other comprehensive loss are reclassified to net investment income in the same period during which the hedged investments affect earnings.

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

Net investment hedges

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

Changes in the fair value of the swaps are recognized in other comprehensive income, consistent with the translation adjustment for the hedged investment. The component comprising the difference between forward rates and spot rates is amortized to net investment income over the life of the swaps. As of June 30, 2024, the cumulative foreign currency translation gain (loss) recorded in accumulated other comprehensive income related to net investment hedges was \$(9.3) million.

Derivative results

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

	Three Months Ended June 30, 2024					
	Net Gains (Losses) from Investment Activities	Net Investment- Related Gains (Losses)	Net Investment Income	Net Policy Benefits and Claims	Interest Expense	Change in AOCI
Derivatives Designated as Hedge Accounting Instruments:						
Fair Value Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ (20,068)	\$ (29,508)	\$ —
Foreign Currency Contracts	—	7,444	1,013	—	—	(1,728)
Total Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ 7,444	\$ 1,013	\$ (20,068)	\$ (29,508)	\$ (1,728)
Gains (Losses) on Hedged Items:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ 20,068	\$ 29,508	\$ —
Foreign Currency Contracts	—	(9,574)	—	—	—	—
Total Gains (Losses) on Hedged Items	\$ —	\$ (9,574)	\$ —	\$ 20,068	\$ 29,508	\$ —
Amortization for Gains (Losses) Excluded from Assessment of Effectiveness:						
Foreign Currency Contracts	\$ —	\$ 6,333	\$ —	\$ —	\$ —	\$ —
Total Amortization for Gains (Losses) Excluded from Assessment of Effectiveness	—	6,333	—	—	—	—
Total Gains (Losses) on Fair Value Hedges, Net of Hedged Items	\$ —	\$ 4,203	\$ 1,013	\$ —	\$ —	\$ (1,728)
Cash Flow Hedges						
Interest Rate Contracts	\$ —	\$ (887)	\$ (875)	\$ —	\$ —	\$ (18,466)
Total Gains (Losses) on Cash Flow Hedges	\$ —	\$ (887)	\$ (875)	\$ —	\$ —	\$ (18,466)
Net Investment Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ 106	\$ —	\$ —	\$ —	\$ (9,253)
Total Gains (Losses) on Net Investment Hedges	\$ —	\$ 106	\$ —	\$ —	\$ —	\$ (9,253)
Derivatives Not Designated as Hedge Accounting Instruments:						
<i>Asset Management and Strategic Holdings</i>						
Foreign Exchange Contracts and Options	\$ 89,911	\$ —	\$ —	\$ —	\$ —	\$ —
Other Derivatives	(1,179)	—	—	—	—	—
Total included in Net Gains (Losses) from Investment Activities	\$ 88,732	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Embedded Derivatives - Funds Withheld Receivable	\$ —	\$ 274	\$ —	\$ —	\$ —	\$ —
Embedded Derivatives - Funds Withheld Payable	—	357,732	—	—	—	—
Equity Index Options	—	91,329	—	—	—	—
Equity Future Contracts	—	(7,370)	—	—	—	—
Interest Rate Contracts	—	(117,718)	—	—	—	—
Foreign Exchange and Other Derivative Contracts	—	(2,851)	—	—	—	—
Total Gains (Losses) on Derivatives Not Designated as Hedge Accounting Instruments from Insurance Activities	\$ —	\$ 321,396	\$ —	\$ —	\$ —	\$ —
Total	\$ 88,732	\$ 324,818	\$ 138	\$ —	\$ —	\$ (29,447)

Six Months Ended June 30, 2024

	Net Gains (Losses) from Investment Activities	Net Investment- Related Gains (Losses)	Net Investment Income	Net Policy Benefits and Claims	Interest Expense	Change in AOCI
Derivatives Designated as Hedge Accounting Instruments:						
Fair Value Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ (83,763)	\$ (82,203)	\$ —
Foreign Currency Contracts	—	56,985	1,995	—	—	(6,418)
Total Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ 56,985	\$ 1,995	\$ (83,763)	\$ (82,203)	\$ (6,418)
Gains (Losses) on Hedged Items:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ 83,763	\$ 82,203	\$ —
Foreign Currency Contracts	—	(54,690)	—	—	—	—
Total Gains (Losses) on Hedged Items	\$ —	\$ (54,690)	\$ —	\$ 83,763	\$ 82,203	\$ —
Amortization for Gains (Losses) Excluded from Assessment of Effectiveness:						
Foreign Currency Contracts	\$ —	\$ 12,714	\$ —	\$ —	\$ —	\$ —
Total Amortization for Gains (Losses) Excluded from Assessment of Effectiveness	—	12,714	—	—	—	—
Total Gains (Losses) on Fair Value Hedges, Net of Hedged Items	\$ —	\$ 15,009	\$ 1,995	\$ —	\$ —	\$ (6,418)
Cash Flow Hedges						
Interest Rate Contracts	\$ —	\$ (887)	\$ (1,720)	\$ —	\$ —	\$ (49,754)
Total Gains (Losses) on Cash Flow Hedges	\$ —	\$ (887)	\$ (1,720)	\$ —	\$ —	\$ (49,754)
Net Investment Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ 106	\$ —	\$ —	\$ —	\$ (9,253)
Total Gains (Losses) on Net Investment Hedges	\$ —	\$ 106	\$ —	\$ —	\$ —	\$ (9,253)
Derivatives Not Designated as Hedge Accounting Instruments:						
<i>Asset Management and Strategic Holdings</i>						
Foreign Exchange Contracts and Options	273,253	—	—	—	—	—
Other Derivatives	1,271	—	—	—	—	—
Total included in Net Gains (Losses) from Investment Activities	\$ 274,524	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Embedded Derivatives - Funds Withheld Receivable	\$ —	\$ 25,604	\$ —	\$ —	\$ —	\$ —
Embedded Derivatives - Funds Withheld Payable	—	453,173	—	—	—	—
Equity Index Options	—	348,432	—	—	—	—
Equity Future Contracts	—	(70,886)	—	—	—	—
Interest Rate Contracts	—	(367,013)	—	—	—	—
Foreign Exchange and Other Derivative Contracts	—	22,248	—	—	—	—
Total Gains (Losses) on Derivatives Not Designated as Hedge Accounting Instruments from Insurance Activities	\$ —	\$ 411,558	\$ —	\$ —	\$ —	\$ —
Total	\$ 274,524	\$ 425,786	\$ 275	\$ —	\$ —	\$ (65,425)

Three Months Ended June 30, 2023

	Net Gains (Losses) from Investment Activities	Net Investment- Related Gains (Losses)	Net Investment Income	Net Policy Benefits and Claims	Interest Expense	Change in AOCI
Derivatives Designated as Hedge Accounting Instruments:						
Fair Value Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ (85,895)	\$ (40,492)	\$ —
Foreign Currency Contracts	—	(19,512)	—	—	—	(6,397)
Total Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ (19,512)	\$ —	\$ (85,895)	\$ (40,492)	\$ (6,397)
Gains (Losses) on Hedged Items:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ 85,895	\$ 40,492	\$ —
Foreign Currency Contracts	—	26,413	—	—	—	—
Total Gains (Losses) on Hedged Items	\$ —	\$ 26,413	\$ —	\$ 85,895	\$ 40,492	\$ —
Amortization for Gains (Losses) Excluded from Assessment of Effectiveness:						
Foreign Currency Contracts	\$ —	\$ 7,229	\$ —	\$ —	\$ —	\$ —
Total Amortization for Gains (Losses) Excluded from Assessment of Effectiveness	\$ —	\$ 7,229	\$ —	\$ —	\$ —	\$ —
Total Gains (Losses) on Fair Value Hedges, Net of Hedged Items	\$ —	\$ 14,130	\$ —	\$ —	\$ —	\$ (6,397)
Cash Flow Hedges						
Interest Rate Contracts	\$ —	\$ (269)	\$ —	\$ —	\$ —	\$ (20,702)
Total Gains (Losses) on Cash Flow Hedges	\$ —	\$ (269)	\$ —	\$ —	\$ —	\$ (20,702)
Derivatives Not Designated as Hedge Accounting Instruments:						
<i>Asset Management and Strategic Holdings</i>						
Foreign Exchange Contracts and Options	\$ (8,966)	\$ —	\$ —	\$ —	\$ —	\$ —
Other Derivatives	7,651	—	—	—	—	—
Total included in Net Gains (Losses) from Investment Activities	\$ (1,315)	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Embedded Derivatives - Funds Withheld Receivable	\$ —	\$ 14,149	\$ —	\$ —	\$ —	\$ —
Embedded Derivatives - Funds Withheld Payable	—	32,842	—	—	—	—
Equity Index Options	—	230,602	—	—	—	—
Equity Future Contracts	—	(48,383)	—	—	—	—
Interest Rate and Foreign Exchange Contracts	—	(164,765)	—	—	—	—
Other	—	(62)	—	—	—	—
Total Gains (Losses) on Derivatives Not Designated as Hedge Accounting Instruments from Insurance Activities	\$ —	\$ 64,383	\$ —	\$ —	\$ —	\$ —
Total	\$ (1,315)	\$ 78,244	\$ —	\$ —	\$ —	\$ (27,099)

Six Months Ended June 30, 2023

	Net Gains (Losses) from Investment Activities	Net Investment- Related Gains (Losses)	Net Investment Income	Net Policy Benefits and Claims	Interest Expense	Change in AOCI
Derivatives Designated as Hedge Accounting Instruments:						
Fair Value Hedges						
Gains (Losses) on Derivatives Designated as Hedge Instruments:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ (51,338)	\$ (20,388)	\$ —
Foreign Currency Contracts	—	(54,900)	—	—	—	2,883
Total Gains (Losses) on Derivatives Designated as Hedge Instruments	\$ —	\$ (54,900)	\$ —	\$ (51,338)	\$ (20,388)	\$ 2,883
Gains (Losses) on Hedged Items:						
Interest Rate Contracts	\$ —	\$ —	\$ —	\$ 51,338	\$ 20,388	\$ —
Foreign Currency Contracts	—	56,037	—	—	—	—
Total Gains (Losses) on Hedged Items	\$ —	\$ 56,037	\$ —	\$ 51,338	\$ 20,388	\$ —
Amortization for Gains (Losses) Excluded from Assessment of Effectiveness:						
Foreign Currency Contracts	\$ —	\$ 14,055	\$ —	\$ —	\$ —	\$ —
Total Amortization for Gains (Losses) Excluded from Assessment of Effectiveness	\$ —	\$ 14,055	\$ —	\$ —	\$ —	\$ —
Total Gains (Losses) on Fair Value Hedges, Net of Hedged Items	\$ —	\$ 15,192	\$ —	\$ —	\$ —	\$ 2,883
Cash Flow Hedges						
Interest Rate Contracts	\$ —	\$ (537)	\$ —	\$ —	\$ —	\$ 37,218
Total Gains (Losses) on Cash Flow Hedges	\$ —	\$ (537)	\$ —	\$ —	\$ —	\$ 37,218
Derivatives Not Designated as Hedge Accounting Instruments:						
<i>Asset Management and Strategic Holdings</i>						
Foreign Exchange Contracts and Options	\$ (31,332)	\$ —	\$ —	\$ —	\$ —	\$ —
Other Derivatives	19,859	—	—	—	—	—
Total included in Net Gains (Losses) from Investment Activities	\$ (11,473)	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Embedded Derivatives - Funds Withheld Receivable	\$ —	\$ (16,618)	\$ —	\$ —	\$ —	\$ —
Embedded Derivatives - Funds Withheld Payable	—	(397,393)	—	—	—	—
Equity Index Options	—	314,489	—	—	—	—
Equity Future Contracts	—	(89,208)	—	—	—	—
Interest Rate and Foreign Exchange Contracts	—	(95,769)	—	—	—	—
Other Contracts	—	(137)	—	—	—	—
Total Gains (Losses) on Derivatives Not Designated as Hedge Accounting Instruments from Insurance Activities	\$ —	\$ (284,636)	\$ —	\$ —	\$ —	\$ —
Total	\$ (11,473)	\$ (269,981)	\$ —	\$ —	\$ —	\$ 40,101

Collateral

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

As of June 30, 2024	Gross Amount Recognized	Gross Amounts Offset in the Statements of Financial Position⁽¹⁾	Net Amounts Presented in the Statements of Financial Condition	Collateral (Received) / Pledged	Net Amount after Collateral
Derivative Assets (Excluding Embedded Derivatives)	\$ 2,073,783	\$ (2,042,776)	\$ 31,007	\$ (65,437)	\$ (34,430)
Derivative Liabilities (Excluding Embedded Derivatives)	\$ 1,037,481	\$ (733,319)	\$ 304,162	\$ 248,364	\$ 55,798

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

As of December 31, 2023	Gross Amount Recognized	Gross Amounts Offset in the Statements of Financial Position⁽¹⁾	Net Amounts Presented in the Statements of Financial Condition	Collateral (Received) / Pledged	Net Amount after Collateral
Derivative Assets (Excluding Embedded Derivatives)	\$ 1,855,023	\$ (1,809,329)	\$ 45,694	\$ (45,095)	\$ 599
Derivative Liabilities (Excluding Embedded Derivatives)	\$ 1,057,277	\$ (911,080)	\$ 146,197	\$ 167,973	\$ (21,776)

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

9. FAIR VALUE MEASUREMENTS

The following tables summarize the valuation of assets and liabilities measured and reported at fair value by the fair value hierarchy. Investments classified as Equity Method - Other, for which the fair value option has not been elected, and Equity Method - Capital Allocation-Based Income have been excluded from the tables below.

Assets, at fair value:

	June 30, 2024			
	Level I	Level II	Level III	Total
Asset Management and Strategic Holdings				
Private Equity	\$ 903,257	\$ 52,326	\$ 32,816,612	\$ 33,772,195
Credit	281,198	2,827,750	4,817,048	7,925,996
Investments of Consolidated CFEs	—	24,890,663	—	24,890,663
Real Assets	352,026	111,753	12,782,172	13,245,951
Equity Method - Other	153,331	654,162	1,506,572	2,314,065
Other Investments	160,596	41,468	4,519,889	4,721,953
Total Investments	\$ 1,850,408	\$ 28,578,122	\$ 56,442,293	\$ 86,870,823
Foreign Exchange Contracts and Options	—	274,943	—	274,943
Other Derivatives	—	9,119	—	9,119
Total Assets at Fair Value - Asset Management and Strategic Holdings	\$ 1,850,408	\$ 28,862,184	\$ 56,442,293	\$ 87,154,885
Insurance				
AFS Fixed Maturity Securities:				
U.S. Government and Agencies	\$ 2,473,223	\$ 120,154	\$ —	\$ 2,593,377
U.S. State, Municipal and Political Subdivisions	—	4,135,721	—	4,135,721
Corporate	—	30,932,182	8,685,083	39,617,265
Structured Securities	—	25,374,806	2,101,668	27,476,474
Total AFS Fixed Maturity Securities	\$ 2,473,223	\$ 60,562,863	\$ 10,786,751	\$ 73,822,837
Trading Fixed Maturity Securities:				
U.S. Government and Agencies	\$ 2,908,671	\$ 170,470	\$ —	\$ 3,079,141
U.S. State, Municipal and Political Subdivisions	—	732,473	—	732,473
Corporate	—	12,807,874	910,400	13,718,274
Structured Securities	—	6,720,990	600,422	7,321,412
Total Trading Fixed Maturity Securities	\$ 2,908,671	\$ 20,431,807	\$ 1,510,822	\$ 24,851,300
Equity Securities	6,218	—	15,279	21,497
Mortgage and Other Loan Receivables	—	—	603,200	603,200
Other Investments	—	—	7,549,543 ⁽¹⁾	7,549,543
Funds Withheld Receivable at Interest	—	—	114,265	114,265
Reinsurance Recoverable	—	—	926,695	926,695
Derivative Assets:				
Equity Market Contracts	1,625	1,817,875	—	1,819,500
Interest Rate Contracts	2,739	155,110	—	157,849
Foreign Currency Contracts	—	96,434	—	96,434
Impact of Netting	(5,039)	(2,037,737)	— ⁽²⁾	(2,042,776)
Total Derivative Assets	\$ (675)	\$ 31,682	\$ —	\$ 31,007
Separate Account Assets	4,122,642	—	—	4,122,642
Total Assets at Fair Value - Insurance	\$ 9,510,079	\$ 81,026,352	\$ 21,506,555	\$ 112,042,986
Total Assets at Fair Value	\$ 11,360,487	\$ 109,888,536	\$ 77,948,848	\$ 199,197,871

	December 31, 2023			
	Level I	Level II	Level III	Total
Asset Management and Strategic Holdings				
Private Equity	\$ 1,762,257	\$ 58,653	\$ 30,921,574	\$ 32,742,484
Credit	281,626	2,540,362	5,452,916	8,274,904
Investments of Consolidated CFEs	—	24,996,298	—	24,996,298
Real Assets	676,808	27,567	11,295,633	12,000,008
Equity Method - Other	418,791	326,835	1,537,962	2,283,588
Other Investments	218,151	95,453	4,265,768	4,579,372
Total Investments	\$ 3,357,633	\$ 28,045,168	\$ 53,473,853	\$ 84,876,654
Foreign Exchange Contracts and Options	—	264,621	—	264,621
Other Derivatives	—	4,792	—	4,792
Total Assets at Fair Value - Asset Management and Strategic Holdings	\$ 3,357,633	\$ 28,314,581	\$ 53,473,853	\$ 85,146,067
Insurance				
AFS Fixed Maturity Securities:				
U.S. Government and Agencies	\$ 1,082,421	\$ 120,671	\$ —	\$ 1,203,092
U.S. State, Municipal and Political Subdivisions	—	4,607,392	—	4,607,392
Corporate	—	31,377,753	8,571,003	39,948,756
Structured Securities	—	21,824,948	1,830,000	23,654,948
Total AFS Fixed Maturity Securities	\$ 1,082,421	\$ 57,930,764	\$ 10,401,003	\$ 69,414,188
Trading Fixed Maturity Securities:				
U.S. Government and Agencies	\$ 2,354,194	\$ 163,919	\$ —	\$ 2,518,113
U.S. State, Municipal and Political Subdivisions	—	1,223,946	—	1,223,946
Corporate	—	9,815,909	656,923	10,472,832
Structured Securities	—	3,997,341	593,238	4,590,579
Total Trading Fixed Maturity Securities	\$ 2,354,194	\$ 15,201,115	\$ 1,250,161	\$ 18,805,470
Equity Securities	4,215	—	15,522	19,737
Mortgage and Other Loan Receivables	—	—	697,402	697,402
Other Investments	—	—	4,925,751 ⁽¹⁾	4,925,751
Funds Withheld Receivable at Interest	—	—	88,661	88,661
Reinsurance Recoverable	—	—	926,035	926,035
Derivative Assets:				
Equity Market Contracts	1,669	1,479,206	—	1,480,875
Interest Rate Contracts	19,474	264,593	—	284,067
Foreign Currency Contracts	—	90,081	—	90,081
Impact of Netting	(23,522)	(1,785,807)	— ⁽²⁾	(1,809,329)
Total Derivative Assets	\$ (2,379)	\$ 48,073	\$ —	\$ 45,694
Separate Account Assets	4,107,000	—	—	4,107,000
Total Assets at Fair Value - Insurance	\$ 7,545,451	\$ 73,179,952	\$ 18,304,535	\$ 99,029,938
Total Assets at Fair Value	\$ 10,903,084	\$ 101,494,533	\$ 71,778,388	\$ 184,176,005

(1) Other investments excluded from the fair value hierarchy include private equity funds for which fair value is measured at net asset value per share as a practical expedient. As of June 30, 2024 and December 31, 2023, the fair value of these investments was \$99.5 million and \$138.5 million, respectively. These investments have strategies primarily focused on real assets (including real estate and infrastructure) and are subject to certain restrictions on redemption. As of June 30, 2024, there were \$3.0 million of unfunded commitments associated with these investments.

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

Liabilities, at fair value:

	June 30, 2024			
	Level I	Level II	Level III	Total
Asset Management and Strategic Holdings				
Securities Sold Short	\$ 134,297	\$ —	\$ —	\$ 134,297
Foreign Exchange Contracts and Options	—	226,240	—	226,240
Unfunded Revolver Commitments	—	—	98,327 ⁽¹⁾	98,327
Other Derivatives	70	—	—	70
Debt Obligations of Consolidated CFEs	—	25,253,120	—	25,253,120
Total Liabilities at Fair Value - Asset Management and Strategic Holdings	\$ 134,367	\$ 25,479,360	\$ 98,327	\$ 25,712,054
Insurance				
Policy Liabilities (Including Market Risk Benefits)	\$ —	\$ —	\$ 1,320,498 ⁽³⁾	\$ 1,320,498
Closed Block Policy Liabilities	—	—	970,844	970,844
Funds Withheld Payable at Interest	—	—	(2,900,476)	(2,900,476)
Derivative Instruments Payable:				
Equity Market Contracts	3,136	181,897	—	185,033
Interest Rate Contracts	1,903	762,060	—	763,963
Foreign Currency Contracts	—	85,187	—	85,187
Other Contracts	—	3,298	—	3,298
Impact of Netting	(5,039)	(728,280)	— ⁽²⁾	(733,319)
Total Derivative Instruments Payable	—	304,162	—	304,162
Embedded Derivative – Interest-sensitive Life Products	—	—	495,342	495,342
Embedded Derivative – Annuity Products	—	—	4,478,104	4,478,104
Total Liabilities at Fair Value - Insurance	\$ —	\$ 304,162	\$ 4,364,312	\$ 4,668,474
Total Liabilities at Fair Value	\$ 134,367	\$ 25,783,522	\$ 4,462,639	\$ 30,380,528

	December 31, 2023			
	Level I	Level II	Level III	Total
Asset Management and Strategic Holdings				
Securities Sold Short	\$ 149,136	\$ —	\$ —	\$ 149,136
Foreign Exchange Contracts and Options	—	441,608	—	441,608
Unfunded Revolver Commitments	—	—	94,683 ⁽¹⁾	94,683
Other Derivatives	143	2,239	—	2,382
Debt Obligations of Consolidated CFEs	—	25,276,404	—	25,276,404
Total Liabilities at Fair Value - Asset Management and Strategic Holdings	\$ 149,279	\$ 25,720,251	\$ 94,683	\$ 25,964,213
Insurance				
Policy Liabilities (Including Market Risk Benefits)	\$ —	\$ —	\$ 1,474,970 ⁽³⁾	\$ 1,474,970
Closed Block Policy Liabilities	—	—	968,554	968,554
Funds Withheld Payable at Interest	—	—	(2,447,303)	(2,447,303)
Derivative Instruments Payable:				
Equity Market Contracts	7,088	241,039	—	248,127
Interest Rate Contracts	17,931	660,525	—	678,456
Foreign Currency Contracts	—	130,094	—	130,094
Other Contracts	—	600	—	600
Impact of Netting	(23,522)	(887,558)	— ⁽²⁾	(911,080)
Total Derivative Instruments Payable	1,497	144,700	—	146,197
Embedded Derivative – Interest-sensitive Life Products	—	—	458,302	458,302
Embedded Derivative – Annuity Products	—	—	3,587,371	3,587,371
Total Liabilities at Fair Value - Insurance	\$ 1,497	\$ 144,700	\$ 4,041,894	\$ 4,188,091
Total Liabilities at Fair Value	\$ 150,776	\$ 25,864,951	\$ 4,136,577	\$ 30,152,304

(1) These unfunded revolver commitments are valued using the same valuation methodologies as KKR's Level III credit investments.

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

(3) Includes market risk benefit of \$1.0 billion and \$1.1 billion as of June 30, 2024 and December 31, 2023, respectively.

The following tables summarize changes in assets and liabilities measured and reported at fair value for which Level III inputs have been used to determine fair value for the three months ended June 30, 2024 and 2023, respectively.

Three Months Ended June 30, 2024

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Issuances/Sales/Settlements	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date	Changes in Net Unrealized Gains (Losses) Included in OCI related to Level III Assets and Liabilities still held as of the Reporting Date
Assets										
<i>Asset Management and Strategic Holdings</i>										
Private Equity	\$ 32,258,143	\$ —	\$ 9,042	\$ —	\$ 244,345	\$ 305,082	\$ —	\$ 32,816,612	\$ 308,356	\$ —
Credit	5,194,915	151,713	—	—	(461,880)	(67,700)	—	4,817,048	(54,997)	—
Real Assets	11,529,548	934,530	—	—	140,436	177,658	—	12,782,172	103,434	—
Equity Method - Other	1,534,073	—	—	(2,077)	(680)	(24,744)	—	1,506,572	(24,747)	—
Other Investments	4,204,202	—	—	—	368,697	(53,010)	—	4,519,889	(53,277)	—
Total Assets - Asset Management and Strategic Holdings	\$ 54,720,881	\$ 1,086,243	\$ 9,042	\$ (2,077)	\$ 290,918	\$ 337,286	\$ —	\$ 56,442,293	\$ 278,769	\$ —
<i>Insurance</i>										
<i>AFS Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	\$ 8,071,579	\$ —	\$ —	\$ —	\$ 611,861	\$ (13,286)	\$ 14,929	\$ 8,685,083	\$ —	\$ 17,466
Structured Securities	1,926,056	—	42,951	—	112,084	7,596	12,981	2,101,668	—	15,585
Total AFS Fixed Maturity Securities	9,997,635	—	42,951	—	723,945	(5,690)	27,910	10,786,751	—	33,051
<i>Trading Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	378,435	—	1,225	—	528,131	2,609	—	910,400	2,749	—
Structured Securities	670,143	—	15,147	—	(100,394)	15,526	—	600,422	681	—
Total Trading Fixed Maturity Securities	1,048,578	—	16,372	—	427,737	18,135	—	1,510,822	3,430	—
Equity Securities	15,823	—	—	—	—	(544)	—	15,279	(543)	—
Mortgage and Other Loan Receivables	686,938	—	—	—	(93,333)	9,595	—	603,200	(3,014)	—
Other Investments	4,897,017	—	—	—	2,728,615	(76,089)	—	7,549,543	(76,350)	—
Funds Withheld Receivable at Interest	113,991	—	—	—	—	274	—	114,265	—	—
Reinsurance Recoverable	965,877	—	—	—	5,319	(44,501)	—	926,695	—	—
Total Assets - Insurance	\$ 17,725,859	\$ —	\$ 59,323	\$ —	\$ 3,792,283	\$ (98,820)	\$ 27,910	\$ 21,506,555	\$ (76,477)	\$ 33,051
Total	\$ 72,446,740	\$ 1,086,243	\$ 68,365	\$ (2,077)	\$ 4,083,201	\$ 238,466	\$ 27,910	\$ 77,948,848	\$ 202,292	\$ 33,051

Six Months Ended June 30, 2024

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Issuances/Sales/Settlements	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date	Changes in Net Unrealized Gains (Losses) Included in OCI related to Level III Assets and Liabilities still held as of the Reporting Date
Assets										
<i>Asset Management and Strategic Holdings</i>										
Private Equity	\$ 30,921,574	\$ —	\$ 9,042	\$ —	\$ 985,807	\$ 900,189	\$ —	\$ 32,816,612	\$ 901,863	\$ —
Credit	5,452,916	151,713	148,072	(105,080)	(720,469)	(110,104)	—	4,817,048	(92,128)	—
Real Assets	11,295,633	934,530	—	—	490,769	61,240	—	12,782,172	(14,184)	—
Equity Method - Other	1,537,962	—	—	(2,077)	(57)	(29,256)	—	1,506,572	(30,862)	—
Other Investments	4,265,768	—	—	(8,106)	246,137	15,913	177	4,519,889	21,452	177
Total Assets - Asset Management and Strategic Holdings	\$ 53,473,853	\$ 1,086,243	\$ 157,114	\$ (115,263)	\$ 1,002,187	\$ 837,982	\$ 177	\$ 56,442,293	\$ 786,141	\$ 177
<i>Insurance</i>										
<i>AFS Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	\$ 8,571,003	\$ —	\$ —	\$ (301)	\$ 67,271	\$ (60,908)	\$ 108,018	\$ 8,685,083	\$ —	\$ 103,286
Structured Securities	1,830,000	—	95,965	—	135,898	15,235	24,570	2,101,668	—	26,532
Total AFS Fixed Maturity Securities	10,401,003	—	95,965	(301)	203,169	(45,673)	132,588	10,786,751	—	129,818
<i>Trading Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	656,923	—	1,416	—	208,581	43,480	—	910,400	41,392	—
Structured Securities	593,238	—	106,805	—	(124,617)	24,996	—	600,422	9,430	—
Total Trading Fixed Maturity Securities	1,250,161	—	108,221	—	83,964	68,476	—	1,510,822	50,822	—
Equity Securities	15,522	—	—	—	—	(243)	—	15,279	(242)	—
Mortgage and Other Loan Receivables	697,402	—	—	—	(99,125)	4,923	—	603,200	2,785	—
Other Investments	4,925,751	—	—	—	2,779,681	(155,889)	—	7,549,543	(154,394)	—
Funds Withheld Receivable at Interest	88,661	—	—	—	—	25,604	—	114,265	—	—
Reinsurance Recoverable	926,035	—	—	—	(6,349)	7,009	—	926,695	—	—
Total Assets - Insurance	\$ 18,304,535	\$ —	\$ 204,186	\$ (301)	\$ 2,961,340	\$ (95,793)	\$ 132,588	\$ 21,506,555	\$ (101,029)	\$ 129,818
Total	\$ 71,778,388	\$ 1,086,243	\$ 361,300	\$ (115,564)	\$ 3,963,527	\$ 742,189	\$ 132,765	\$ 77,948,848	\$ 685,112	\$ 129,995

Three Months Ended June 30, 2023

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Issuances/Sales/Settlements	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date	Changes in Net Unrealized Gains (Losses) Included in OCI related to Level III Assets and Liabilities still held as of the Reporting Date	
Assets											
<i>Asset Management and Strategic Holdings</i>											
Private Equity	\$ 26,189,501	\$ —	\$ —	\$ —	\$ —	1,963,136	\$ 453,584	\$ —	\$ 28,606,221	\$ 520,098	\$ —
Credit	5,902,578	—	—	—	—	(541,887)	12,191	—	5,372,882	58,128	—
Real Assets	18,946,851	(126,889)	—	—	—	1,554,061	(66,444)	—	20,307,579	(58,048)	—
Equity Method - Other	1,602,694	—	—	(2,335)	—	2,856	91,955	—	1,695,170	92,549	—
Other Investments	3,738,446	—	22,777	—	—	(76,145)	(14,748)	—	3,670,330	(10,374)	—
Other Derivatives	—	—	—	—	—	—	—	—	—	—	—
Total Assets - Asset Management and Strategic Holdings	\$ 56,380,070	\$ (126,889)	\$ 22,777	\$ (2,335)	\$ —	2,902,021	\$ 476,538	\$ —	\$ 59,652,182	\$ 602,353	\$ —
<i>Insurance</i>											
<i>AFS Fixed Maturity Securities:</i>											
Corporate Fixed Maturity Securities	\$ 8,294,423	\$ —	\$ 33,196	\$ —	\$ —	48,066	\$ 16,996	(121)	\$ 8,392,560	\$ —	\$ 21,233
Structured Securities	1,770,785	—	104,572	—	—	29,871	7,234	10,282	1,922,744	—	12,158
Total AFS Fixed Maturity Securities	10,065,208	—	137,768	—	—	77,937	24,230	10,161	10,315,304	—	33,391
<i>Trading Fixed Maturity Securities:</i>											
Corporate Fixed Maturity Securities	631,870	—	—	—	—	3,109	1,785	—	636,764	1,867	—
Structured Securities	661,565	—	6,081	—	—	(1,023)	(8,440)	—	658,183	(8,247)	—
Total Trading Fixed Maturity Securities	1,293,435	—	6,081	—	—	2,086	(6,655)	—	1,294,947	(6,380)	—
Equity Securities	15,311	—	—	—	—	—	384	—	15,695	384	—
Mortgage and Other Loan Receivables	773,917	—	—	—	—	(16,306)	10,665	—	768,276	11,178	—
Other Investments	5,009,113	—	—	—	—	54,343	(47,029)	—	5,016,427	(58,190)	—
Funds Withheld Receivable at Interest	(17,982)	—	—	—	—	—	14,149	—	(3,833)	—	—
Reinsurance Recoverable	1,010,602	—	—	—	—	64	(22,027)	—	988,639	—	—
Total Assets - Insurance	\$ 18,149,604	\$ —	\$ 143,849	\$ —	\$ —	118,124	\$ (26,283)	10,161	\$ 18,395,455	\$ (53,008)	\$ 33,391
Total	\$ 74,529,674	\$ (126,889)	\$ 166,626	\$ (2,335)	\$ —	3,020,145	\$ 450,255	10,161	\$ 78,047,637	\$ 549,345	\$ 33,391

Six Months Ended June 30, 2023

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Issuances/Sales/Settlements	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date	Changes in Net Unrealized Gains (Losses) Included in OCI related to Level III Assets and Liabilities still held as of the Reporting Date
Assets										
<i>Asset Management and Strategic Holdings</i>										
Private Equity	\$ 25,336,957	\$ —	\$ —	\$ —	2,896,563	\$ 372,701	\$ —	\$ 28,606,221	\$ 437,195	\$ —
Credit	5,786,026	—	17,628	(23,758)	(465,555)	58,541	—	5,372,882	102,197	—
Real Assets	17,015,112	(126,889)	—	—	3,769,101	(349,745)	—	20,307,579	(346,687)	—
Equity Method - Other	1,624,420	—	—	(2,335)	8,500	64,585	—	1,695,170	69,192	—
Other Investments	3,334,366	—	22,777	(22,376)	435,107	(99,544)	—	3,670,330	(102,992)	—
Other Derivatives	—	—	—	—	2,153	(2,153)	—	—	—	—
Total Assets - Asset Management and Strategic Holdings	\$ 53,096,881	\$ (126,889)	\$ 40,405	\$ (48,469)	\$ 6,645,869	\$ 44,385	\$ —	\$ 59,652,182	\$ 158,905	\$ —
<i>Insurance</i>										
<i>AFS Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	\$ 8,310,657	\$ —	\$ 33,196	\$ —	(18,018)	\$ 38,261	\$ 28,464	\$ 8,392,560	\$ —	\$ 35,900
Structured Securities	1,419,441	—	275,347	(3,374)	184,854	3,095	43,381	1,922,744	—	45,225
Total AFS Fixed Maturity Securities	9,730,098	—	308,543	(3,374)	166,836	41,356	71,845	10,315,304	—	81,125
<i>Trading Fixed Maturity Securities:</i>										
Corporate Fixed Maturity Securities	672,023	—	—	—	(24,784)	(10,475)	—	636,764	(10,009)	—
Structured Securities	643,811	—	11,971	(6,747)	12,994	(3,846)	—	658,183	(2,959)	—
Total Trading Fixed Maturity Securities	1,315,834	—	11,971	(6,747)	(11,790)	(14,321)	—	1,294,947	(12,968)	—
Equity Securities	16,286	—	—	—	—	(591)	—	15,695	(591)	—
Mortgage and Other Loan Receivables	787,515	—	—	—	(26,866)	7,627	—	768,276	5,434	—
Other Investments	4,883,441	—	—	—	165,285	(32,299)	—	5,016,427	(33,644)	—
Funds Withheld Receivable at Interest	12,785	—	—	—	—	(16,618)	—	(3,833)	—	—
Reinsurance Recoverable	981,775	—	—	—	(10,590)	17,454	—	988,639	—	—
Total Assets - Insurance	\$ 17,727,734	\$ —	\$ 320,514	\$ (10,121)	\$ 282,875	\$ 2,608	\$ 71,845	\$ 18,395,455	\$ (41,769)	\$ 81,125
Total	\$ 70,824,615	\$ (126,889)	\$ 360,919	\$ (58,590)	\$ 6,928,744	\$ 46,993	\$ 71,845	\$ 78,047,637	\$ 117,136	\$ 81,125

	Three Months Ended June 30, 2024					Six Months Ended June 30, 2024				
	Purchases	Issuances	Sales	Settlements	Net Purchases/ Issuances/ Sales/ Settlements	Purchases	Issuances	Sales	Settlements	Net Purchases/ Issuances/ Sales/ Settlements
Assets										
<i>Asset Management and Strategic Holdings</i>										
Private Equity	\$ 334,251	\$ —	\$ (89,906)	\$ —	\$ 244,345	\$ 1,320,803	\$ —	\$ (334,996)	\$ —	\$ 985,807
Credit	191,317	—	(653,162)	(35)	(461,880)	513,350	—	(883,549)	(350,270)	(720,469)
Real Assets	498,183	—	(357,747)	—	140,436	881,650	—	(390,881)	—	490,769
Equity Method - Other	2	—	(682)	—	(680)	3,082	—	(3,139)	—	(57)
Other Investments	865,589	—	(496,725)	(167)	368,697	1,256,253	—	(945,346)	(64,770)	246,137
Total Assets - Asset Management and Strategic Holdings	\$ 1,889,342	\$ —	\$ (1,598,222)	\$ (202)	\$ 290,918	\$ 3,975,138	\$ —	\$ (2,557,911)	\$ (415,040)	\$ 1,002,187
<i>Insurance</i>										
AFS Fixed Maturity Securities:										
Corporate Fixed Maturity Securities	\$ 1,509,309	\$ —	\$ (500,359)	\$ (397,089)	\$ 611,861	\$ 2,172,185	\$ —	\$ (670,380)	\$ (1,434,534)	\$ 67,271
Structured Securities	251,493	—	(8,347)	(131,062)	112,084	342,538	—	(10,349)	(196,291)	135,898
Total AFS Fixed Maturity Securities	1,760,802	—	(508,706)	(528,151)	723,945	2,514,723	—	(680,729)	(1,630,825)	203,169
Trading Fixed Maturity Securities:										
Corporate Fixed Maturity Securities	706,947	—	(169,277)	(9,539)	528,131	767,965	—	(223,483)	(335,901)	208,581
Structured Securities	107,379	—	(197,955)	(9,818)	(100,394)	107,616	—	(204,425)	(27,808)	(124,617)
Total Trading Fixed Maturity Securities	814,326	—	(367,232)	(19,357)	427,737	875,581	—	(427,908)	(363,709)	83,964
Mortgage and Other Loan Receivables	—	—	—	(93,333)	(93,333)	1,795	—	—	(100,920)	(99,125)
Other Investments	2,732,497	—	(3,882)	—	2,728,615	2,787,447	—	(7,766)	—	2,779,681
Reinsurance Recoverable	—	—	—	5,319	5,319	—	—	—	(6,349)	(6,349)
Total Assets - Insurance	\$ 5,307,625	\$ —	\$ (879,820)	\$ (635,522)	\$ 3,792,283	\$ 6,179,546	\$ —	\$ (1,116,403)	\$ (2,101,803)	\$ 2,961,340
Total	\$ 7,196,967	\$ —	\$ (2,478,042)	\$ (635,724)	\$ 4,083,201	\$ 10,154,684	\$ —	\$ (3,674,314)	\$ (2,516,843)	\$ 3,963,527

	Three Months Ended June 30, 2023					Six Months Ended June 30, 2023				
	Purchases	Issuances	Sales	Settlements	Net Purchases/Issuances/Sales/Settlements	Purchases	Issuances	Sales	Settlements	Net Purchases/Issuances/Sales/Settlements
Assets										
<i>Asset Management and Strategic Holdings</i>										
Private Equity	\$ 1,966,888	\$ —	\$ (3,752)	\$ —	1,963,136	\$ 2,922,825	\$ —	\$ (26,262)	\$ —	2,896,563
Credit	296,290	—	(824,088)	(14,089)	(541,887)	737,023	—	(1,103,069)	(99,509)	(465,555)
Real Assets	1,965,000	—	(410,939)	—	1,554,061	4,256,691	—	(486,551)	(1,039)	3,769,101
Equity Method - Other	3,651	—	(795)	—	2,856	10,123	—	(1,623)	—	8,500
Other Investments	83,402	—	(123,520)	(36,027)	(76,145)	675,579	—	(139,536)	(100,936)	435,107
Other Derivatives	—	—	—	—	—	2,153	—	—	—	2,153
Total Assets - Asset Management and Strategic Holdings	\$ 4,315,231	\$ —	\$ (1,363,094)	\$ (50,116)	2,902,021	\$ 8,604,394	\$ —	\$ (1,757,041)	\$ (201,484)	6,645,869
<i>Insurance</i>										
AFS Fixed Maturity Securities:										
Corporate Fixed Maturity Securities	\$ 215,605	\$ —	\$ (5,080)	\$ (162,459)	48,066	\$ 450,987	\$ —	\$ (5,668)	\$ (463,337)	(18,018)
Structured Securities	88,308	—	—	(58,437)	29,871	265,127	—	—	(80,273)	184,854
Total AFS Fixed Maturity Securities	303,913	—	(5,080)	(220,896)	77,937	716,114	—	(5,668)	(543,610)	166,836
Trading Fixed Maturity Securities:										
Corporate Fixed Maturity Securities	7,146	—	—	(4,037)	3,109	14,863	—	(1,000)	(38,647)	(24,784)
Structured Securities	12,787	—	—	(13,810)	(1,023)	37,437	—	(694)	(23,749)	12,994
Total Trading Fixed Maturity Securities	19,933	—	—	(17,847)	2,086	52,300	—	(1,694)	(62,396)	(11,790)
Mortgage and Other Loan Receivables	257	—	—	(16,563)	(16,306)	634	—	(3,078)	(24,422)	(26,866)
Other Investments	59,240	—	(4,897)	—	54,343	177,634	—	(12,349)	—	165,285
Reinsurance Recoverable	—	—	—	64	64	—	—	—	(10,590)	(10,590)
Total Assets - Insurance	\$ 383,343	\$ —	\$ (9,977)	\$ (255,242)	118,124	\$ 946,682	\$ —	\$ (22,789)	\$ (641,018)	282,875
Total	\$ 4,698,574	\$ —	\$ (1,373,071)	\$ (305,358)	3,020,145	\$ 9,551,076	\$ —	\$ (1,779,830)	\$ (842,502)	6,928,744

Three Months Ended June 30, 2024

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Sales/Settlements/Issuances	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date
Liabilities									
<i>Asset Management and Strategic Holdings</i>									
Unfunded Revolver Commitments	\$ 95,004	\$ —	\$ —	\$ —	\$ —	\$ 3,323	\$ —	\$ 98,327	\$ 3,323
Total Liabilities - Asset Management and Strategic Holdings	\$ 95,004	\$ —	\$ —	\$ —	\$ —	\$ 3,323	\$ —	\$ 98,327	\$ 3,323
<i>Insurance</i>									
Policy Liabilities	\$ 1,337,563	\$ —	\$ —	\$ —	\$ 8,327	\$ (11,200)	\$ (14,192)	\$ 1,320,498	\$ —
Closed Block Policy Liabilities	1,005,627	—	—	—	5,780	(37,940)	(2,623)	970,844	—
Funds Withheld Payable at Interest	(2,542,744)	—	—	—	—	(357,732)	—	(2,900,476)	—
Embedded Derivative - Interest-sensitive Life Products	486,199	—	—	—	(22,427)	31,570	—	495,342	—
Embedded Derivative - Annuity Products	4,051,405	—	—	—	335,210	91,489	—	4,478,104	—
Total Liabilities - Insurance	\$ 4,338,050	\$ —	\$ —	\$ —	\$ 326,890	\$ (283,813)	\$ (16,815)	\$ 4,364,312	\$ —
Total	\$ 4,433,054	\$ —	\$ —	\$ —	\$ 326,890	\$ (280,490)	\$ (16,815)	\$ 4,462,639	\$ 3,323

Six Months Ended June 30, 2024

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Sales/Settlements/Issuances	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date
Liabilities									
<i>Asset Management and Strategic Holdings</i>									
Unfunded Revolver Commitments	\$ 94,683	\$ —	\$ —	\$ —	\$ —	\$ 3,644	\$ —	\$ 98,327	\$ 3,644
Total Liabilities - Asset Management and Strategic Holdings	\$ 94,683	\$ —	\$ —	\$ —	\$ —	\$ 3,644	\$ —	\$ 98,327	\$ 3,644
<i>Insurance</i>									
Policy Liabilities	\$ 1,474,970	\$ —	\$ —	\$ —	\$ 8,278	\$ (153,726)	\$ (9,024)	\$ 1,320,498	\$ —
Closed Block Policy Liabilities	968,554	—	—	—	4,915	589	(3,214)	970,844	—
Funds Withheld Payable at Interest	(2,447,303)	—	—	—	—	(453,173)	—	(2,900,476)	—
Embedded Derivative - Interest-sensitive Life Products	458,302	—	—	—	(46,905)	83,945	—	495,342	—
Embedded Derivative - Annuity Products	3,587,371	—	—	—	594,669	296,064	—	4,478,104	—
Total Liabilities - Insurance	\$ 4,041,894	\$ —	\$ —	\$ —	\$ 560,957	\$ (226,301)	\$ (12,238)	\$ 4,364,312	\$ —
Total	\$ 4,136,577	\$ —	\$ —	\$ —	\$ 560,957	\$ (222,657)	\$ (12,238)	\$ 4,462,639	\$ 3,644

Three Months Ended June 30, 2023

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Sales/Settlements/Issuances	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date
Liabilities									
<i>Asset Management and Strategic Holdings</i>									
Unfunded Revolver Commitments	\$ 112,534	\$ —	\$ —	\$ —	\$ —	(2,428)	\$ —	110,106	(2,428)
Total Liabilities - Asset Management and Strategic Holdings	\$ 112,534	\$ —	\$ —	\$ —	\$ —	(2,428)	\$ —	110,106	(2,428)
<i>Insurance</i>									
Policy Liabilities	\$ 1,133,779	\$ —	\$ —	\$ —	(1,508)	(97,515)	146,612	1,181,368	—
Closed Block Policy Liabilities	1,046,458	—	—	—	(3,166)	(16,297)	(656)	1,026,339	—
Funds Withheld Payable at Interest	(3,057,531)	—	—	—	—	(32,842)	—	(3,090,373)	—
Embedded Derivative - Interest-sensitive Life Products	373,391	—	—	—	5,255	68,359	—	447,005	—
Embedded Derivative - Annuity Products	2,402,427	—	—	—	200,486	212,870	—	2,815,783	—
Total Liabilities - Insurance	\$ 1,898,524	\$ —	\$ —	\$ —	201,067	134,575	145,956	2,380,122	—
Total	\$ 2,011,058	\$ —	\$ —	\$ —	201,067	132,147	145,956	2,490,228	(2,428)

Six Months Ended June 30, 2023

	Balance, Beg. of Period	Transfers In / (Out) - Changes in Consolidation	Transfers In	Transfers Out	Net Purchases/Sales/Settlements/Issuances	Net Unrealized and Realized Gains (Losses)	Change in OCI	Balance, End of Period	Changes in Net Unrealized Gains (Losses) Included in Earnings related to Level III Assets and Liabilities still held as of the Reporting Date
Liabilities									
<i>Asset Management and Strategic Holdings</i>									
Unfunded Revolver Commitments	\$ 137,315	\$ —	\$ —	\$ —	\$ —	\$ (27,209)	\$ —	\$ 110,106	\$ (27,209)
Total Liabilities - Asset Management and Strategic Holdings	\$ 137,315	\$ —	\$ —	\$ —	\$ —	\$ (27,209)	\$ —	\$ 110,106	\$ (27,209)
<i>Insurance</i>									
Policy Liabilities	\$ 1,063,496	\$ —	\$ —	\$ —	\$ (2,373)	\$ 25,648	\$ 94,597	\$ 1,181,368	\$ —
Closed Block Policy Liabilities	1,016,313	—	—	—	(9,028)	20,961	(1,907)	1,026,339	—
Funds Withheld Payable at Interest	(3,487,766)	—	—	—	—	397,393	—	(3,090,373)	—
Embedded Derivative - Interest-sensitive Life Products	337,860	—	—	—	2,307	106,838	—	447,005	—
Embedded Derivative - Annuity Products	1,851,381	—	—	—	549,968	414,434	—	2,815,783	—
Total Liabilities - Insurance	\$ 781,284	\$ —	\$ —	\$ —	\$ 540,874	\$ 965,274	\$ 92,690	\$ 2,380,122	\$ —
Total	\$ 918,599	\$ —	\$ —	\$ —	\$ 540,874	\$ 938,065	\$ 92,690	\$ 2,490,228	\$ (27,209)

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Issuances	Settlements	Net Issuances/Settlements	Issuances	Settlements	Net Issuances/Settlements
Liabilities						
<i>Asset Management and Strategic Holdings</i>						
Unfunded Revolver Commitments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Liabilities - Asset Management and Strategic Holdings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Policy Liabilities	\$ 11,842	\$ (3,515)	\$ 8,327	\$ 15,249	\$ (6,971)	\$ 8,278
Closed Block Policy Liabilities	4,915	865	5,780	4,915	—	4,915
Embedded Derivative – Interest-sensitive Life Products	—	(22,427)	(22,427)	—	(46,905)	(46,905)
Embedded Derivative – Annuity Products	397,926	(62,716)	335,210	716,018	(121,349)	594,669
Total Liabilities - Insurance	\$ 414,683	\$ (87,793)	\$ 326,890	\$ 736,182	\$ (175,225)	\$ 560,957
Total	\$ 414,683	\$ (87,793)	\$ 326,890	\$ 736,182	\$ (175,225)	\$ 560,957

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2023		
	Issuances	Settlements	Net Issuances/Settlements	Issuances	Settlements	Net Issuances/Settlements
Liabilities						
<i>Asset Management and Strategic Holdings</i>						
Unfunded Revolver Commitments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Liabilities - Asset Management and Strategic Holdings	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Insurance</i>						
Policy Liabilities	\$ (48)	\$ (1,460)	\$ (1,508)	\$ (93)	\$ (2,280)	\$ (2,373)
Closed Block Policy Liabilities	—	(3,166)	(3,166)	—	(9,028)	(9,028)
Embedded Derivative – Interest-sensitive Life Products	—	5,255	5,255	—	2,307	2,307
Embedded Derivative – Annuity Products	223,713	(23,227)	200,486	592,611	(42,643)	549,968
Total Liabilities - Insurance	\$ 223,665	\$ (22,598)	\$ 201,067	\$ 592,518	\$ (51,644)	\$ 540,874
Total	\$ 223,665	\$ (22,598)	\$ 201,067	\$ 592,518	\$ (51,644)	\$ 540,874

Total realized and unrealized gains and losses recorded for Asset Management and Strategic Holdings - Level III assets and liabilities are reported in Net Gains (Losses) from Investment Activities in the accompanying consolidated statements of operations while Insurance - Level III assets and liabilities are reported in Net Investment Gains and Policy Benefits and Claims in the accompanying consolidated statements of operations.

The following table presents additional information about valuation methodologies and significant unobservable inputs used for financial assets and liabilities that are measured and reported at fair value and categorized within Level III as of June 30, 2024. Because input information includes only those items for which information is reasonably available, balances shown below may not equal total amounts reported for such Level III assets and liabilities:

Level III Assets	Fair Value June 30, 2024	Valuation Methodologies & Inputs	Unobservable Input(s) ⁽¹⁾	Weighted Average ⁽²⁾	Range	Impact to Valuation from an Increase in Input ⁽³⁾	
ASSET MANAGEMENT AND STRATEGIC HOLDINGS							
Private Equity	\$ 32,816,612						
<i>Private Equity</i>	\$ 29,868,786	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	6.3%	5.0% - 15.0%	Decrease	
			Weight Ascribed to Market Comparables	28.4%	0.0% - 100.0%	(4)	
			Weight Ascribed to Discounted Cash Flow	68.0%	0.0% - 100.0%	(5)	
			Weight Ascribed to Transaction Price	3.6%	0.0% - 100.0%	(6)	
			Market comparables	Enterprise Value/LTM EBITDA Multiple	17.3x	6.1x - 25.0x	Increase
				Enterprise Value/Forward EBITDA Multiple	16.4x	4.8x - 29.1x	Increase
		Discounted cash flow	Weighted Average Cost of Capital	10.0%	6.2% - 15.0%	Decrease	
			Enterprise Value/EBITDA Exit Multiple	14.6x	6.0x - 27.6x	Increase	

Level III Assets	Fair Value June 30, 2024	Valuation Methodologies & Inputs	Unobservable Input(s) ⁽¹⁾	Weighted Average ⁽²⁾	Range	Impact to Valuation from an Increase in Input ⁽³⁾	
Growth Equity	\$ 2,947,826	Inputs to market comparables, discounted cash flow and milestones	Illiquidity Discount	10.1%	10.0% - 15.0%	Decrease	
			Weight Ascribed to Market Comparables	44.8%	0.0% - 100.0%	(4)	
			Weight Ascribed to Discounted Cash Flow	2.8%	0.0% - 50.0%	(5)	
			Weight Ascribed to Transaction Price	11.8%	0.0% - 100.0%	(6)	
			Weight Ascribed to Milestones	40.6%	0.0% - 100.0%	(6)	
			Scenario Weighting	Base	70.6%	60.0% - 85.0%	Increase
				Downside	8.7%	5.0% - 15.0%	Decrease
				Upside	20.7%	10.0% - 35.0%	Increase
			Market Comparables	Enterprise Value/Revenues Multiple	9.1x	3.2x - 24.4x	Increase
Credit	\$ 4,817,048	Yield Analysis	Yield	11.1%	5.2% - 20.1%	Decrease	
			Net Leverage	6.1x	1.5x - 14.5x	Decrease	
			EBITDA Multiple	12.7x	6.5x - 30.0x	Increase	
Real Assets	\$ 12,782,172						
Energy	\$ 1,582,089	Inputs to market comparables, discounted cash flow and transaction price	Weight Ascribed to Market Comparables	44.6%	0.0% - 50.0%	(4)	
			Weight Ascribed to Discounted Cash Flow	55.4%	50.0% - 100.0%	(5)	
			Market comparables	Enterprise Value/LTM EBITDA Multiple	4.9x	4.9x - 4.9x	Increase
				Enterprise Value/Forward EBITDA Multiple	6.0x	4.4x - 6.5x	Increase
				Discounted cash flow	Weighted Average Cost of Capital	12.2%	12.0% - 12.2%
Average Price Per BOE (8)	\$47.62	\$45.03 - \$52.12	Increase				
Infrastructure	\$ 1,576,257	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	6.5%	5.0% - 10.0%	Decrease	
			Weight Ascribed to Market Comparables	6.2%	0.0% - 25.0%	(4)	
			Weight Ascribed to Discounted Cash Flow	52.7%	0.0% - 100.0%	(5)	
			Weight Ascribed to Transaction Price	41.1%	0.0% - 100.0%	(6)	
			Market comparables	Enterprise Value/LTM EBITDA Multiple	10.9x	10.9x - 10.9x	Increase
				Enterprise Value/Forward EBITDA Multiple	18.3x	10.4x - 21.7x	Increase
				Discounted cash flow	Weighted Average Cost of Capital	7.2%	5.8% - 9.5%
			Enterprise Value/EBITDA Exit Multiple		15.7x	10.0x - 22.0x	Increase
Real Estate	\$ 9,623,826	Inputs to direct income capitalization, discounted cash flow and transaction price	Weight Ascribed to Direct Income Capitalization	11.9%	0.0% - 100.0%	(7)	
			Weight Ascribed to Discounted Cash Flow	80.7%	0.0% - 100.0%	(5)	
			Weight Ascribed to Transaction Price	7.4%	0.0% - 100.0%	(6)	
			Direct income capitalization	Current Capitalization Rate	5.3%	1.8% - 7.6%	Decrease
			Discounted cash flow	Exit Capitalization Rate	5.6%	3.1% - 8.9%	Decrease
				Unlevered Discount Rate	7.3%	2.8% - 18.0%	Decrease
Equity Method - Other	\$ 1,506,572	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	7.1%	5.0% - 10.0%	Decrease	
			Weight Ascribed to Market Comparables	53.2%	0.0% - 100.0%	(4)	
			Weight Ascribed to Discounted Cash Flow	41.4%	0.0% - 50.0%	(5)	
			Weight Ascribed to Transaction Price	5.4%	0.0% - 100.0%	(6)	
			Market comparables	Enterprise Value/LTM EBITDA Multiple	12.3x	4.9x - 19.6x	Increase
				Enterprise Value/Forward EBITDA Multiple	11.0x	4.4x - 16.0x	Increase
				Discounted cash flow	Weighted Average Cost of Capital	11.0%	7.3% - 17.5%
			Enterprise Value/EBITDA Exit Multiple		11.0x	9.5x - 15.0x	Increase
			Other Investments		\$ 4,519,889 ⁽⁹⁾	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount
Weight Ascribed to Market Comparables	19.9%	0.0% - 100.0%		(4)			
Weight Ascribed to Discounted Cash Flow	47.2%	0.0% - 100.0%		(5)			
Weight Ascribed to Transaction Price	32.9%	0.0% - 100.0%		(6)			
Market comparables	Enterprise Value/LTM EBITDA Multiple	8.4x		0.6x - 15.3x			Increase
	Enterprise Value/Forward EBITDA Multiple	11.9x		4.0x - 19.1x			Increase
	Discounted cash flow	Weighted Average Cost of Capital		10.6%			5.0% - 41.9%
Enterprise Value/EBITDA Exit Multiple		10.8x		7.3x - 15.0x			Increase

Level III Assets	Fair Value June 30, 2024	Valuation Methodologies & Inputs	Unobservable Input(s) ⁽¹⁾	Weighted Average ⁽²⁾	Range	Impact to Valuation from an Increase in Input ⁽³⁾
INSURANCE⁽¹⁰⁾						
Corporate Fixed Maturity Securities	\$ 9,595,483	Discounted cash flow	Discount Spread	2.4%	0.2% - 4.5%	Decrease
Structured Securities	\$ 2,702,090	Discounted cash flow	Discount Spread	2.9%	1.4% - 5.2%	Decrease
			Constant Prepayment Rate	12.0%	10.0% - 15.0%	Increase/Decrease
			Constant Default Rate	0.4%	0.0% - 3.0%	Decrease
			Loss Severity	10.3%	0.0% - 95.0%	Decrease
Other Investments	\$ 7,549,543	Discounted cash flow	Vacancy Rate	2.1%	0.0% - 2.5%	Decrease
			Discount Rate	7.6%	6.8% - 8.2%	Decrease
			Terminal Capitalization Rate	5.9%	5.0% - 7.2%	Decrease
Reinsurance Recoverable	\$ 926,695	Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities.	Expense Assumption	\$17.4	The average expense assumption is between \$8.2 and \$78.0 per policy, increased by inflation. The annual inflation rate was increased by 2.5%.	Increase
		Unobservable inputs are a market participant's view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities.	Expense Risk Margin	9.4%		Decrease
			Cost of Capital	9.8%	3.7% - 13.9%	Increase
		Discounted cash flow	Mortality Rate	5.6%		Increase
			Surrender Rate	2.0%		Increase

- (1) In determining certain of these inputs, management evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. KKR has determined that market participants would take these inputs into account when valuing the investments and debt obligations. "LTM" means last twelve months, and "EBITDA" means earnings before interest, taxes, depreciation and amortization.
- (2) Inputs were weighted based on the fair value of the investments included in the range.
- (3) Unless otherwise noted, this column represents the directional change in the fair value of the Level III investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.
- (4) The directional change from an increase in the weight ascribed to the market comparables approach would increase the fair value of the Level III investments if the market comparables approach results in a higher valuation than the discounted cash flow approach and transaction price. The opposite would be true if the market comparables approach results in a lower valuation than the discounted cash flow approach and transaction price.
- (5) The directional change from an increase in the weight ascribed to the discounted cash flow approach would increase the fair value of the Level III investments if the discounted cash flow approach results in a higher valuation than the market comparables approach, transaction price and direct income capitalization approach. The opposite would be true if the discounted cash flow approach results in a lower valuation than the market comparables approach, transaction price and direct income capitalization approach.
- (6) The directional change from an increase in the weight ascribed to the transaction price or milestones would increase the fair value of the Level III investments if the transaction price or milestones results in a higher valuation than the market comparables and discounted cash flow approach. The opposite would be true if the transaction price or milestones results in a lower valuation than the market comparables approach and discounted cash flow approach.
- (7) The directional change from an increase in the weight ascribed to the direct income capitalization approach would increase the fair value of the Level III investments if the direct income capitalization approach results in a higher valuation than the discounted cash flow approach. The opposite would be true if the direct income capitalization approach results in a lower valuation than the discounted cash flow approach.

- (8) The total energy fair value amount includes multiple investments (in multiple locations throughout North America) that are held in different investment funds and produce varying quantities of oil, condensate, natural gas liquids, and natural gas. Commodity price may be measured using a common volumetric equivalent where one barrel of oil equivalent ("BOE") is determined using the ratio of six thousand cubic feet of natural gas to one barrel of oil, condensate or natural gas liquids. The price per BOE is provided to show the aggregate of all price inputs for the various investments over a common volumetric equivalent although the valuations for specific investments may use price inputs specific to the asset for purposes of our valuations. The discounted cash flows include forecasted production of liquids (oil, condensate, and natural gas liquids) and natural gas with a forecasted revenue ratio of approximately 87% liquids and 13% natural gas.
- (9) Consists primarily of investments in common stock, preferred stock, warrants and options of companies that are not private equity, real assets, credit, equity method - other or investments of consolidated CFEs.
- (10) The funds withheld receivable at interest has been excluded from the above table. As discussed in Note 12 – Reinsurance, the funds withheld receivable at interest is created through funds withheld contracts. The assets supporting these receivables were held in trusts for the benefit of Global Atlantic. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the invested assets supporting the funds withheld reinsurance agreements.

Level III Liabilities	Fair Value June 30, 2024	Valuation Methodologies	Unobservable Input(s) ⁽¹⁾	Weighted Average ⁽²⁾	Range	Impact to Valuation from an Increase in Input ⁽³⁾
ASSET MANAGEMENT AND STRATEGIC HOLDINGS						
Unfunded Revolver Commitments	\$ 98,327	Yield Analysis	Yield	9.6%	8.9% - 10.3%	Decrease
INSURANCE⁽⁴⁾						
Policy Liabilities	\$ 1,320,498	<i>Policy liabilities under fair value option:</i>				
		Present value of best estimate liability cash flows. Unobservable inputs include a market participant view of the risk margin included in the discount rate which reflects the variability of the cash flows.	Risk Margin Rate	0.8%	0.6% - 0.9%	Decrease
		Policyholder behavior is also a significant unobservable input, including lapse, surrender and mortality.	Surrender Rate	6.3%	3.3% - 7.6%	Decrease
			Mortality Rate	4.8%	3.5% - 8.8%	Increase
		<i>Market risk benefit:</i>				
		Fair value using a non-option and option valuation approach	Instrument-specific Credit Risk (10 and 30 Year)		0.8% / 0.9%	Decrease
		Policyholder behavior is also a significant unobservable input, including lapse, surrender, and mortality.	Mortality Rate	2.4%	0.4% - 30.0%	Decrease
			Surrender Rate	3.9%	0.1% - 39.5%	Decrease

Level III Liabilities	Fair Value June 30, 2024	Valuation Methodologies	Unobservable Input(s) ⁽¹⁾	Weighted Average ⁽²⁾	Range	Impact to Valuation from an Increase in Input ⁽³⁾		
Closed Block Policy Liabilities	\$ 970,844	Present value of expenses paid from the open block plus the cost of capital held in support of the liabilities.	Expense Assumption	\$17.4	The average expense assumption is between \$8.2 and \$78.0 per policy, increased by inflation. The annual inflation rate was increased by 2.5%.	Increase		
			Unobservable inputs are a market participant's view of the expenses, a risk margin on the uncertainty of the level of expenses and a cost of capital on the capital held in support of the liabilities.	Instrument-specific Credit Risk		0.8%	0.6% - 0.9%	Decrease
				Expense Risk Margin		9.4%		Decrease
				Discounted cash flow		Cost of Capital	9.8%	3.7% - 13.9%
			Mortality Rate			5.6%		Increase
			Surrender Rate			2.0%		Increase
Embedded Derivative – Interest-Sensitive Life Products	\$ 495,342	Policy persistency is a significant unobservable input.	Lapse Rate	3.3%		Decrease		
			Future costs for options used to hedge the contract obligations	Mortality Rate	0.8%		Decrease	
				Option Budget Assumption	3.8%		Increase	
				Instrument-specific Credit Risk	0.8%	0.6% - 0.9%	Decrease	
Embedded Derivative – Annuity Products	\$ 4,478,104	Policyholder behavior is a significant unobservable input, including utilization and lapse.	Utilization:					
			Fixed-Indexed Annuity	3.0%		Decrease		
			Surrender Rate:					
			Retail FIA	13.7%		Decrease		
			Institutional FIA	16.0%		Decrease		
			Mortality Rate:					
			Retail FIA	2.5%		Decrease		
			Institutional FIA	2.0%		Decrease		
			Future costs for options used to hedge the contract obligations	Option Budget Assumption:				
				Retail FIA	2.9%		Increase	
				Institutional FIA	3.5%		Increase	
Instrument-specific Credit Risk	0.8%	0.6% - 0.9%		Decrease				

- (1) In determining certain of these inputs, management evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. KKR has determined that market participants would likely take these inputs into account when valuing the investments and debt obligations. "LTM" means last twelve months, and "EBITDA" means earnings before interest, taxes, depreciation and amortization.
- (2) Inputs were weighted based on the fair value of the investments included in the range.
- (3) Unless otherwise noted, this column represents the directional change in the fair value of the Level III investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.
- (4) The fair value of the embedded derivative component of the funds withheld payable at interest has been excluded from the above table. The investments supporting the funds withheld payable at interest balance are held in a trust by Global Atlantic. Accordingly, the unobservable inputs utilized in the valuation of the embedded derivative are a component of the investments supporting the reinsurance cession agreements.

In the table above, certain private equity investments may be valued at cost for a period of time after an acquisition as the best indicator of fair value. In addition, certain valuations of private equity investments may be entirely or partially derived by reference to observable valuation measures for a pending or consummated transaction.

The various unobservable inputs used to determine the Level III valuations may have similar or diverging impacts on valuation. Significant increases and decreases in these inputs in isolation and interrelationships between those inputs could result in significantly higher or lower fair value measurements as noted in the table above.

Financial Instruments Not Carried At Fair Value

Asset management and strategic holdings financial instruments are primarily measured at fair value on a recurring basis, except as disclosed in Note 16 "Debt Obligations."

The following tables present carrying amounts and fair values of Global Atlantic's financial instruments which are not carried at fair value as of June 30, 2024 and December 31, 2023:

As of June 30, 2024	Carrying Value	Fair Value Hierarchy			Fair Value
		Level I	Level II	Level III	
<i>(\$ in thousands)</i>					
Financial Assets:					
<i>Insurance</i>					
Mortgage and Other Loan Receivables	\$ 46,216,912	\$ —	\$ —	\$ 43,624,641	\$ 43,624,641
Policy Loans	1,609,396	—	—	1,616,942	1,616,942
FHLB Common Stock and Other Investments	175,188	—	—	175,188	175,188
Funds Withheld Receivables at Interest	2,507,648	—	2,507,648	—	2,507,648
Cash and Cash Equivalents	7,710,857	7,710,857	—	—	7,710,857
Restricted Cash and Cash Equivalents	360,705	360,705	—	—	360,705
Total Financial Assets	\$ 58,580,706	\$ 8,071,562	\$ 2,507,648	\$ 45,416,771	\$ 55,995,981
Financial Liabilities:					
<i>Insurance</i>					
Policy Liabilities – Policyholder Account Balances	\$ 57,245,938	\$ —	\$ 49,181,507	\$ 7,048,265	\$ 56,229,772
Funds Withheld Payables at Interest	46,844,310	—	46,844,310	—	46,844,310
Debt Obligations	3,698,209	—	—	3,560,359	3,560,359
Securities Sold Under Agreements to Repurchase	566,169	—	566,169	—	566,169
Total Financial Liabilities	\$ 108,354,626	\$ —	\$ 96,591,986	\$ 10,608,624	\$ 107,200,610

As of December 31, 2023	Carrying Value	Fair Value Hierarchy			Fair Value
		Level I	Level II	Level III	
<i>(\$ in thousands)</i>					
Financial Assets:					
<i>Insurance</i>					
Mortgage and Other Loan Receivables	\$ 38,480,525	\$ —	\$ —	\$ 35,539,059	\$ 35,539,059
Policy Loans	1,556,030	—	—	1,341,005	1,341,005
FHLB Common Stock and Other Investments	173,148	—	—	173,148	173,148
Funds Withheld Receivables at Interest	2,624,984	—	2,624,984	—	2,624,984
Cash and Cash Equivalents	11,954,675	11,954,675	—	—	11,954,675
Restricted Cash and Cash Equivalents	342,954	342,954	—	—	342,954
Total Financial Assets	\$ 55,132,316	\$ 12,297,629	\$ 2,624,984	\$ 37,053,212	\$ 51,975,825
Financial Liabilities:					
<i>Insurance</i>					
Policy Liabilities – Policyholder Account Balances	\$ 53,821,432	\$ —	\$ 45,395,423	\$ 6,966,991	\$ 52,362,414
Funds Withheld Payables at Interest	36,786,825	—	36,786,825	—	36,786,825
Debt Obligations	2,587,857	—	—	2,396,587	2,396,587
Securities Sold Under Agreements to Repurchase	1,358,434	—	1,358,434	—	1,358,434
Total Financial Liabilities	\$ 94,554,548	\$ —	\$ 83,540,682	\$ 9,363,578	\$ 92,904,260

10. FAIR VALUE OPTION

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

	June 30, 2024	December 31, 2023
Assets		
<i>Asset Management and Strategic Holdings</i>		
Credit	\$ 993,967	\$ 976,978
Investments of Consolidated CFEs	24,890,663	24,996,298
Real Assets	57,869	59,721
Equity Method - Other	2,314,065	2,283,588
Other Investments	134,150	153,597
Total Asset Management and Strategic Holdings	\$ 28,390,714	\$ 28,470,182
<i>Insurance</i>		
Mortgage and Other Loan Receivables	\$ 603,200	\$ 697,402
Other Investments	519,137	232,877
Reinsurance Recoverable	926,695	926,035
Total Insurance	\$ 2,049,032	\$ 1,856,314
Total Assets	\$ 30,439,746	\$ 30,326,496
Liabilities		
<i>Asset Management and Strategic Holdings</i>		
Debt Obligations of Consolidated CFEs	\$ 25,253,120	\$ 25,276,404
Total Asset Management and Strategic Holdings	\$ 25,253,120	\$ 25,276,404
<i>Insurance</i>		
Policy Liabilities	\$ 1,271,580	\$ 1,322,555
Total Insurance	\$ 1,271,580	\$ 1,322,555
Total Liabilities	\$ 26,524,700	\$ 26,598,959

The following table presents the net realized and unrealized gains (losses) on financial instruments for which the fair value option was elected:

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Assets						
<i>Asset Management and Strategic Holdings</i>						
Credit	\$ 6,933	\$ (16,822)	\$ (9,889)	\$ (52,593)	\$ 63,266	\$ 10,673
Investments of Consolidated CFEs	(1,715)	(89,021)	(90,736)	(44,865)	251,101	206,236
Real Assets	—	(741)	(741)	51,637	(48,294)	3,343
Equity Method - Other	7,062	(106,160)	(99,098)	14,061	59,443	73,504
Other Investments	(118)	986	868	(75)	(4,239)	(4,314)
Total Asset Management and Strategic Holdings	\$ 12,162	\$ (211,758)	\$ (199,596)	\$ (31,835)	\$ 321,277	\$ 289,442
<i>Insurance</i>						
Mortgage and Other Loan Receivables	\$ —	\$ 12,837	\$ 12,837	\$ —	\$ 12,540	\$ 12,540
Other Investments	—	(13,322)	(13,322)	—	(8,649)	(8,649)
Total Insurance	\$ —	\$ (485)	\$ (485)	\$ —	\$ 3,891	\$ 3,891
Total Assets	\$ 12,162	\$ (212,243)	\$ (200,081)	\$ (31,835)	\$ 325,168	\$ 293,333
Liabilities						
<i>Asset Management and Strategic Holdings</i>						
Debt Obligations of Consolidated CFEs	\$ (3,356)	\$ 89,187	\$ 85,831	\$ —	\$ (258,665)	\$ (258,665)
Total Asset Management and Strategic Holdings	\$ (3,356)	\$ 89,187	\$ 85,831	\$ —	\$ (258,665)	\$ (258,665)
<i>Insurance</i>						
Policy Liabilities	\$ —	\$ 16,597	\$ 16,597	\$ —	\$ (1,265)	\$ (1,265)
Total Insurance	\$ —	\$ 16,597	\$ 16,597	\$ —	\$ (1,265)	\$ (1,265)
Total Liabilities	\$ (3,356)	\$ 105,784	\$ 102,428	\$ —	\$ (259,930)	\$ (259,930)

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Assets						
<i>Asset Management and Strategic Holdings</i>						
Credit	\$ (540)	\$ (1,966)	\$ (2,506)	\$ (60,346)	\$ 56,295	\$ (4,051)
Investments of Consolidated CFEs	3,290	7,952	11,242	(49,882)	568,982	519,100
Real Assets	—	(1,852)	(1,852)	51,637	(56,597)	(4,960)
Equity Method - Other	22,507	(174,403)	(151,896)	47,367	(16,300)	31,067
Other Investments	(118)	863	745	1,561	(1,761)	(200)
Total Asset Management and Strategic Holdings	\$ 25,139	\$ (169,406)	\$ (144,267)	\$ (9,663)	\$ 550,619	\$ 540,956
<i>Insurance</i>						
Mortgage and Other Loan Receivables	\$ —	\$ 8,449	\$ 8,449	\$ —	\$ 6,196	\$ 6,196
Other Investments	—	(53,001)	(53,001)	—	(55,641)	(55,641)
Total Insurance	\$ —	\$ (44,552)	\$ (44,552)	\$ —	\$ (49,445)	\$ (49,445)
Total Assets	\$ 25,139	\$ (213,958)	\$ (188,819)	\$ (9,663)	\$ 501,174	\$ 491,511
Liabilities						
<i>Asset Management and Strategic Holdings</i>						
Debt Obligations of Consolidated CFEs	\$ (3,524)	\$ 10,291	\$ 6,767	\$ —	\$ (635,153)	\$ (635,153)
Total Asset Management and Strategic Holdings	\$ (3,524)	\$ 10,291	\$ 6,767	\$ —	\$ (635,153)	\$ (635,153)
<i>Insurance</i>						
Policy Liabilities	\$ —	\$ 57,698	\$ 57,698	\$ —	\$ (671)	\$ (671)
Total Insurance	\$ —	\$ 57,698	\$ 57,698	\$ —	\$ (671)	\$ (671)
Total Liabilities	\$ (3,524)	\$ 67,989	\$ 64,465	\$ —	\$ (635,824)	\$ (635,824)

11. INSURANCE INTANGIBLES, UNEARNED REVENUE RESERVES AND UNEARNED FRONT-END LOADS

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

	June 30, 2024	December 31, 2023
Deferred Acquisition Costs	\$ 1,376,170	\$ 1,154,697
Value of Business Acquired	1,209,232	1,252,984
Cost-of-reinsurance Intangibles	2,319,281	2,043,143
Total Insurance Intangibles	\$ 4,904,683	\$ 4,450,824

Deferred acquisition costs

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

	Six Months Ended June 30, 2024					Total
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Other	Total	
Balance, as of the Beginning of the Period	\$ 373,863	\$ 481,970	\$ 132,079	\$ 166,785	\$ 1,154,697	
Capitalizations	131,448	158,733	4,510	32,484	327,175	
Amortization Expense	(50,770)	(41,817)	(4,388)	(8,727)	(105,702)	
Balance, as of the End of the Period	\$ 454,541	\$ 598,886	\$ 132,201	\$ 190,542	\$ 1,376,170	

	Six Months Ended June 30, 2023					Total
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Other	Total	
Balance, as of the Beginning of the Period	\$ 221,679	\$ 367,813	\$ 116,021	\$ 115,457	\$ 820,970	
Capitalizations	79,572	88,945	16,396	34,544	219,457	
Amortization Expense	(29,119)	(27,531)	(3,270)	(7,036)	(66,956)	
Balance, as of the End of the Period	\$ 272,132	\$ 429,227	\$ 129,147	\$ 142,965	\$ 973,471	

Value of business acquired

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

	Six Months Ended June 30, 2024						Total
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Variable Annuities	Other	Total	
Balance, as of the Beginning of the Period	\$ 44,922	\$ 621,372	\$ 262,942	\$ 245,042	\$ 78,706	\$ 1,252,984	
Amortization Expense	(1,868)	(21,302)	(6,863)	(10,333)	(3,386)	(43,752)	
Balance, as of the End of the Period	\$ 43,054	\$ 600,070	\$ 256,079	\$ 234,709	\$ 75,320	\$ 1,209,232	

	Six Months Ended June 30, 2023						Total
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Variable Annuities	Other	Total	
Balance, as of the Beginning of the Period	\$ 48,762	\$ 663,296	\$ 276,795	\$ 241,778	\$ 85,898	\$ 1,316,529	
Amortization Expense	(1,937)	(20,595)	(6,785)	(12,649)	(3,669)	(45,635)	
Balance, as of the End of the Period	\$ 46,825	\$ 642,701	\$ 270,010	\$ 229,129	\$ 82,229	\$ 1,270,894	

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

	Six Months Ended June 30, 2024					
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Variable Annuities	Other	Total
Balance, as of the Beginning of the Period	\$ 65,966	\$ 106,538	\$ 421,213	\$ 91,295	\$ 182,920	\$ 867,932
Amortization Expense	(12,567)	(17,252)	(13,909)	(3,100)	(6,755)	(53,583)
Balance, as of the End of the Period	\$ 53,399	\$ 89,286	\$ 407,304	\$ 88,195	\$ 176,165	\$ 814,349

	Six Months Ended June 30, 2023					
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Variable Annuities	Other	Total
Balance, as of the Beginning of the Period	\$ 98,342	\$ 145,610	\$ 461,592	\$ 99,776	\$ 198,804	\$ 1,004,124
Amortization Expense	(16,799)	(19,828)	(17,857)	(4,801)	(8,909)	(68,194)
Balance, as of the End of the Period	\$ 81,543	\$ 125,782	\$ 443,735	\$ 94,975	\$ 189,895	\$ 935,930

Unearned revenue reserves and unearned front-end loads

	Six Months Ended June 30,	
	2024	2023
	Preneed	
Balance, as of the Beginning of the Period	\$ 178,053	\$ 118,186
Deferral	34,544	36,360
Amortized to Income during the Period	(7,735)	(5,341)
Balance, as of the End of the Period	\$ 204,862	\$ 149,205

12. REINSURANCE

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

The effects of all reinsurance agreements on the consolidated statements of financial condition were as follows:

	June 30, 2024	December 31, 2023
Policy Liabilities:		
Direct	\$ 79,691,450	\$ 75,715,857
Assumed	98,141,160	84,342,414
Total Policy Liabilities	177,832,610	160,058,271
Ceded ⁽¹⁾	(45,282,565)	(35,773,958)
Net Policy Liabilities	\$ 132,550,045	\$ 124,284,313

(1) Reported within reinsurance recoverable within the consolidated statements of financial condition.

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

A.M. Best Rating ⁽¹⁾	As of June 30, 2024			As of December 31, 2023		
	Reinsurance Recoverable and Funds Withheld Receivable at Interest	Credit Enhancements ⁽²⁾	Net Reinsurance Credit Exposure ⁽³⁾	Reinsurance Recoverable and Funds Withheld Receivable at Interest	Credit Enhancements ⁽²⁾	Net Reinsurance Credit Exposure ⁽³⁾
A++	\$ 31,937	\$ —	\$ 31,937	\$ 38,857	\$ —	\$ 38,857
A+	1,711,803	—	1,711,803	1,801,954	—	1,801,954
A	2,218,665	—	2,218,665	2,212,800	—	2,212,800
A-	4,114,137	3,621,593	492,544	4,430,484	3,814,976	615,508
B++	896	—	896	589	—	589
B+	—	—	—	—	—	—
B	—	—	—	—	—	—
B-	—	—	—	—	—	—
C++/C+	(230)	—	—	(228)	—	—
Not Rated or Private Rating ⁽⁴⁾	40,018,704	40,322,241	—	30,859,068	30,210,350	648,718
Total	\$ 48,095,912	\$ 43,943,834	\$ 4,455,845	\$ 39,343,524	\$ 34,025,326	\$ 5,318,426

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

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

(3) Includes credit loss allowance of \$24.2 million and \$21.0 million as of June 30, 2024 and December 31, 2023, respectively, held against reinsurance recoverable and funds withheld receivable at interest.

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Premiums:				
Direct	\$ 130,510	\$ 33,255	\$ 165,373	\$ 65,908
Assumed	1,622,987	1,135,174	10,732,365	1,753,904
Ceded	(817,703)	(542,000)	(3,925,422)	(719,759)
Net Premiums	\$ 935,794	\$ 626,429	\$ 6,972,316	\$ 1,100,053

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Policy Fees:				
Direct	\$ 229,526	\$ 229,043	\$ 455,848	\$ 456,900
Assumed	264,553	105,673	438,971	210,262
Ceded	(160,179)	(19,334)	(231,972)	(37,978)
Net Policy Fees	\$ 333,900	\$ 315,382	\$ 662,847	\$ 629,184

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Policy Benefits and Claims:				
Direct	\$ 951,940	\$ 785,168	\$ 1,796,600	\$ 1,733,287
Assumed	2,481,881	1,583,542	12,381,880	2,600,478
Ceded	(1,234,661)	(632,696)	(4,718,251)	(1,070,697)
Net Policy Benefits and Claims	\$ 2,199,160	\$ 1,736,014	\$ 9,460,229	\$ 3,263,068

Global Atlantic holds collateral for and provides collateral to its reinsurance clients. Global Atlantic held \$46.7 billion and \$36.7 billion of collateral in the form of funds withheld payable at interest on behalf of its reinsurers as of June 30, 2024 and December 31, 2023, respectively. As of both June 30, 2024 and December 31, 2023, reinsurers held collateral of \$1.2 billion on behalf of Global Atlantic. A significant portion of the collateral that Global Atlantic provides to its reinsurance clients is provided in the form of assets held in a trust for the benefit of the counterparty. As of June 30, 2024 and December 31, 2023, these trusts held in excess of the \$97.4 billion and \$81.8 billion of assets they are required to hold in order to support reserves of \$93.4 billion and \$79.4 billion, respectively. Of the cash held in trust, Global Atlantic classified \$164.4 million and \$90.8 million as restricted as of June 30, 2024 and December 31, 2023, respectively.

13. NET INCOME (LOSS) ATTRIBUTABLE TO KKR & CO. INC. PER SHARE OF COMMON STOCK

For the three and six months ended June 30, 2024 and 2023, basic and diluted Net Income (Loss) attributable to KKR & Co. Inc. per share of common stock were calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (Loss) Available to KKR & Co. Inc. Common Stockholders - Basic	\$ 667,926	\$ 844,463	\$ 1,350,140	\$ 1,167,207
(+) Series C Mandatory Convertible Preferred Dividend (if dilutive)	—	17,249	—	34,499
Net Income (Loss) Available to KKR & Co. Inc. Common Stockholders - Diluted	\$ 667,926	\$ 861,712	\$ 1,350,140	\$ 1,201,706

Basic Net Income (Loss) Per Share of Common Stock

Weighted Average Shares of Common Stock Outstanding - Basic	887,394,513	861,553,274	886,200,169	861,332,121
Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock - Basic	\$ 0.75	\$ 0.98	\$ 1.52	\$ 1.36

Diluted Net Income (Loss) Per Share of Common Stock

Weighted Average Shares of Common Stock Outstanding - Basic	887,394,513	861,553,274	886,200,169	861,332,121
Incremental Common Shares:				
Assumed vesting of dilutive equity awards ⁽¹⁾	44,651,873	23,699,808	42,393,608	24,877,562
Assumed conversion of Series C Mandatory Convertible Preferred Stock	—	26,894,799	—	26,858,884
Weighted Average Shares of Common Stock Outstanding - Diluted	932,046,386	912,147,881	928,593,777	913,068,567
Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock - Diluted	\$ 0.72	\$ 0.94	\$ 1.45	\$ 1.32

(1) For the three and six months ended June 30, 2024 and 2023, Weighted Average Shares of Common Stock Outstanding - Diluted includes unvested equity awards, including certain equity awards that have met their market price-based vesting condition but have not satisfied their service-based vesting condition. Vesting of these equity awards dilute equity holders of KKR Group Partnership, including KKR & Co. Inc. and holders of exchangeable securities pro rata in accordance with their respective ownership interests in KKR Group Partnership.

Exchangeable Securities

For the three and six months ended June 30, 2024 and 2023, vested restricted holdings units (as defined in Note 19 "Equity Based Compensation") have been excluded from the calculation of Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock - Diluted since the exchange of these units would not dilute KKR & Co. Inc.'s ownership interests in KKR Group Partnership. See Note 1 "Organization" in our financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted Average Vested Restricted Holdings Units	7,009,382	3,869,444	6,374,499	3,285,537

Market Condition Awards

For the three months ended June 30, 2024 and 2023, 26.4 million and 22.5 million, respectively, and for the six months ended June 30, 2024 and 2023, 29.7 million and 22.5 million, respectively, of unvested equity awards that are subject to market price based and service-based vesting conditions were excluded from the calculation of Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock - Diluted since the market price based vesting condition was not satisfied. See Note 19 "Equity Based Compensation" in our financial statements.

14. OTHER ASSETS AND ACCRUED EXPENSES AND OTHER LIABILITIES

Other Assets consist of the following:

	June 30, 2024	December 31, 2023
<i>Asset Management and Strategic Holdings</i>		
Unsettled Investment Sales ⁽¹⁾	\$ 474,740	\$ 271,544
Receivables	173,642	55,602
Due from Broker ⁽²⁾	70,140	76,075
Deferred Tax Assets, net	42,377	48,580
Interest Receivable	382,608	351,999
Fixed Assets, net ⁽³⁾	857,716	863,096
Foreign Exchange Contracts and Options ⁽⁴⁾	274,943	264,621
Goodwill ⁽⁵⁾	499,867	558,279
Intangible Assets ⁽⁶⁾	1,425,327	1,624,648
Derivative Assets	9,119	4,792
Prepaid Taxes	224,009	211,966
Prepaid Expenses	49,082	56,828
Operating Lease Right of Use Assets ⁽⁷⁾	329,512	358,684
Deferred Financing Costs	19,307	19,213
Other	247,872	209,296
Total Asset Management and Strategic Holdings	\$ 5,080,261	\$ 4,975,223
<i>Insurance</i>		
Unsettled Investment Sales ⁽¹⁾ and Derivative Collateral Receivables	\$ 23,910	\$ 27,562
Deferred Tax Assets, net	2,752,645	2,273,757
Derivative Assets	31,007	45,694
Accrued Investment Income	1,428,261	1,220,781
Goodwill	501,496	501,496
Intangible Assets and Deferred Sales Inducements ⁽⁸⁾	284,815	258,529
Operating Lease Right of Use Assets ⁽⁷⁾	169,145	172,955
Premiums and Other Account Receivables	239,391	188,136
Other	171,654	152,486
Prepaid Taxes	49,400	42,294
Market Risk Benefit Asset	182	17
Total Insurance	\$ 5,651,906	\$ 4,883,707
Total Other Assets	\$ 10,732,167	\$ 9,858,930

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

(2) Represents amounts held at clearing brokers resulting from securities transactions.

(3) Net of accumulated depreciation and amortization of \$292.4 million and \$257.4 million as of June 30, 2024 and December 31, 2023, respectively. Depreciation and amortization expense of \$17.9 million and \$16.6 million for the three months ended June 30, 2024 and 2023, respectively, and \$35.8 million and \$32.4 million, for the six months ended June 30, 2024 and 2023, respectively, are included in General, Administrative and Other in the accompanying consolidated statements of operations. Additionally, KKR's fixed assets are predominantly located in the United States.

(4) Represents derivative financial instruments used to manage foreign exchange risk arising from certain foreign currency denominated investments. Such instruments are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying consolidated statements of operations. See Note 4 "Net Gains (Losses) from Investment Activities - Asset Management and Strategic Holdings" in our financial statements for the net changes in fair value associated with these instruments.

(5) As of June 30, 2024, the carrying value of goodwill is recorded and assessed for impairment at the reporting unit. As of June 30, 2024, there are approximately \$(92.6) million of cumulative foreign currency translation adjustments included in AOCI related to the goodwill recorded as result of the acquisition of KJRM.

(6) As of June 30, 2024, there are approximately \$(315.7) million of cumulative foreign currency translation adjustments included in AOCI related to the intangible assets recorded as result of the acquisition of KJRM.

(7) For Asset Management, non-cancelable operating leases consist of leases for office space in North America, Europe, Asia and Australia. KKR is the lessee under the terms of the operating leases. The operating lease cost was \$16.7 million and \$17.7 million for the three months ended June 30, 2024 and 2023, respectively, and \$33.3 million and \$33.4 million for the six months ended June 30, 2024 and 2023, respectively. For Insurance, non-cancelable operating leases consist of leases for office space and land in the U.S. For the three months ended June 30, 2024 and 2023, the operating lease cost was \$6.3 million and \$6.8 million, respectively, and for the six months ended June 30, 2024 and 2023, the operating lease cost was \$9.9 million and \$13.6 million, respectively.

- (8) The definite life intangible assets are amortized using the straight-line method over the useful life of the assets which is an average of 14 years. The indefinite life intangible assets are not subject to amortization. The amortization expense of definite life intangible assets was \$4.4 million for both the three months ended June 30, 2024 and 2023 and \$8.8 million for both the six months ended June 30, 2024 and 2023.

Accrued Expenses and Other Liabilities consist of the following:

	June 30, 2024	December 31, 2023
<i>Asset Management and Strategic Holdings</i>		
Amounts Payable to Carry Pool ⁽¹⁾	\$ 3,988,966	\$ 2,664,694
Unsettled Investment Purchases ⁽²⁾	1,128,579	574,986
Securities Sold Short ⁽³⁾	134,297	149,136
Derivative Liabilities	70	2,382
Accrued Compensation and Benefits	276,304	210,625
Interest Payable	496,491	492,501
Foreign Exchange Contracts and Options ⁽⁴⁾	226,240	441,608
Accounts Payable and Accrued Expenses	434,886	221,851
Taxes Payable	55,524	39,255
Uncertain Tax Positions	25,063	23,579
Unfunded Revolver Commitments	98,327	94,683
Operating Lease Liabilities ⁽⁵⁾	333,904	360,852
Deferred Tax Liabilities, net	2,568,268	2,370,118
Other Liabilities	102,099	72,145
Total Asset Management and Strategic Holdings	\$ 9,869,018	\$ 7,718,415
<i>Insurance</i>		
Unsettled Investment Purchases ⁽²⁾ and Derivative Collateral Liabilities	\$ 648,859	\$ 205,669
Securities Sold Under Agreements to Repurchase	566,169	1,358,434
Accrued Expenses	620,949	607,262
Insurance Operations Balances in Course of Settlement	278,095	250,367
Operating Lease Liabilities ⁽⁵⁾	190,359	193,566
Derivative Liabilities	304,162	146,197
Accrued Employee Related Expenses	67,179	370,984
Interest Payable	33,126	15,894
Tax Payable to Former Parent Company	48,386	62,545
Accounts and Commissions Payable	28,978	32,104
Other Tax Related Liabilities	13,990	12,984
Total Insurance	\$ 2,800,252	\$ 3,256,006
Total Accrued Expenses and Other Liabilities	\$ 12,669,270	\$ 10,974,421

- (1) Represents the amount of carried interest payable to current and former KKR employees arising from KKR's investment funds and co-investment vehicles that provide for carried interest.
- (2) Primarily includes amounts owed to third parties for investment purchases for which cash settlement has not occurred.
- (3) Represents the obligations of KKR to deliver a specified security at a future point in time. Such securities are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying consolidated statements of operations. See Note 4 "Net Gains (Losses) from Investment Activities - Asset Management and Strategic Holdings" in our financial statements for the net changes in fair value associated with these instruments.
- (4) Represents derivative financial instruments used to manage foreign exchange risk arising from certain foreign currency denominated investments. Such instruments are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying consolidated statements of operations. See Note 4 "Net Gains (Losses) from Investment Activities - Asset Management and Strategic Holdings" in our financial statements for the net changes in fair value associated with these instruments.
- (5) For Asset Management, operating leases for office space have remaining lease terms that range from approximately 1 year to 17 years, some of which include options to extend the leases from 5 years to 10 years. The weighted average remaining lease terms were 10.2 years and 10.3 years as of June 30, 2024 and December 31, 2023, respectively. The weighted average discount rates were 2.9% and 2.9% as of June 30, 2024 and December 31, 2023, respectively. For Insurance, operating leases for office space have remaining lease terms that range from approximately 1 year to 11 years, some of which include options to extend the leases for up to 10 years. The weighted average remaining lease terms were 7.6 years as of both June 30, 2024 and December 31, 2023. The weighted average discount rates were 4.7% and 4.4% as of June 30, 2024 and December 31, 2023, respectively. The weighted average remaining lease terms for land were 42.8 years and 43.7 years as of June 30, 2024 and December 31, 2023, respectively.

15. VARIABLE INTEREST ENTITIES

Consolidated VIEs

KKR consolidates certain VIEs in which it is determined that KKR is the primary beneficiary. The consolidated VIEs are predominately CLOs and certain investment funds sponsored by KKR. The primary purpose of these VIEs is to provide strategy specific investment opportunities to earn investment gains, current income or both in exchange for management fees and performance income. KKR's investment strategies differ for these VIEs; however, the fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and performance income. KKR does not provide performance guarantees and has no other financial obligation to provide funding to these consolidated VIEs, beyond amounts previously committed, if any. Furthermore, KKR consolidates certain VIEs that are formed by Global Atlantic to either (i) hold investments, including fixed maturity securities, consumer and other loans, renewable energy, transportation and real estate, or (ii) to conduct certain reinsurance activities with third party commitments.

Unconsolidated VIEs

KKR holds variable interests in certain VIEs which are not consolidated as it has been determined that KKR is not the primary beneficiary. VIEs that are not consolidated predominantly include certain investment funds sponsored by KKR as well as certain investment partnerships where Global Atlantic retains an economic interest. KKR's investment strategies differ by investment fund; however, the fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and performance income. KKR's maximum exposure to loss as a result of its investments in the unconsolidated investment funds is the carrying value of such investments, including KKR's capital interest and any unrealized carried interest. Accordingly, disaggregation of KKR's involvement by type of unconsolidated investment fund would not provide more useful information. For these unconsolidated investment funds in which KKR is the sponsor, KKR may have an obligation as general partner to provide commitments to such investment funds. As of June 30, 2024, KKR's commitments to these unconsolidated investment funds were \$3.2 billion. KKR has not provided any financial support other than its obligated amount as of June 30, 2024. Additionally, Global Atlantic also has unfunded commitments of \$26.0 million in relation to other investment partnership interests as of June 30, 2024.

As of June 30, 2024 and December 31, 2023, the maximum exposure to loss, before allocations to the carry pool and noncontrolling interests, if any, for those VIEs in which KKR is determined not to be the primary beneficiary but in which it has a variable interest is as follows:

<i>Asset Management and Strategic Holdings</i>	June 30, 2024	December 31, 2023
Investments	\$ 9,241,215	\$ 7,877,904
Due from (to) Affiliates, net	1,313,837	1,097,939
Maximum Exposure to Loss	\$ 10,555,052	\$ 8,975,843
 <i>Insurance</i>		
Other Investment Partnerships	\$ 795,263	\$ 169,265
Investment in Renewable Energy	44,935	55,485
Maximum Exposure to Loss	\$ 840,198	\$ 224,750
Total Maximum Exposure to Loss	\$ 11,395,250	\$ 9,200,593

16. DEBT OBLIGATIONS

Asset Management and Strategic Holdings Debt Obligations

KKR enters into credit agreements and issues debt for its general operating and investment purposes. KKR's Asset Management and Strategic Holdings debt obligations consisted of the following:

By remaining maturity at period end date	June 30, 2024				December 31, 2023			
	Financing Available	Principal	Carrying Value	Fair Value	Financing Available	Principal	Carrying Value	Fair Value
Revolving Credit Facilities: ⁽¹⁾								
Under 1 Year	750,000	—	—	—	750,000	—	—	—
1-5 Years	2,217,633	—	—	—	2,236,492	—	—	—
After 5 Years	—	—	—	—	—	—	—	—
Subtotal	2,967,633	—	—	—	2,986,492	—	—	—
KKR USD Senior Notes: ⁽²⁾⁽³⁾⁽⁶⁾⁽⁸⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	750,000	745,555	703,140	—	—	—	—
After 5 Years	—	4,250,000	4,166,604	3,429,969	—	5,000,000	4,890,919	4,181,595
Subtotal	—	5,000,000	4,912,159	4,133,109	—	5,000,000	4,890,919	4,181,595
KKR Yen Senior Notes: ⁽²⁾⁽³⁾⁽⁶⁾								
Under 1 Year	—	31,069	30,986	31,013	—	—	—	—
1-5 Years	—	811,508	807,698	805,121	—	610,552	608,047	606,447
After 5 Years	—	578,494	571,303	546,985	—	363,069	357,986	337,097
Subtotal	—	1,421,071	1,409,987	1,383,119	—	973,621	966,033	943,544
KKR Euro Senior Notes: ⁽²⁾⁽³⁾⁽⁶⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	696,155	691,604	627,354	—	717,400	712,331	646,248
After 5 Years	—	—	—	—	—	—	—	—
Subtotal	—	696,155	691,604	627,354	—	717,400	712,331	646,248
KKR Subordinated Notes: ⁽²⁾⁽³⁾⁽⁷⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	—	—	—	—	—	—	—
After 5 Years	—	500,000	486,933	385,200	—	500,000	486,755	377,400
Subtotal	—	500,000	486,933	385,200	—	500,000	486,755	377,400
KFN USD Senior Notes: ⁽²⁾⁽³⁾⁽⁴⁾⁽⁹⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	—	—	—	—	—	—	—
After 5 Years	—	690,000	684,379	613,250	—	690,000	684,032	624,018
Subtotal	—	690,000	684,379	613,250	—	690,000	684,032	624,018
KFN Junior Subordinated Notes: ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁹⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	—	—	—	—	—	—	—
After 5 Years	—	258,517	239,465	213,631	—	258,517	238,801	208,902
Subtotal	—	258,517	239,465	213,631	—	258,517	238,801	208,902
Total KKR & KFN Notes	2,967,633	8,565,743	8,424,527	7,355,663	2,986,492	8,139,538	7,978,871	6,981,707
Other Debt Obligations: ⁽¹⁾⁽⁸⁾	7,832,887	37,355,490	36,971,720	36,819,529	6,618,692	37,274,503	36,907,999	36,699,920
Total	10,800,520	45,921,233	45,396,247	44,175,192	9,605,184	45,414,041	44,886,870	43,681,627

- (1) Financing available is reduced by the dollar amounts specified in any issued letters of credit.
- (2) Carrying value includes: (i) unamortized note discount (net of premium), as applicable and (ii) unamortized debt issuance costs, as applicable. Financing costs related to the issuance of the notes have been deducted from the note liability and are being amortized over the life of the notes.
- (3) Interest rates of the notes are fixed and the weighted average interest rates are the following:

	June 30, 2024	December 31, 2023
KKR USD Senior Notes	4.23%	4.23%
KKR Yen Senior Notes	1.67%	1.46%
KKR Euro Senior Notes	1.63%	1.63%
KKR Subordinated Notes	4.63%	4.63%
KFN USD Senior Notes	5.44%	5.44%

- (4) These debt obligations are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.
- (5) Interest rates of the notes are floating and the weighted average interest rate is 8.1% and 8.1% and the weighted average years to maturity is 12.3 years and 12.8 years as of June 30, 2024 and December 31, 2023, respectively.
- (6) The notes are classified as Level II within the fair value hierarchy and fair value is determined by third party broker quotes.
- (7) The notes are classified as Level I within the fair value hierarchy and fair value is determined by quoted prices in active markets since the debt is publicly listed.
- (8) As of June 30, 2024 and December 31, 2023, the principal value, carrying value and fair value reflects the elimination for the portion of applicable debt obligations that are held by Global Atlantic
- (9) KKR consolidates and reports debt obligations of KKR Financial Holdings LLC, a KKR subsidiary ("KFN"), which are non-recourse to KKR beyond the assets of KFN. From time to time, KKR may provide credit support for the funding obligations of its subsidiaries.

Third Amended and Restated Credit Agreement

On July 3, 2024, KKR Group Partnership L.P. and Kohlberg Kravis Roberts & Co. L.P. (collectively, the "Borrowers"), entered into a Third Amended and Restated Credit Agreement (the "Corporate Credit Agreement") by and among the Borrowers, the guarantors from time to time party thereto (together with the Borrowers, the "Loan Parties"), the lending institutions from time to time party thereto and HSBC Bank USA, National Association, as administrative agent (the "Administrative Agent"), which amends and restates in its entirety the Second Amended and Restated Credit Agreement, dated as of August 4, 2021 (as amended by the First Amendment and Lender Joiner Agreement, dated as of September 2, 2022), by and among the Loan Parties, the lending institutions from time to time party thereto and the Administrative Agent.

The Corporate Credit Agreement provides the Borrowers with a senior unsecured multicurrency revolving credit facility (the "Corporate Credit Facility") in an aggregate principal amount of \$2.75 billion, as of July 3, 2024, with the option to request an increase in the facility amount of up to an additional \$750 million, for an aggregate principal amount of \$3.50 billion, subject to certain conditions. The Corporate Credit Facility is a five-year facility, scheduled to mature on July 3, 2029, with the Borrowers' option to extend the maturity date, subject to the consent of the applicable lenders, and the Borrowers may prepay, terminate or reduce the commitments under the Corporate Credit Facility at any time without penalty. Borrowings under the Corporate Credit Facility are available for general corporate purposes and available in U.S. dollars and other currencies. Interest on borrowings in U.S. dollars under the Corporate Credit Facility will be based on either term Secured Overnight Financing Rate (SOFR) or alternate base rate, with the applicable margin per annum based on a corporate ratings-based grid. The Borrowers have agreed to pay a facility fee on the total commitments at a rate per annum also based on a corporate ratings-based grid. Borrowings under the Corporate Credit Facility are guaranteed by KKR & Co. Inc. and any entity (other than the Borrowers) that guarantees certain specified senior notes of KKR & Co. Inc.'s financing subsidiaries.

Certain other terms of the Corporate Credit Agreement include: (i) financial covenants that require KKR & Co. Inc. and its subsidiaries to maintain a maximum leverage ratio (excluding the indebtedness of KKR Financial Holdings LLC and The Global Atlantic Financial Group LLC and their respective subsidiaries) of not greater than 4.0x covenant EBITDA and to maintain at least \$150 billion in fee paying assets under management; (ii) customary affirmative covenants and certain negative covenants, including a limitation on the ability of the Borrowers and the guarantors to, among other things, pledge the stock of their subsidiaries; and (iii) customary events of default, upon the occurrence of which the lenders will have the ability to accelerate all outstanding loans thereunder and terminate the commitments.

KKR Group Finance Co. XI LLC May 2024 Notes Offering

On May 30, 2024, KKR Group Finance Co. XI LLC, an indirect subsidiary of KKR & Co. Inc., completed the offering of (i) ¥44,600,000,000 aggregate principal amount of its 1.559% Senior Notes due 2029 (the "2029 Notes"), (ii) ¥1,000,000,000 aggregate principal amount of its 1.762% Senior Notes due 2031 (the "2031 Notes"), (iii) ¥26,200,000,000 aggregate principal

amount of its 2.083% Senior Notes due 2034 (the “2034 Notes”), (iv) ¥10,000,000,000 aggregate principal amount of its 2.719% Senior Notes due 2044 (the “2044 Notes”) and (v) ¥9,600,000,000 aggregate principal amount of its 3.008% Senior Notes due 2054 (the “2054 Notes” and, together with the 2029 Notes, the 2031 Notes, the 2034 Notes and the 2044 Notes, the “Yen Notes”). The Yen Notes are guaranteed by the KKR & Co. Inc. and KKR Group Partnership L.P.

Interest on the Yen Notes accrues from May 30, 2024 and is payable semi-annually in arrears on May 30 and November 30 of each year, commencing on November 30, 2024 and ending on the applicable maturity date unless earlier redeemed. The Yen Notes are unsecured and unsubordinated obligations of KKR Group Finance Co. XI LLC. The Yen Notes are fully and unconditionally guaranteed, jointly and severally, by each of the guarantors. The guarantees are unsecured and unsubordinated obligations of the guarantors.

The Yen Notes were issued pursuant to an indenture dated as of April 26, 2022, among KKR Group Finance Co. XI LLC, KKR Group Co. Inc. (formerly known as KKR & Co. Inc.), KKR Group Partnership and The Bank of New York Mellon Trust Company, N.A., as trustee (as supplemented, the “Indenture”). The Indenture includes covenants, including limitations on KKR Group Finance Co. XI LLC’s and the guarantors’ ability to, subject to exceptions, incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or convey all or substantially all of their assets. The Indenture also provides for events of default and further provides that the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Yen Notes may declare the Yen Notes immediately due and payable upon the occurrence and during the continuance of any event of default after expiration of any applicable grace period. In the case of specified events of bankruptcy, insolvency, receivership or reorganization, the principal amount of the Yen Notes and any accrued and unpaid interest on the Yen Notes automatically become due and payable. If a change of control repurchase event occurs, the Yen Notes are subject to repurchase by KKR Group Finance Co. XI LLC at a repurchase price in cash equal to 101% of the aggregate principal amount of the Yen Notes repurchased plus any accrued and unpaid interest on the Yen Notes repurchased to, but not including, the date of repurchase.

KCM 364-Day Revolving Credit Facility

On April 4, 2024, KKR Capital Markets Holdings L.P. and certain other capital markets subsidiaries (the “KCM Borrowers”) replaced their existing 364-day revolving credit agreement with a new 364-day revolving credit agreement (the “KCM 364-Day Revolving Credit Facility”) with Mizuho Bank, Ltd., as administrative agent, and one or more lenders party thereto. The KCM 364-Day Revolving Credit Facility replaces the prior 364-day revolving credit facility, dated as of April 7, 2023, between the KCM Borrowers and the administrative agent, and one or more lenders party to the prior facility, which was terminated according to its terms on April 4, 2024. The KCM 364-Day Revolving Credit Facility provides for revolving borrowings up to \$750 million, expires on April 3, 2025, and ranks pari passu with the existing \$750 million revolving credit facility provided by them for KKR’s capital markets business (the “KCM Credit Facility”).

If a borrowing is made under the KCM 364-Day Revolving Credit Agreement, the interest rate will vary depending on the type of drawdown requested. If the borrowing is (i) denominated in U.S. dollars and a term rate, it will be based on the term Secured Overnight Financing Rate (“SOFR”), (ii) denominated in euros, it will be based on EURIBOR and (iii) denominated in pounds sterling, it will be based on the Sterling Overnight Interbank Average Rate (“SONIA”), in each case, plus the applicable margin which ranges initially between 1.50% and 2.75%, depending on the duration of the loan. If the borrowing is an ABR Loan, it will be based on the greater of (i) the federal funds rate plus 0.50% and (ii) term SOFR for one-month tenor plus 1.00%, in each case, plus the applicable margin which ranges initially between 0.50% and 1.75% depending on the amount and nature of the loan. Borrowings under the KCM 364-Day Revolving Credit Agreement may only be used to facilitate the settlement of debt transactions syndicated by KKR’s capital markets business. Obligations under the KCM 364-Day Revolving Credit Agreement are limited to the KCM Borrowers, which are solely entities involved in KKR’s capital markets business, and liabilities under the KCM 364-Day Revolving Credit Agreement are non-recourse to other parts of KKR.

The KCM 364-Day Revolving Credit Facility contains customary representations and warranties, events of default, and affirmative and negative covenants, including a financial covenant providing for a maximum debt to equity ratio for the KCM Borrowers. The KCM Borrowers’ obligations under the KCM 364-Day Revolving Credit Facility are secured by certain assets of the KCM Borrowers, including a pledge of equity interests of certain subsidiaries of the KCM Borrowers.

KCM Credit Facility

On April 4, 2024, the KCM Borrowers (as defined above) also entered into a fourth amended and restated 5-year revolving credit agreement (the “KCM Credit Facility”) with Mizuho Bank, Ltd., as administrative agent, and the lenders party thereto. This facility provides for revolving borrowings of up to \$750 million with a \$750 million sublimit for letters of credit, expires on April 4, 2029 and ranks pari passu with the KCM 364-Day Revolving Credit Facility. The prior facility for the KCM Borrowers, dated as of March 20, 2020 (as amended), between the KCM Borrowers, Mizuho Bank, Ltd., as administrative

agent, and the lenders party thereto, was terminated according to its terms on April 4, 2024 and replaced by the KCM Credit Facility.

If a borrowing is made on the KCM Credit Facility, the interest rate will vary depending on the type of drawdown requested. If the borrowing is (i) denominated in U.S. dollars and a term rate, it will be based on term SOFR, (ii) denominated in euros, it will be based on EURIBOR and (iii) denominated in pounds sterling, it will be based on SONIA, in each case, plus the applicable margin which ranges initially between 1.75% and 3.00%, depending on the amount and nature of the loan. If the loan is an ABR Loan, it will be based on the greater of (i) the federal funds rate plus 0.50% and (ii) term SOFR for one-month tenor plus 1.00%, in each case, plus the applicable margin which ranges initially between 0.75% and 2.00% depending on the amount and nature of the loan. Obligations under the KCM Credit Facility may only be used for KKR's capital markets business, and its only obligors are entities involved in KKR's capital markets business, and its liabilities are non-recourse to other parts of KKR's business.

The KCM Credit Facility contains customary representations and warranties, events of default, and affirmative and negative covenants, including a financial covenant providing for a maximum debt to equity ratio for the KCM Borrowers. The KCM Borrowers' obligations under the KCM Credit Facility are secured by certain assets of the KCM Borrowers, including a pledge of equity interests of certain subsidiaries of the KCM Borrowers.

Other Asset Management and Strategic Holdings Debt Obligations

Certain of KKR's consolidated investment funds have entered into financing arrangements with financial institutions, generally to provide liquidity to such investment funds. These financing arrangements are generally not direct obligations of the general partners of KKR's investment funds (beyond KKR's capital interest) or its management companies. Such borrowings have varying maturities and bear interest at floating rates. Borrowings are generally secured by the investment purchased with the proceeds of the borrowing and/or the uncalled capital commitment of each respective fund. When an investment vehicle borrows, the proceeds are available only for use by that investment vehicle and are not available for the benefit of other investment vehicles or KKR. Collateral within each investment vehicle is also available only against borrowings by that investment vehicle and not against the borrowings of other investment vehicles or KKR.

In certain other cases, investments and other assets held directly by majority-owned consolidated investment vehicles and other entities have been funded with borrowings that are collateralized by the investments and assets they own. These borrowings are non-recourse to KKR beyond the investments or assets serving as collateral or the capital that KKR has committed to fund such investment vehicles. Such borrowings have varying maturities and generally bear interest at fixed rates.

In addition, consolidated CFEs issue debt securities to third-party investors which are collateralized by assets held by the CFE. Debt securities issued by CFEs are supported solely by the assets held at the CFEs and are not collateralized by assets of any other KKR entity. CFEs also may have warehouse facilities with banks to provide liquidity to the CFE. The CFE's debt obligations are non-recourse to KKR beyond the assets of the CFE.

As of June 30, 2024, other debt obligations consisted of the following:

	Financing Available	Principal	Carrying Value	Fair Value	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Financing Facilities of Consolidated Funds and Other ⁽¹⁾	\$ 7,832,887	\$ 11,745,438	\$ 11,718,600	\$ 11,566,409	6.5%	4.4
Debt Obligations of Consolidated CFEs	—	25,610,052	25,253,120	25,253,120	⁽²⁾	9.9
	<u>\$ 7,832,887</u>	<u>\$ 37,355,490</u>	<u>\$ 36,971,720</u>	<u>\$ 36,819,529</u>		

(1) Includes borrowings collateralized by fund investments, fund co-investments and other assets held by levered investment vehicles of \$2.8 billion.

(2) The senior notes of the consolidated CFEs had a weighted average interest rate of 6.8%. The subordinated notes of the consolidated CLOs do not have contractual interest rates but instead receive a pro rata amount of the net distributions from the excess cash flows of the respective CLO vehicle. Accordingly, weighted average borrowing rates for the subordinated notes are based on cash distributions during the period, if any.

Debt obligations of consolidated CLOs are collateralized by assets held by each respective CLO vehicle and assets of one CLO vehicle may not be used to satisfy the liabilities of another. As of June 30, 2024, the fair value of the consolidated CLO assets was \$27.6 billion. This collateral consisted of Cash and Cash Equivalents, Investments, and Other Assets.

Global Atlantic's debt obligations consisted of the following:

By remaining maturity at period end date	June 30, 2024				December 31, 2023			
	Financing Available	Principal	Carrying Value ⁽¹⁾	Fair Value ⁽²⁾	Financing Available	Principal	Carrying Value ⁽¹⁾	Fair Value ⁽²⁾
Revolving Credit Facilities:								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	1,000,000	—	—	—	800,000	200,000	200,000	200,000
After 5 Years	—	—	—	—	—	—	—	—
Subtotal	1,000,000	—	—	—	800,000	200,000	200,000	200,000
Senior Notes: ⁽⁴⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	—	—	—	—	—	—	—
After 5 Years	—	2,550,000	2,334,126	2,460,705	—	1,800,000	1,648,467	1,715,155
Subtotal	—	2,550,000	2,334,126	2,460,705	—	1,800,000	1,648,467	1,715,155
Subordinated Notes: ⁽⁴⁾								
Under 1 Year	—	—	—	—	—	—	—	—
1-5 Years	—	—	—	—	—	—	—	—
After 5 Years	—	1,350,000	1,329,383	1,301,445	—	750,000	739,390	643,575
Subtotal	—	1,350,000	1,329,383	1,301,445	—	750,000	739,390	643,575
Debt Obligations of Consolidated Special Purpose Vehicles⁽³⁾								
	305,300	34,700	34,700	34,700	—	—	—	—
Total	1,305,300	3,934,700	3,698,209	3,796,850	800,000	2,750,000	2,587,857	2,558,730

(1) Carrying value of debt as of June 30, 2024 and December 31, 2023, includes purchase accounting adjustments of \$37.6 million and \$40.2 million, respectively, net debt issuance costs of \$(59.3) million and \$(36.5) million, respectively, and cumulative fair value loss on hedged debt obligations of \$(214.8) million and \$(165.8) million, respectively. The amortization of the purchase accounting adjustments was \$1.8 million and \$0.8 million for the three months ended June 30, 2024 and 2023, and \$2.6 million and \$1.6 million for the six months ended June 30, 2024 and 2023, respectively.

(2) These debt obligations are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.

(3) These debt obligations primarily include debt obligations of consolidated sponsored reinsurance vehicles that are not guaranteed by KKR or Global Atlantic.

(4) Interest rates of the notes are fixed and the weighted average interest rates are the following:

	June 30, 2024	December 31, 2023
Senior Notes	5.67%	5.22%
Subordinated Notes	6.14%	4.70%

Senior Notes Due 2054

Global Atlantic (Fin) Company ("GA FinCo") and Global Atlantic Limited (Delaware) (formerly known as Global Atlantic Financial Limited, "GALD") are both Delaware corporations and wholly-owned indirect subsidiaries of TGAFG, the holding company for the Global Atlantic business.

In March 2024, GA FinCo issued \$750 million aggregate principal amount of 6.750% senior unsecured notes due 2054 (the "GA 2054 Senior Notes"). The GA 2054 Senior Notes were issued pursuant to an indenture, dated October 7, 2019, among GA FinCo, as issuer, GALD, as guarantor, and U.S. Bank National Association, as trustee, and supplemented by the fifth supplemental indenture thereto, dated March 15, 2024, among GA FinCo, GALD and the trustee. The GA 2054 Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by GALD.

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

Global Atlantic Subordinated Notes Due 2054

On June 11 2024, GA FinCo issued \$600 million of 7.950% fixed-to-fixed rate subordinated debentures maturing on October 15, 2054 (the “GA 2054 Subordinated Debentures.”) The GA 2054 Subordinated Debentures were issued pursuant to the Subordinated Indenture, dated as of July 6, 2021 among GA FinCo, as issuer, GALD, as guarantor, and U.S. Bank National Association, as trustee, as supplemented by the Second Supplemental Indenture thereto, dated as of June 11, 2024.

The GA 2054 Subordinated Debentures will bear interest (i) from, and including, June 11, 2024 to, but not including, the initial interest reset date of October 15, 2029 at an annual rate of 7.95% and (ii) from and including October 15, 2029, during each interest reset period, at an annual rate equal to the five-year Treasury rate as of the most recent reset interest determination date, plus 3.608%. Interest on the GA 2054 Subordinated Debentures is payable semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2024, and on the maturity date.

GA FinCo has the right on one or more occasions to defer the payment of interest on the GA 2054 Subordinated Debentures for up to five consecutive years. During an optional deferral period, interest will continue to accrue at the interest rate on the GA 2054 Subordinated Debentures, compounded semi-annually as of each interest payment date.

If GA FinCo has exercised its right to defer interest payments on the GA 2054 Subordinated Debentures, GA FinCo and GALD generally may not (1) make payments on or redeem or purchase (A) GA FinCo or GALD common stock, or (B) with respect to GA FinCo, any indebtedness ranking on parity with or junior to the GA 2054 Subordinated Debentures, and with respect to GALD, any indebtedness ranking on parity with or junior to the guarantee or (2) make any guarantee payments with respect to any guarantee by GA FinCo or GALD of any securities or any of their respective subsidiaries if such guarantee ranks equally with or junior to the GA 2054 Subordinated Debentures.

GA FinCo may elect to redeem the GA 2054 Subordinated Debentures either (1) in whole at any time or in part from time to time during the three-month period prior to, and including, October 15, 2029, or the three month period prior to, and including, each subsequent interest reset date, in each case at 100% of the principal amount of the GA 2054 Subordinated Debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date; (2) in whole, but not in part, at any time within 90 days after the occurrence of a tax event at 100% of the principal amount of the GA 2054 Subordinated Debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date; (3) in whole, but not in part, at any time within 90 days after the occurrence of a rating agency event at 102% of the principal amount of the GA 2054 Subordinated Debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date; or (4) in whole, but not in part, at any time within 90 days after the occurrence of a regulatory capital event at 100% of the principal amount of the GA 2054 Subordinated Debentures being redeemed, plus accrued and unpaid interest (including compounded interest, if any) to, but excluding, the redemption date.

Global Atlantic Credit Agreement

In March 2024, GA FinCo repaid \$300 million then outstanding indebtedness under the Global Atlantic Credit Agreement with proceeds from the GA 2054 Senior Notes.

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

Debt Covenants

Borrowings of KKR (including Global Atlantic) contain various debt covenants. These covenants do not, in management's opinion, materially restrict KKR's operating business or investment strategies as of June 30, 2024. KKR (including Global Atlantic) was in compliance with such debt covenants in all material respects as of June 30, 2024.

17. POLICY LIABILITIES

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

	June 30, 2024	December 31, 2023
Policyholders' Account Balances	\$ 132,487,893	\$ 125,187,354
Liability for Future Policy Benefits	26,186,400	17,823,750
Additional Liability for Annuitization, Death, or Other Insurance Benefits	7,303,662	7,129,785
Market Risk Benefit Liability	1,019,763	1,120,968
Other Policy-related Liabilities ⁽¹⁾	10,834,892	8,796,414
Total Policy Liabilities	\$ 177,832,610	\$ 160,058,271

- (1) Other policy-related liabilities as of June 30, 2024 and December 31, 2023 primarily consist of embedded derivatives associated with contractholder deposit funds (\$5.0 billion and \$4.0 billion, respectively), cost-of-reinsurance liabilities (\$3.0 billion and \$1.8 billion, respectively), policy liabilities accounted under a fair value option (both \$1.2 billion), negative VOBA (\$814.3 million and \$867.9 million, respectively) and outstanding claims (\$243.8 million and \$235.1 million, respectively).

Policyholders' account balances

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

	Six Months Ended June 30, 2024					
	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Funding Agreements	Other ⁽¹⁾	Total
Balance as of Beginning of Period	\$ 56,762,736	\$ 30,168,445	\$ 21,969,053	\$ 7,015,998	\$ 9,271,122	\$ 125,187,354
Issuances and Premiums Received	9,926,540	3,662,304	1,414,207	895,933	1,430,405	17,329,389
Benefit Payments, Surrenders, and Withdrawals	(6,145,728)	(2,704,230)	(681,941)	(1,063,523)	(801,409)	(11,396,831)
Interest ⁽²⁾	1,053,040	346,887	352,641	138,914	165,570	2,057,052
Other Activity ⁽³⁾	(225,594)	59,542	(575,880)	(1,795)	54,656	(689,071)
Balance as of End of Period	\$ 61,370,994	\$ 31,532,948	\$ 22,478,080	\$ 6,985,527	\$ 10,120,344	\$ 132,487,893
Less: Reinsurance Recoverable	(11,423,532)	(3,153,563)	(7,628,349)	—	(3,743,640)	(25,949,084)
Balance as of End of Period, Net of Reinsurance Recoverable	\$ 49,947,462	\$ 28,379,385	\$ 14,849,731	\$ 6,985,527	\$ 6,376,704	\$ 106,538,809
Average Interest Rate	3.78 %	2.48 %	3.26 %	3.97 %	3.33 %	3.34 %
Net Amount at Risk, Gross of Reinsurance ⁽⁴⁾	\$ —	\$ —	\$ 115,293,057	\$ —	\$ 1,152,757	\$ 116,445,814
Cash Surrender Value ⁽⁵⁾	\$ 46,935,572	\$ 30,590,374	\$ 14,067,672	\$ —	\$ 4,543,336	\$ 96,136,954

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

Six Months Ended June 30, 2023

	Fixed Rate Annuities	Fixed Indexed Annuities	Interest Sensitive Life	Funding Agreements	Other ⁽¹⁾	Total
Balance as of Beginning of Period	\$ 48,510,703	\$ 29,123,926	\$ 17,397,185	\$ 7,535,489	\$ 9,713,933	\$ 112,281,236
Issuances and Premiums Received	4,806,261	2,714,727	361,289	200,000	219,980	8,302,257
Benefit Payments, Surrenders, and Withdrawals	(4,662,115)	(2,005,875)	(454,520)	(280,367)	(818,454)	(8,221,331)
Interest ⁽²⁾	714,552	242,348	233,704	108,293	149,183	1,448,080
Other Activity ⁽³⁾	(132,690)	(20,889)	(226,377)	41,456	129,572	(208,928)
Balance as of End of Period	\$ 49,236,711	\$ 30,054,237	\$ 17,311,281	\$ 7,604,871	\$ 9,394,214	\$ 113,601,314
Less: Reinsurance Recoverable	(6,849,070)	(3,225,203)	(3,499,441)	—	(3,020,941)	(16,594,655)
Balance as of End of Period, Net of Reinsurance Recoverable	\$ 42,387,641	\$ 26,829,034	\$ 13,811,840	\$ 7,604,871	\$ 6,373,273	\$ 97,006,659
Average Interest Rate	2.90 %	1.82 %	3.14 %	2.88 %	2.69 %	2.59 %
Net Amount at Risk, Gross of Reinsurance ⁽⁴⁾	\$ —	\$ —	\$ 83,314,521	\$ —	\$ 1,183,790	\$ 84,498,311
Cash Surrender Value ⁽⁵⁾	\$ 39,742,358	\$ 27,548,010	\$ 12,894,769	\$ —	\$ 4,679,664	\$ 84,864,801

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

The following table presents the account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums. Account values, as disclosed below, differ from policyholder account balances as they exclude balances associated with index credits, contractholder deposit fund host balances, funding agreements, and other associated reserves. In addition, policyholder account balances include discounts and premiums on assumed business which are not reflected in account values.

As of June 30, 2024

Range of guaranteed minimum crediting rates:	Account Values with Adjustable Crediting Rates Subject to Guaranteed Minimums:					Total
	At Guaranteed Minimum	1 - 49 bps Above Guaranteed Minimum	50 - 99 bps Above Guaranteed Minimum	100 - 150 bps Above Guaranteed Minimum	Greater Than 150 bps Above Guaranteed Minimum	
Less Than 1.00%	\$ 3,242,952	\$ 37,341	\$ 463,984	\$ 1,594,694	\$ 30,292,487	\$ 35,631,458
1.00% - 1.99%	1,403,418	863,555	882,211	1,898,698	9,497,587	14,545,469
2.00% - 2.99%	823,166	40,749	57,666	269,799	2,387,062	3,578,442
3.00% - 4.00%	11,028,961	1,559,492	443,985	1,208,294	1,469,994	15,710,726
Greater Than 4.00%	11,761,911	1,343,852	130,420	112,225	283,441	13,631,849
Total	\$ 28,260,408	\$ 3,844,989	\$ 1,978,266	\$ 5,083,710	\$ 43,930,571	\$ 83,097,944
Percentage of Total	34 %	5 %	2 %	6 %	53 %	100 %

As of December 31, 2023

Range of guaranteed minimum crediting rates:	Account Values with Adjustable Crediting Rates Subject to Guaranteed Minimums:					Total
	At Guaranteed Minimum	1 - 49 bps Above Guaranteed Minimum	50 - 99 bps Above Guaranteed Minimum	100 - 150 bps Above Guaranteed Minimum	Greater Than 150 bps Above Guaranteed Minimum	
Less Than 1.00%	\$ 2,706,701	\$ 25,839	\$ 660,189	\$ 3,546,450	\$ 25,940,436	\$ 32,879,615
1.00% - 1.99%	1,471,320	1,013,423	999,852	1,968,519	6,603,795	12,056,909
2.00% - 2.99%	896,276	44,850	55,874	109,411	1,310,234	2,416,645
3.00% - 4.00%	12,494,439	1,186,572	414,111	953,560	1,067,325	16,116,007
Greater Than 4.00%	12,095,647	1,385,538	138,112	117,561	298,493	14,035,351
Total	\$ 29,664,383	\$ 3,656,222	\$ 2,268,138	\$ 6,695,501	\$ 35,220,283	\$ 77,504,527
Percentage of Total	38 %	5 %	3 %	9 %	45 %	100 %

Liability for future policy benefits

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

	Six Months Ended					
	June 30, 2024			June 30, 2023		
	Payout Annuities ⁽¹⁾	Other ⁽²⁾	Total	Payout Annuities ⁽¹⁾	Other ⁽²⁾	Total
Present Value of Expected Net Premiums						
Balance as of Beginning of Period	\$ —	\$ (208,370)	\$ (208,370)	\$ —	\$ (255,401)	\$ (255,401)
Balance at Original Discount Rate	\$ —	\$ (241,058)	\$ (241,058)	\$ —	\$ (303,610)	\$ (303,610)
Effect of Actual Variances from Expected Experience	—	5,463	5,463	—	3,380	3,380
Adjusted Beginning of Period Balance	—	(235,595)	(235,595)	—	(300,230)	(300,230)
Issuances	—	(1,138,831)	(1,138,831)	—	—	—
Interest	—	(16,470)	(16,470)	—	(2,399)	(2,399)
Net Premiums Collected	—	65,732	65,732	—	16,685	16,685
Flooring Impact	—	—	—	2	—	2
Ending Balance at Original Discount Rate	—	(1,325,164)	(1,325,164)	2	(285,944)	(285,942)
Effect of Changes in Discount Rate Assumptions	—	43,817	43,817	—	47,419	47,419
Balance as of End of Period	\$ —	\$ (1,281,347)	\$ (1,281,347)	\$ 2	\$ (238,525)	\$ (238,523)
Present Value of Expected Future Policy Benefits						
Balance as of Beginning of Period	\$ 17,427,353	\$ 604,767	\$ 18,032,120	\$ 14,021,514	\$ 679,807	\$ 14,701,321
Balance at Original Discount Rate	\$ 20,040,000	\$ 701,655	\$ 20,741,655	\$ 17,180,626	\$ 806,555	\$ 17,987,181
Effect of Actual Variances from Expected Experience	2,262	1,400	3,662	(12,863)	1,818	(11,045)
Adjusted Beginning of Period Balance	20,042,262	703,055	20,745,317	17,167,763	808,373	17,976,136
Issuances	2,077,784	8,752,033	10,829,817	1,610,241	342	1,610,583
Interest	297,183	117,421	414,604	198,070	4,908	202,978
Benefit Payments	(892,493)	(237,279)	(1,129,772)	(793,163)	(47,493)	(840,656)
Ending Balance at Original Discount Rate	21,524,736	9,335,230	30,859,966	18,182,911	766,130	18,949,041
Effect of Changes in Discount Rate Assumptions	(3,173,775)	(218,444)	(3,392,219)	(3,083,441)	(126,217)	(3,209,658)
Balance as of End of Period	18,350,961	9,116,786	27,467,747	15,099,470	639,913	15,739,383
Net Liability for Future Policy Benefits	18,350,961	7,835,439	26,186,400	15,099,472	401,388	15,500,860
Less: Reinsurance Recoverable ⁽³⁾	(9,481,224)	(6,220,344)	(15,701,568)	(7,749,635)	1,739	(7,747,896)
Net Liability for Future Policy Benefits, Net of Reinsurance Recoverables	\$ 8,869,737	\$ 1,615,095	\$ 10,484,832	\$ 7,349,837	\$ 403,127	\$ 7,752,964

- (1) Payout annuities generally only have a single premium received at contract inception. As a result, the liability for future policy benefits generally would not reflect a present value for future premiums for payout annuities.
- (2) "Other" consists of activity related to long-term care insurance, variable annuities, traditional life insurance, preneed insurance and fixed-rate annuity products. Mortality and morbidity risks associated with the long-term care insurance have been ceded to a third-party reinsurer.
- (3) Reinsurance recoverables associated with the liability for future policy benefits is net of the effect of changes in discount rate assumptions of \$(358.1) million and \$45.7 million for the six months ended June 30, 2024 and 2023, respectively.

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

	Gross Premiums	
	Six Months Ended June 30,	
	2024	2023
Payout Annuities	\$ 2,253,977	\$ 1,759,137
Other	8,619,184	34,063
Total Products	\$ 10,873,161	\$ 1,793,200

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

	As of June 30, 2024	
	Payout Annuities	Other
Weighted-Average Interest Rates, Original Discount Rate	3.66 %	4.85 %
Weighted-Average Interest Rates, Current Discount Rate	5.45 %	5.53 %
Weighted-Average Liability Duration (Years, Current Rates)	8.44	9.69

	As of December 31, 2023	
	Payout Annuities	Other
Weighted-Average Interest Rates, Original Discount Rate	3.37 %	2.57 %
Weighted-Average Interest Rates, Current Discount Rate	4.95 %	4.95 %
Weighted-Average Liability Duration (Years, Current Rates)	8.58	9.03

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

	As of June 30, 2024	
	Payout Annuities	Other
Expected Future Benefit Payments, Undiscounted	\$ 30,772,255	\$ 16,560,774
Expected Future Benefit Payments, Discounted (Original Discount Rate)	21,524,736	9,335,230
Expected Future Benefit Payments, Discounted (Current Discount Rate)	18,350,961	9,116,786
Expected Future Gross Premiums, Undiscounted	—	1,818,202
Expected Future Gross Premiums, Discounted (Original Discount Rate)	—	1,401,340
Expected Future Gross Premiums, Discounted (Current Discount Rate)	—	1,343,857

	As of December 31, 2023	
	Payout Annuities	Other
Expected Future Benefit Payments, Undiscounted	\$ 29,164,580	\$ 832,608
Expected Future Benefit Payments, Discounted (Original Discount Rate)	19,899,423	689,760
Expected Future Benefit Payments, Discounted (Current Discount Rate)	17,427,352	604,768
Expected Future Gross Premiums, Undiscounted	—	377,693
Expected Future Gross Premiums, Discounted (Original Discount Rate)	—	317,710
Expected Future Gross Premiums, Discounted (Current Discount Rate)	—	262,653

Additional liability for annuitization, death, or other insurance benefits

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

	Six Months Ended June 30,	
	2024	2023
Balance as of Beginning of Period	\$ 7,251,266	\$ 5,104,810
Effect of Changes in Experience	(23,569)	(28,486)
Adjusted Balance as of Beginning of Period	7,227,697	5,076,324
Issuances	11,579	13,006
Assessments	350,460	218,534
Benefits Paid	(264,671)	(193,836)
Interest	119,401	64,982
Balance as of End of Period	7,444,466	5,179,010
Less: Impact of Unrealized Investment Gains and Losses	140,804	116,633
Less: Reinsurance Recoverable, End of Period	1,500,742	—
Balance, End of Period, Net of Reinsurance Recoverable and Impact of Unrealized Investment Gains and Losses	\$ 5,802,920	\$ 5,062,377

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

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

	Gross Assessments	
	Six Months Ended June 30,	
	2024	2023
Total Amount Recognized Within Revenue in the Consolidated Statements of Operations	\$ 349,862	\$ 205,414

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

	As of	
	June 30, 2024	December 31, 2023
Weighted-Average Interest, Current Discount Rate	3.28 %	3.09 %
Weighted-Average Liability Duration (Years)	27.17	27.64

Market risk benefits

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

	Six months ended					
	June 30, 2024			June 30, 2023		
	Fixed-indexed Annuity	Variable- and Other Annuities	Total	Fixed-indexed Annuity	Variable- and Other Annuities	Total
Balance as of Beginning of Period	\$ 868,268	\$ 252,683	\$ 1,120,951	\$ 548,536	\$ 120,322	\$ 668,858
Balance as of Beginning of Period, Before Impact of Changes in Instrument-specific Credit Risk	\$ 790,616	\$ 225,593	\$ 1,016,209	\$ 656,880	\$ 150,633	\$ 807,513
Issuances	15,254	(5)	15,249	(67)	(26)	(93)
Interest	21,483	5,197	26,680	19,242	4,515	23,757
Attributed Fees Collected	51,918	44,674	96,592	51,087	42,067	93,154
Benefit Payments	(3,404)	(3,567)	(6,971)	(1,671)	(609)	(2,280)
Effect of Changes in Interest Rates	(106,708)	(56,828)	(163,536)	29,868	8,818	38,686
Effect of Changes in Equity Markets	(12,409)	(48,291)	(60,700)	(17,621)	(53,608)	(71,229)
Effect of Actual Experience Different from Assumptions	8,666	(8,001)	665	(1,824)	(18,835)	(20,659)
Balance as of End of Period Before Impact of Changes in Instrument-Specific Credit Risk	765,416	158,772	924,188	735,894	132,955	868,849
Effect of Changes in Instrument-specific Credit Risk	72,008	23,385	95,393	(35,095)	(8,560)	(43,655)
Balance as of End of Period	837,424	182,157	1,019,581	700,799	124,395	825,194
Less: Reinsurance Recoverable as of the End of the Period	—	(12,097)	(12,097)	—	(14,194)	(14,194)
Balance as of End of Period, Net of Reinsurance Recoverable	\$ 837,424	\$ 170,060	\$ 1,007,484	\$ 700,799	\$ 110,201	\$ 811,000
Net Amount at Risk	\$ 4,451,112	\$ 1,296,878	\$ 5,747,990	\$ 4,100,714	\$ 1,201,064	\$ 5,301,778
Weighted-average Attained Age of Contract holders (Years)	71	69	71	70	70	70

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

	As of June 30, 2024			As of December 31, 2023		
	Asset	Liability	Net	Asset	Liability	Net
Fixed-indexed Annuities	\$ 182	\$ 837,606	\$ (837,424)	\$ —	\$ 868,268	\$ (868,268)
Variable- and Other Annuities	—	182,157	(182,157)	17	252,700	(252,683)
Total	\$ 182	\$ 1,019,763	\$ (1,019,581)	\$ 17	\$ 1,120,968	\$ (1,120,951)

Separate account liabilities

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

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

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

	June 30, 2024			June 30, 2023		
	Variable Annuities	Interest-Sensitive Life	Total	Variable Annuities	Interest-Sensitive Life	Total
Balance as of Beginning of Period	\$ 3,565,029	\$ 541,971	\$ 4,107,000	\$ 3,627,769	\$ 503,025	\$ 4,130,794
Premiums and Deposits	12,750	6,487	19,237	16,371	6,977	23,348
Surrenders, Withdrawals and Benefit Payments	(270,322)	(11,203)	(281,525)	(233,703)	(10,018)	(243,721)
Investment Performance	299,722	57,974	357,696	301,383	60,124	361,507
Other	(56,624)	(23,142)	(79,766)	(65,086)	(24,405)	(89,491)
Balance as of End of Period	\$ 3,550,555	\$ 572,087	\$ 4,122,642	\$ 3,646,734	\$ 535,703	\$ 4,182,437
Cash Surrender Value as of End of Period ⁽¹⁾	\$ 3,550,555	\$ 572,087	\$ 4,122,642	\$ 3,646,734	\$ 535,703	\$ 4,182,437

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

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

Asset Type:	June 30, 2024	December 31, 2023
Managed Volatility Equity/Fixed Income Blended Fund	\$ 2,073,527	\$ 2,131,149
Equity	1,681,781	1,596,467
Fixed Income	147,285	152,398
Money Market	219,438	226,387
Alternative	611	599
Total Assets Supporting Separate Account Liabilities	\$ 4,122,642	\$ 4,107,000

18. INCOME TAXES

KKR & Co. Inc. is a domestic corporation for U.S. federal income tax purposes and is subject to U.S. federal, state and local income taxes at the entity level on its share of taxable income. In addition, KKR Group Partnership and certain of its subsidiaries operate as partnerships for U.S. federal tax purposes but as taxable entities for certain state, local or non-U.S. tax purposes. Moreover, certain corporate subsidiaries of KKR, including certain subsidiaries of Global Atlantic, are domestic corporations for U.S. federal income tax purposes and are subject to U.S. federal, state, and local income taxes.

For the three months ended June 30, 2024 and 2023, the effective tax rates were 17.9% and 22.4%, respectively, and for the six months ended June 30, 2024 and 2023, the effective tax rates were 18.9% and 25.5%, respectively. The effective tax rate differs from the statutory rate primarily due to the portion of the reported net income (loss) before taxes not being attributable to KKR but rather being attributable to (i) third-party limited partner interests in consolidated investment funds and (ii) exchangeable securities representing ownership interests in KKR Group Partnership until they are exchanged for common stock of KKR & Co. Inc.

In 2022, changes in market conditions, including rapidly rising interest rates, impacted the unrealized tax gains and losses in the available for sale securities portfolios of Global Atlantic, resulting in deferred tax assets related to net unrealized tax capital losses for which the carryforward period has not yet begun. As such, when assessing recoverability, Global Atlantic considered its ability and intent to hold the underlying securities to recovery. Global Atlantic concluded that a valuation allowance should be established on a portion of the deferred tax assets related to unrealized tax capital losses that are not more-likely-than-not to be realized, which represents the portion of the portfolio Global Atlantic estimates it would not be able to hold to recovery. As of June 30, 2024, Global Atlantic maintained \$89.3 million of valuation allowance associated with the unrealized tax capital losses in the available for sale securities portfolio. The establishment of the valuation allowance was recorded in other comprehensive income. Based on available evidence and various assumptions as to the timing of income, KKR believes it is likely that all other deferred tax assets will be realized. There was no change in the valuation allowance recorded as of June 30, 2024.

During the six months ended June 30, 2024, there were no material changes to KKR's uncertain tax positions and KKR believes there will not be a significant increase or decrease to these uncertain tax positions within 12 months of the reporting date.

On August 16, 2022, the Inflation Reduction Act (the "IRA") was signed into law. The IRA enacted a new 15% corporate alternative minimum tax ("CAMT") on the "adjusted financial statement income" of certain large corporations, which became effective on January 1, 2023. In addition, the IRA enacted a 1% excise tax on corporate stock repurchases completed after December 31, 2022. KKR reviewed the impact and concluded there was no impact on income taxes for the six months ended June 30, 2024 and will continue to review and monitor the issuance of additional guidance from the U.S. Treasury and the U.S. Internal Revenue Service.

On December 20, 2021, the OECD released Pillar Two Model Rules, which contemplate a global 15% minimum tax rate. The OECD continues to release additional guidance, including administrative guidance on interpretation and application of Pillar Two, and many countries are passing legislation to comply with Pillar Two. The changes contemplated by Pillar Two, when enacted by various countries in which we do business, may increase our taxes in such countries. Based on the available legislation, KKR concluded there was no material impact on income taxes with respect to Pillar Two for the six months ended June 30, 2024. KKR will continue to evaluate the potential future impacts of Pillar Two and will continue to review and monitor the issuance of additional guidance.

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

19. EQUITY-BASED COMPENSATION

The following table summarizes the expense associated with equity-based compensation in connection with KKR equity incentive awards and incentive awards under the Global Atlantic Financial Company Book Value Award Plan ("GA Book Value Plan") and the Global Atlantic Senior Management Equity Incentive Plan ("GA Equity Incentive Plan") for the three and six months ended June 30, 2024 and 2023, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Asset Management	\$ 149,584	\$ 108,915	\$ 303,929	\$ 235,205
Insurance	35,323	37,741	64,389	94,788
Total	\$ 184,907	\$ 146,656	\$ 368,318	\$ 329,993

KKR Equity Incentive Awards

Under KKR's Equity Incentive Plans, KKR is permitted to grant equity awards representing ownership interests in KKR & Co. Inc. common stock. On March 29, 2019, the 2019 Equity Incentive Plan became effective. Following the effectiveness of the 2019 Equity Incentive Plan, KKR no longer makes further grants under the 2010 Equity Incentive Plan, and the 2019 Equity Incentive Plan became KKR's only plan for providing new equity awards by KKR & Co. Inc. Outstanding awards under the 2010 Equity Incentive Plan will remain outstanding, unchanged and subject to the terms of the 2010 Equity Incentive Plan and their respective equity award agreements, until the vesting, expiration or lapse of such awards in accordance with their terms. The total number of equity awards representing shares of common stock that may be issued under the 2019 Equity Incentive Plan is equivalent to 15% of the aggregate number of the shares of common stock and KKR Group Partnership Units (excluding KKR Group Partnership Units held by KKR & Co. Inc. or its wholly-owned subsidiaries), subject to annual adjustment. As of June 30, 2024, 49,266,839 shares may be issued under the 2019 Equity Incentive Plan. KKR has also issued equity grants in the form of restricted holdings units through KKR Holdings III L.P. ("KKR Holdings III"), which are not issued under the 2019 Equity Incentive Plan and are currently held by certain Global Atlantic employees. Equity awards granted generally consist of (i) restricted stock units that convert into shares of common stock of KKR & Co. Inc. (or cash equivalent) upon vesting and (ii) restricted holdings units that are exchangeable into shares of common stock of KKR & Co. Inc. upon vesting and certain other conditions, including those described below.

Service-Vesting Awards

KKR grants restricted stock units and restricted holdings units that are subject to service-based vesting, typically over a three to five-year period from the date of grant (referred to hereafter as "Service-Vesting Awards"). In certain cases, these Service-Vesting Awards may have a percentage of the award that vests immediately upon grant, and certain Service-Vesting Awards may have vesting periods longer than five years. Additionally, some but not all Service-Vesting Awards are subject to transfer restrictions and/or minimum retained ownership requirements. Generally, the transfer restriction period, if applicable, lasts for (i) one year with respect to one-half of the awards vesting on any vesting date and (ii) two years with respect to the other one-half of the awards vesting on such vesting date. While providing services to KKR, some but not all of these awards are also subject to minimum retained ownership rules requiring the award recipient to continuously hold shares of common stock equivalents equal to at least 15% of their cumulatively vested awards that have or had the minimum retained ownership requirement. Holders of the Service-Vesting Awards do not participate in dividends until such awards have met their vesting requirements.

Expense associated with the vesting of these Service-Vesting Awards is based on the closing price of KKR & Co. Inc. common stock on the date of grant, discounted for the lack of participation rights in the expected dividends on unvested equity awards. Expense is recognized on a straight line basis over the life of the award and assumes a forfeiture rate of up to 7% annually based upon expected turnover by class of recipient.

As of June 30, 2024, there was approximately \$947 million of total estimated unrecognized expense related to unvested Service-Vesting Awards, which is expected to be recognized over the weighted average remaining requisite service period of 2.7 years.

A summary of the status of unvested Service-Vesting Awards granted from January 1, 2024 through June 30, 2024 is presented below:

	Shares ⁽¹⁾	Weighted Average Grant Date Fair Value
Balance, January 1, 2024	23,228,671	\$ 53.22
Granted	4,590,867	79.00
Vested	(5,468,128)	47.58
Forfeitures	(451,693)	57.73
Balance, June 30, 2024	21,899,717	\$ 59.94

(1) Unvested Service-Vesting Awards include restricted stock units and restricted holdings units granted to Global Atlantic employees.

Market Condition Awards

KKR also grants restricted stock units and restricted holdings units that are subject to both a service-based vesting condition and a market price based vesting condition (referred to hereafter as "Market Condition Awards"). The following is a discussion of the Market Condition Awards, excluding the Co-CEO Awards (as defined and discussed below).

The number of Market Condition Awards (other than the Co-CEO awards) that will vest depend upon (i) the market price of KKR common stock reaching certain price targets that range from \$45.00 to \$140.00 and (ii) the employee being employed by KKR on a certain date, which typically ranges from five to six years from the date of grant (with exceptions for involuntary termination without cause, death and permanent disability). The market price vesting condition is met when the average closing price of KKR common stock during 20 consecutive trading days meets or exceeds the stock price targets. Holders of the Market Condition Awards do not participate in dividends until such awards have met both their service-based and market price based vesting requirements. Additionally, these awards are subject to additional transfer restrictions and minimum retained ownership requirements after vesting.

Due to the existence of the service requirement, the vesting period for these Market Condition Awards (other than the Co-CEO awards) is explicit, and as such, compensation expense will be recognized on (i) a straight-line basis over the period from the date of grant through the date the award recipient is required to be employed by KKR and (ii) assumes a forfeiture rate of up to 7% annually based upon expected turnover. The fair value of the awards granted are based on a Monte Carlo simulation valuation model. In addition, the grant date fair value assumes that holders of the Market Condition Awards will not participate in dividends until such awards have met all of their vesting requirements.

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

	Weighted Average	Range
Grant Date Fair Value	\$30.62	\$19.87 - \$79.94
Closing KKR share price as of valuation date	\$51.74	\$37.93 - \$98.62
Risk Free Rate	2.21%	0.41% - 4.41%
Volatility	30.04%	28.00% - 38.00%
Dividend Yield	1.27%	0.71% - 1.53%
Expected Cost of Equity	10.74%	9.13% - 11.80%

As of June 30, 2024, there was approximately \$651 million of total estimated unrecognized expense related to these unvested Market Condition Awards, which is expected to be recognized over the weighted average remaining requisite service period of 3.1 years.

A summary of the status of unvested Market Condition Awards granted from January 1, 2024 through June 30, 2024 is presented below:

	Shares ⁽¹⁾	Weighted Average Grant Date Fair Value
Balance, January 1, 2024	36,497,589	\$ 29.59
Granted	2,278,830	58.31
Vested	(171,064)	21.39
Forfeitures	(307,027)	25.02
Balance, June 30, 2024	38,298,328	\$ 31.37

(1) Unvested Market Condition Awards include restricted holdings units granted to Global Atlantic employees.

As of June 30, 2024, 28.2 million units of these Market Condition awards have met their market price based vesting condition.

Co-CEO Awards

On December 9, 2021, the Board of Directors approved grants of 7.5 million restricted holdings units to each of KKR's Co-Chief Executive Officers that are subject to both a service-based vesting condition and a market price based vesting condition (referred to hereafter as "Co-CEOs Awards"). For both Co-Chief Executive Officers, 20% of the Co-CEOs Awards are eligible to vest at each of the following KKR common stock prices targets: \$95.80, \$105.80, \$115.80, \$125.80 and \$135.80. The market price based vesting condition is met when the average closing price of KKR common stock during 20 consecutive trading days meets or exceeds the stock price targets. In addition to the market price based vesting conditions, in order for the award to vest, the Co-Chief Executive Officer is required to be employed by KKR on December 31, 2026 (with exceptions for involuntary termination without cause, death and permanent disability).

These awards will be automatically canceled and forfeited upon the earlier of a Co-Chief Executive Officer's termination of service (except for involuntary termination without cause, death or permanent disability) or the failure to meet the market price based vesting condition by December 31, 2028 (for which continued service is required if the market price vesting condition is met after December 31, 2026). Co-CEO Awards do not participate in dividends until such awards have met both their service-based and market price based vesting requirements. Additionally, these awards are subject to additional transfer restrictions and minimum retained ownership requirements after vesting.

Due to the existence of the service requirement, the vesting period for these Co-CEO Awards is explicit, and as such, compensation expense will be recognized on a straight-line basis over the period from the date of grant through December 31, 2026 given the derived service period is less than the explicit service period. The fair value of the awards granted are based on a Monte Carlo simulation valuation model. In addition, the grant date fair value assumes that these Co-CEO Awards will not participate in dividends until such awards have met all of their vesting requirements.

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

Grant Date Fair Value	\$48.91
Closing KKR share price as of valuation date	\$75.76
Risk Free Rate	1.42 %
Volatility	28.0 %
Dividend Yield	0.77 %
Expected Cost of Equity	9.36 %

As of June 30, 2024, there was approximately \$363 million of total estimated unrecognized expense related to these unvested Co-CEO Awards, which is expected to be recognized ratably from July 1, 2024 to December 31, 2026. As of June 30, 2024, 6.0 million units of these Co-CEO awards have met their market price based vesting condition.

Modification and Replacement of Book Value Awards - Insurance

On February 1, 2021, Global Atlantic adopted the GA Book Value Plan to enhance the ability of Global Atlantic to attract, motivate and retain its employees and to promote the success of the Global Atlantic business.

The GA Book Value Plan authorized the grant of cash-settled awards ("book value awards," or "BVAs") representing the right to receive one or more payments upon vesting equal to the product of an initial dollar value set by the award multiplied by a pre-determined formula as of each applicable vesting date. The predetermined formula is equal to the quotient determined by dividing the book value of one share of TGAFG on the applicable vesting date by the book value of a share on the original grant date, subject to adjustments. Book value awards generally vested in three equal, annual installments, subject to continued employment.

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

Modification and Replacement of GA Equity Incentive Plan Awards - Insurance

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

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

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

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

20. RELATED PARTY TRANSACTIONS

Due from Affiliates consists of:

	June 30, 2024	December 31, 2023
Amounts due from unconsolidated investment funds	\$ 1,377,708	\$ 1,229,308
Amounts due from portfolio companies	239,039	217,544
Due from Affiliates	\$ 1,616,747	\$ 1,446,852

Due to Affiliates consists of:

	June 30, 2024	December 31, 2023
Amounts due to current and former employees under the tax receivable agreement	\$ 381,076	\$ 406,730
Amounts due to unconsolidated investment funds	63,871	131,369
Due to Affiliates	\$ 444,947	\$ 538,099

21. SEGMENT REPORTING

KKR operates through three reportable segments which are presented below and reflect how its chief operating decision-makers allocate resources and assess performance:

- **Asset Management** - The asset management business offers a broad range of investment management services to investment funds, vehicles and accounts (including Global Atlantic and the Strategic Holdings segment) and provides capital markets services to portfolio companies and third parties. This reportable segment also reflects how its business lines operate collaboratively with predominantly a single expense pool.
- **Insurance** - The insurance business is operated by Global Atlantic, which is a leading U.S. retirement and life insurance company that provides a broad suite of protection, legacy and savings products and reinsurance solutions to clients across individual and institutional markets. Global Atlantic primarily generates income by earning a spread between its investment income and the cost of policyholder benefits.
- **Strategic Holdings** - The strategic holdings business initially represents KKR's participation in the core private equity strategy, which was previously presented in the Asset Management segment's Principal Activities business line. This segment primarily generates income from dividends from these businesses. Dividends are presented net of management fees paid to our Asset Management segment. If KKR were to sell a portion or all of a business reported in Strategic Holdings, the realized gain or loss would be presented as realized investment income reduced by the performance fee paid to our Asset Management segment.

KKR's segment profitability measure used to make operating decisions and assess performance across KKR's reportable segments is presented prior to giving effect to the allocation of income (loss) among KKR & Co. Inc. and holders of any exchangeable securities, and the consolidation of the investment funds, vehicles and accounts that KKR advises, manages or sponsors (including CFEs). KKR's segment profitability measure excludes: (i) equity-based compensation charges, (ii) amortization of acquired intangibles, and (iii) transaction-related and non-operating items, if any. Transaction-related and non-operating items arise from corporate actions and non-operating items, which consist of: (i) impairments, (ii) transaction costs from acquisitions, (iii) depreciation on real estate that KKR owns and occupies, (iv) contingent liabilities, net of any recoveries, and (v) other gains or charges that affect period-to-period comparability and are not reflective of KKR's ongoing operational performance. Inter-segment transactions are not eliminated from segment results when management considers those transactions in assessing the results of the respective segments. These transactions include (i) management fees earned by the Asset Management segment as the investment adviser for Global Atlantic insurance companies, (ii) management and performance fees earned by the Asset Management segment from the Strategic Holdings segment, and (iii) interest income and expense based on lending arrangements where the Asset Management segment borrows from the Insurance segment. All these inter-segment transactions are recorded by each segment based on the applicable governing agreements. Total Segment Earnings represents the total segment earnings of KKR's Asset Management, Insurance and Strategic Holdings segments:

- **Asset Management Segment Earnings** is the segment profitability measure used to make operating decisions and to assess the performance of the Asset Management segment. This measure is presented before income taxes and is comprised of: (i) Fee Related Earnings, (ii) Realized Performance Income, (iii) Realized Performance Income Compensation, (iv) Realized Investment Income, and (v) Realized Investment Income Compensation. The non-operating adjustments made to derive Asset Management Segment Earnings excludes the impact of: (i) unrealized gains (losses) on investments, (ii) unrealized carried interest, and (iii) unrealized carried interest compensation. Management fees earned by KKR as the adviser, manager or sponsor for its investment funds, vehicles and accounts, including its Global Atlantic insurance companies and Strategic Holdings segment, are included in Asset Management Segment Earnings.
- **Insurance Operating Earnings** is the segment profitability measure used to make operating decisions and to assess the performance of the Insurance segment. This measure is presented before income taxes and is comprised of: (i) Net Investment Income, (ii) Net Cost of Insurance, and (iii) General, Administrative, and Other Expenses. The non-operating adjustments made to derive Insurance Operating Earnings excludes the impact of: (i) investment gains (losses) which include realized gains (losses) related to asset/liability matching investment strategies and unrealized investment gains (losses) and (ii) non-operating changes in policy liabilities and derivatives which includes (a) changes in the fair value of market risk benefits and other policy liabilities measured at fair value and related benefit payments, (b) fees attributed to guaranteed benefits, (c) derivatives used to manage the risks associated with policy liabilities, and (d) losses at contract issuance on payout annuities. Insurance Operating Earnings includes (i) realized gains and losses not related to asset/liability matching investment strategies and (ii) the investment management costs that are earned by our Asset Management segment as the investment adviser of the Global Atlantic insurance companies.

- Strategic Holdings Segment Earnings is the segment profitability measure used to make operating decisions and to assess the performance of the Strategic Holdings segment. This measure is presented before income taxes and is comprised of: Dividends, Net and Net Realized Investment Income. The non-operating adjustment made to derive Strategic Holdings Segment Earnings excludes the impact of unrealized gains (losses) on investments. Strategic Holdings Segment Earnings includes management fees and performance fee expenses that are earned by the Asset Management segment.

Modification of Segment Information

In connection with building and scaling of the core private equity strategy on KKR's balance sheet and the acquisition of the remaining minority equity interests in Global Atlantic on January 2, 2024, KKR reevaluated the manner in which it makes operational and resource deployment decisions and assesses the overall performance of KKR's business. Effective with the first quarter of 2024, KKR has made changes with respect to the preparation of the reports used by KKR's chief operating decision makers. As a result, KKR has modified the presentation of its segment financial information with retrospective application to all prior periods presented.

The most significant changes between KKR's current segment presentation and its previous segment presentation reported prior to the first quarter of 2024, are as follows:

- Creating a new business segment, Strategic Holdings - The new segment is currently comprised of KKR's participation in its core private equity strategy. Our participation in the core private equity strategy has scaled into a business KKR now evaluates separately from its Asset Management segment. Additionally, KKR may also acquire other long-term assets that are not part of the core private equity strategy for this segment. As of the first quarter of 2024, KKR's participation in its core private equity strategy no longer is reported as part of the Asset Management segment. The Asset Management segment continues to represent KKR's business separate from its insurance operations and continues to reflect how the chief operating decision makers allocate resources and assess performance in the asset management business, which includes operating collaboratively across its business lines, with predominantly a single expense pool. Effective as of the first quarter of 2024, the results of our Strategic Holdings segment includes a management fee and performance fee that is paid to our Asset Management segment for providing advisory services rather than allocating the costs borne by our Asset Management segment to support our Strategic Holdings segment. The historical amounts presented herein do not include any management or performance fees since the governing agreement was not in place prior to the first quarter of 2024.
- Segment Earnings - Segment Earnings is the performance measure for KKR's segment profitability and is used by management in making operational decisions and to assess performance.

Segment Presentation

The following tables set forth information regarding KKR's segment results:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Asset Management				
Management Fees ⁽¹⁾⁽²⁾	\$ 847,307	\$ 748,888	\$ 1,662,634	\$ 1,487,044
Transaction and Monitoring Fees, Net	222,858	190,228	374,942	332,407
Fee Related Performance Revenues	37,145	28,352	56,246	50,093
Fee Related Compensation	(193,779)	(217,684)	(366,419)	(420,778)
Other Operating Expenses	(158,134)	(147,475)	(303,265)	(297,879)
Fee Related Earnings	755,397	602,309	1,424,138	1,150,887
Realized Performance Income	482,309	149,334	753,854	324,732
Realized Performance Income Compensation	(359,470)	(97,085)	(553,017)	(211,094)
Realized Investment Income ⁽³⁾	138,546	118,022	273,299	312,856
Realized Investment Income Compensation	(20,782)	(17,183)	(40,993)	(46,897)
Asset Management Segment Earnings	\$ 996,000	\$ 755,397	\$ 1,857,281	\$ 1,530,484
Insurance				
Net Investment Income ⁽¹⁾⁽³⁾	\$ 1,538,046	\$ 1,283,794	\$ 3,024,465	\$ 2,555,049
Net Cost of Insurance	(1,070,616)	(811,677)	(2,073,943)	(1,562,289)
General, Administrative and Other	(214,217)	(203,285)	(424,469)	(399,999)
Pre-tax Operating Earnings	253,213	268,832	526,053	592,761
Pre-tax Operating Earnings Attributable to Noncontrolling Interests	—	(98,608)	—	(217,425)
Insurance Operating Earnings	\$ 253,213	\$ 170,224	\$ 526,053	\$ 375,336
Strategic Holdings				
Dividends, Net ⁽²⁾	\$ 40,852	\$ —	\$ 61,572	\$ —
Strategic Holdings Operating Earnings	40,852	—	61,572	—
Net Realized Investment Income	—	—	—	—
Strategic Holdings Segment Earnings	\$ 40,852	\$ —	\$ 61,572	\$ —
Total Segment Earnings	\$ 1,290,065	\$ 925,621	\$ 2,444,906	\$ 1,905,820

⁽¹⁾ Includes intersegment management fees of \$127.1 million and \$110.6 million between Asset Management and Insurance segments for the three months ended June 30, 2024 and 2023, respectively, and \$239.5 million and \$218.9 million for the six months ended June 30, 2024 and 2023, respectively.

⁽²⁾ Includes intersegment management fees of \$8.2 million between the Asset Management and the Strategic Holdings segments for the three months ended June 30, 2024 and \$15.7 million for the six months ended June 30, 2024.

⁽³⁾ Includes intersegment interest expense of \$2.1 million and \$43.4 million for the three months ended June 30, 2024 and 2023, respectively, and \$5.3 million and \$88.2 million for the six months ended June 30, 2024 and 2023, respectively.

	As of June 30,	
	2024	2023
Segment Assets:		
Asset Management	\$ 25,959,516	\$ 25,344,995
Insurance	236,339,708	176,041,236
Strategic Holdings	7,185,608	6,187,476
Total Segment Assets	\$ 269,484,832	\$ 207,573,707

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Non-cash expenses excluded from Segment Earnings				
<i>Equity Based Compensation and Other</i>				
Asset Management	\$ 149,584	\$ 108,915	\$ 303,929	\$ 235,205
Insurance ⁽¹⁾	35,323	23,898	64,389	60,291
Total Non-cash expenses	\$ 184,907	\$ 132,813	\$ 368,318	\$ 295,496

(1) Amounts include the portion allocable to KKR & Co. Inc.

Reconciliations of Total Segment Amounts

The following tables reconcile Segment Revenues, Segment Earnings, and Segment Assets to their equivalent GAAP measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total GAAP Revenues	\$ 4,171,910	\$ 3,626,518	\$ 13,828,648	\$ 6,754,000
Impact of Consolidation and Other	308,598	184,775	592,421	394,553
<i>Asset Management Adjustments:</i>				
Capital Allocation-Based Income (Loss) (GAAP)	(738,125)	(696,897)	(2,001,067)	(1,145,915)
Realized Carried Interest - Asset Management	458,559	146,232	708,827	318,921
Realized Investment Income - Asset Management	138,546	118,022	273,299	312,856
Capstone Fees	(21,563)	(24,040)	(40,077)	(43,845)
Expense Reimbursements	(27,168)	(16,840)	(35,261)	(32,384)
<i>Strategic Holdings Adjustments:</i>				
Strategic Holdings Segment Management Fees	8,183	—	15,667	—
<i>Insurance Adjustments:</i>				
Net Premiums	(935,794)	(626,429)	(6,972,316)	(1,100,053)
Policy Fees	(333,900)	(315,382)	(662,847)	(629,184)
Other Income	(63,889)	(39,858)	(120,274)	(77,016)
(Gains) Losses from Investments ⁽¹⁾	308,517	193,770	567,000	454,277
Non-operating Changes in Policy Liabilities and Derivatives	33,189	(31,253)	52,992	(144,029)
Total Segment Revenues ⁽²⁾	\$ 3,307,063	\$ 2,518,618	\$ 6,207,012	\$ 5,062,181

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

(2) Total Segment Revenues is comprised of (i) Management Fees, (ii) Transaction and Monitoring Fees, Net, (iii) Fee Related Performance Revenues, (iv) Realized Performance Income, (v) Realized Investment Income, (vi) Net Investment Income and (vii) Dividends, Net.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income (Loss) Before Tax (GAAP)	\$ 1,210,205	\$ 1,451,013	\$ 2,573,256	\$ 1,859,448
Impact of Consolidation and Other	(148,924)	(251,248)	(338,520)	(152,111)
Interest Expense, Net	77,101	95,357	149,908	177,597
<i>Asset Management Adjustments:</i>				
Unrealized (Gains) Losses	(76,175)	(235,521)	(475,253)	(115,587)
Unrealized Carried Interest	(190,143)	(435,495)	(1,136,959)	(638,154)
Unrealized Carried Interest Compensation	153,003	195,361	910,455	279,191
Transaction-related and Non-operating Items	1,308	7,192	62,983	13,999
Equity-based compensation	66,535	45,261	140,312	104,278
Equity-based compensation - Performance based	83,050	63,654	163,618	130,927
<i>Strategic Holdings Adjustments:</i>				
Unrealized (Gains) Losses	(344,709)	(222,790)	(417,966)	(243,397)
<i>Insurance Adjustments:</i> ⁽¹⁾				
(Gains) Losses from Investments ⁽¹⁾⁽²⁾	312,614	125,483	559,531	256,597
Non-operating Changes in Policy Liabilities and Derivatives ⁽¹⁾	106,465	57,463	180,328	163,954
Transaction-related and Non-operating Items ⁽¹⁾	—	3,199	—	3,199
Equity-based and Other Compensation ⁽¹⁾	35,323	23,898	64,389	60,291
Amortization of Acquired Intangibles ⁽¹⁾	4,412	2,794	8,824	5,588
Total Segment Earnings	\$ 1,290,065	\$ 925,621	\$ 2,444,906	\$ 1,905,820

(1) Amounts represent the portion allocable to KKR & Co. Inc.

(2) Includes gains and losses on funds withheld receivables and payables embedded derivatives.

	As of	
	June 30, 2024	June 30, 2023
Total GAAP Assets	\$ 348,469,179	\$ 287,694,799
Impact of Consolidation and Reclassifications	(74,995,381)	(77,968,654)
Carry Pool Reclassifications	(3,988,966)	(2,152,438)
Total Segment Assets	\$ 269,484,832	\$ 207,573,707

22. EQUITY

Stockholders' Equity

Common Stock

The common stock of KKR & Co. Inc. is entitled to vote as provided by its certificate of incorporation, Delaware General Corporation Law and the rules of the New York Stock Exchange ("NYSE"). Subject to preferences that apply to any shares of preferred stock outstanding at the time on which dividends are payable, the holders of common stock are entitled to receive dividends out of funds legally available if the Board of Directors, in its discretion, determines to declare dividends and then only at the times and in the amounts that the Board of Directors may determine. The common stock is not entitled to preemptive rights and is not subject to conversion, redemption or sinking fund provisions.

Series I Preferred Stock

Except for any distribution required by Delaware law to be made upon a dissolution event, the holders of Series I preferred stock do not have any economic rights to receive dividends. Series I preferred stock is entitled to vote on various matters that may be submitted to vote of the stockholders and the other matters as set forth in the certificate of incorporation. Upon a dissolution event, each holder of Series I preferred stock will be entitled to a payment equal to \$0.01 per share of Series I preferred stock. The Series I preferred stock will be eliminated on the Sunset Date (as defined in Note 1 "Organization"), which is scheduled to occur not later than December 31, 2026.

Share Repurchase Program

The repurchase program does not have an expiration date. Under KKR's repurchase program, shares of common stock of KKR & Co. Inc. may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. In addition to the repurchases of common stock, the repurchase program will be used for the retirement (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards granted pursuant to our Equity Incentive Plans representing the right to receive common stock. KKR expects that the program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used. The program does not require KKR to repurchase or retire any specific number of shares of common stock or equity awards, respectively, and the program may be suspended, extended, modified or discontinued at any time. As of July 26, 2024, there was approximately \$101 million remaining under the program. In April 2024, the share repurchase program was amended such that when the remaining available amount under the share repurchase program becomes \$50 million or less, the total available amount under the share repurchase program will automatically add an additional \$500 million to the then remaining available amount of \$50 million or less.

The following table presents the shares of KKR & Co. Inc. common stock that have been repurchased or equity awards retired under the repurchase program:

	Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Shares of common stock repurchased	—	5,086,354	—	5,086,354
Equity awards for common stock retired	923,863	604,281	923,863	604,281

Change in KKR & Co. Inc.'s Ownership Interest

Vesting of restricted holdings units results in a change in ownership in KKR Group Partnership, while KKR retains a controlling interest, and is accounted for as an equity transaction between the controlling and noncontrolling interests.

Noncontrolling Interests

Noncontrolling interests in consolidated entities represent the non-redeemable ownership interests in KKR that are held primarily by:

- (i) third party fund investors in KKR's consolidated funds and certain other entities;
- (ii) third parties in KKR's Capital Markets business line;
- (iii) certain current and former employees who hold exchangeable securities; and
- (iv) certain third-party investors in Global Atlantic's consolidated renewable energy entities and certain other entities.

The following table presents total noncontrolling interests:

	Three Months Ended June 30,	
	2024	2023
Balance at the beginning of the period	\$ 34,568,564	\$ 37,316,569
Net Income (Loss) Attributable to Noncontrolling Interests	295,644	266,086
Other Comprehensive Income (Loss), net of tax	(3,358)	(77,150)
Equity-Based Compensation (Non Cash Contribution)	108,152	71,080
Change in KKR & Co. Inc.'s Ownership Interest	(123,282)	(113,121)
Capital Contributions	1,958,078	4,935,615
Capital Distributions	(2,306,395)	(1,897,563)
Changes in Consolidation	1,067,974	(72,062)
Balance at the end of the period	\$ 35,565,377	\$ 40,429,454

	Six Months Ended June 30,	
	2024	2023
Beginning of Period (as previously reported for the prior period)	\$ 34,904,791	\$ 35,778,000
Adoption of New Accounting Standard	—	632,858
Balance at the beginning of the period (as revised for the prior period)	34,904,791	36,410,858
Net Income (Loss) Attributable to Noncontrolling Interests	674,602	193,083
Other Comprehensive Income (Loss), net of tax	(4,838)	290,038
Compensation Modification - Issuance of Holdings III Units (See Note 19)	53,623	—
Equity-Based Compensation (Non Cash Contribution)	212,059	147,676
2024 GA Acquisition - Cash consideration (See Note 1)	(2,622,230)	—
2024 GA Acquisition - Issuance of Holdings III Units (See Note 1)	40,789	—
Change in KKR & Co. Inc.'s Ownership - 2024 GA Acquisition	2,169,300	—
Change in KKR & Co. Inc.'s Ownership Interest	(288,512)	(113,121)
Capital Contributions	3,396,280	7,404,393
Capital Distributions	(4,038,461)	(3,737,866)
Changes in Consolidation	1,067,974	(165,607)
Balance at the end of the period	\$ 35,565,377	\$ 40,429,454

23. REDEEMABLE NONCONTROLLING INTERESTS

Redeemable noncontrolling interests represent:

(i) Noncontrolling interests of certain KKR investment funds and vehicles that are subject to periodic redemption by fund investors following the expiration of a specified period of time, or may be withdrawn subject to a redemption fee during the period when capital may not be otherwise withdrawn. Consolidated fund investor's interests subject to redemption as described above are presented as Redeemable Noncontrolling Interests in the accompanying consolidated statements of financial condition and presented as Net Income (Loss) Attributable to Redeemable Noncontrolling Interests in the accompanying consolidated statements of operations. When redeemable amounts become legally payable to fund investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the accompanying consolidated statements of financial condition.

(ii) Global Atlantic has redeemable noncontrolling interests related to renewable energy entities of approximately \$46.1 million and \$47.8 million as of June 30, 2024 and December 31, 2023, respectively, as determined by the hypothetical liquidation at book value ("HLBV") method. The estimated redemption value of redeemable noncontrolling interests is calculated as the discounted cash flows subsequent to the expected flip date of the respective renewable energy entity. The flip date represents the date at which the allocation of income and cash flows among the investors in the entity is adjusted, pursuant to the redeemable noncontrolling interest investors having achieved an agreed-upon return. The flip date of renewable energy partnerships determines when the redeemable noncontrolling interests are eligible to be redeemed. Eligible redemption dates range from January 1, 2028 to June 30, 2028. For the redeemable noncontrolling interests outstanding as of both June 30, 2024 and December 31, 2023, the estimated redemption value that would be due at the respective redemption dates is \$3.2 million.

The following table presents the calculation of Redeemable Noncontrolling Interests:

	Three Months Ended June 30,	
	2024	2023
Balance at the beginning of the period	\$ 922,093	\$ 144,126
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	29,666	(1,740)
Capital Contributions	341,868	69,997
Capital Distributions	(2,140)	(1,149)
Changes in Consolidation	—	(27,821)
Balance at the end of the period	<u>\$ 1,291,487</u>	<u>\$ 183,413</u>

	Six Months Ended June 30,	
	2024	2023
Balance at the beginning of the period	\$ 615,427	\$ 152,065
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	62,344	(9,043)
Capital Contributions	624,121	69,997
Capital Distributions	(10,405)	(1,785)
Changes in Consolidation	—	(27,821)
Balance at the end of the period	<u>\$ 1,291,487</u>	<u>\$ 183,413</u>

24. COMMITMENTS AND CONTINGENCIES

Funding Commitments and Others

As of June 30, 2024, KKR had unfunded commitments consisting of \$8.7 billion to its investment funds and vehicles. KKR has also agreed for certain of its investment vehicles to fund or otherwise be liable for a portion of their investment losses (up to a maximum of approximately \$70.2 million) and/or to provide them with liquidity upon certain termination events (the maximum amount of which is unknown until the scheduled termination date of the investment vehicle).

In addition to these uncalled commitments and funding obligations to KKR's investment funds and vehicles, KKR has entered into contractual commitments primarily with respect to underwriting transactions, debt financing, revolving credit facilities, and syndications in KKR's Capital Markets business line. As of June 30, 2024, these commitments amounted to \$0.5 billion. Whether these amounts are actually funded, in whole or in part, depends on the contractual terms of such commitments, including the satisfaction or waiver of any conditions to closing or funding. KKR's capital markets business has arrangements with third parties, which reduce its risk when underwriting certain debt transactions, and thus our unfunded commitments as of June 30, 2024 have been reduced to reflect the amount to be funded by such third parties. As of June 30, 2024, KKR's capital markets business line has entered into such arrangements representing a total notional amount of \$4.5 billion. In the case of purchases of investments or assets in our Principal Activities business line, the amount to be funded includes amounts that are intended to be syndicated to third parties, and the actual amounts to be funded may be less.

Global Atlantic has commitments to purchase or fund investments of \$3.6 billion as of June 30, 2024. These commitments include those related to mortgage loans, other lending facilities and other investments. For those commitments that represent a contractual obligation to extend credit, Global Atlantic has recorded a liability of \$22.2 million for current expected credit losses as of June 30, 2024.

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

Non-cancelable Operating Leases

KKR's non-cancelable operating leases consist of leases of office space around the world. There are no material rent holidays, contingent rent, rent concessions or leasehold improvement incentives associated with any of these property leases. In addition to base rentals, certain lease agreements are subject to escalation provisions and rent expense is recognized on a straight-line basis over the term of the lease agreement.

Global Atlantic also enters into land leases for its consolidated investments in renewable energy.

Contingent Repayment Guarantees

The partnership documents governing KKR's carry-paying investment funds and vehicles generally include a "clawback" provision that, if triggered, may give rise to a contingent obligation requiring the general partner to return amounts to the fund for distribution to the fund investors at the end of the life of the fund. Under a clawback obligation, upon the liquidation of a fund, the general partner is required to return, typically on an after-tax basis, previously distributed carry to the extent that, due to the diminished performance of later investments, the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, including the effects of any performance thresholds. KKR has guaranteed its general partners' clawback obligations.

As of June 30, 2024, approximately \$564 million of carried interest was subject to this clawback obligation, assuming that all applicable carry-paying funds and their alternative investment vehicles were liquidated at their June 30, 2024 fair values. Although KKR would be required to remit the entire amount to fund investors that are entitled to receive the clawback payment, KKR would be entitled to seek reimbursement of approximately \$228 million of that amount from Associates Holdings, which is not a KKR subsidiary. As of June 30, 2024, Associates Holdings had access to cash reserves sufficient to reimburse the full \$228 million that would be due to KKR. If the investments in all carry-paying funds were to be liquidated at zero value, the clawback obligation would have been approximately \$4.0 billion, and KKR would be entitled to seek reimbursement of approximately \$1.7 billion of that amount from Associates Holdings. KKR will acquire control of Associates Holdings when a subsidiary of KKR becomes its general partner upon the closing of the transactions contemplated to occur on the Sunset Date (as defined in Note 1 "Organization"), which will occur not later than December 31, 2026.

Carried interest is recognized in the consolidated statements of operations based on the contractual conditions set forth in the agreements governing the fund as if the fund were terminated and liquidated at the reporting date and the fund's investments were realized at the then estimated fair values. Amounts earned pursuant to carried interest are earned by the general partner of those funds to the extent that cumulative investment returns are positive and where applicable, preferred return thresholds have been met. If these investment amounts earned decrease or turn negative in subsequent periods, recognized carried interest will be reversed and to the extent that the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, a clawback obligation would be recorded. For funds that are consolidated, this clawback obligation, if any, is reflected as an increase in noncontrolling interests in the consolidated statements of financial condition. For funds that are not consolidated, this clawback obligation, if any, is reflected as a reduction of KKR's investment balance as this is where carried interest is initially recorded.

Indemnifications and Other Guarantees

Asset Management and Strategic Holdings Segment

KKR may incur contingent liabilities for claims that may be made against it in the future. KKR enters into contracts that contain a variety of representations, warranties and covenants, including indemnifications. KKR (including KFN) and certain of KKR's investment funds have provided and provide certain credit support, such as indemnities and guarantees, relating to a variety of matters, including non-recourse carve-out guarantees for fraud, willful misconduct and other wrongful acts in connection with the financing of (i) certain real estate investments that we have made, including KKR's corporate real estate, and (ii) certain investment vehicles that KKR manages or sponsors.

KKR also has provided, and provides, credit support in connection with its businesses, including:

- i. to certain of its subsidiaries' obligations in connection with a limited number of investment vehicles that KKR manages,
- ii. in connection with repayment and funding obligations to third-party lenders on behalf of certain employees, excluding its executive officers, in connection with their personal investments in KKR investment funds and a levered multi-asset investment vehicle,
- iii. to one of its hedge fund partnerships,
- iv. through a contingent guarantee of a subsidiary's loan repayment obligations, which does not become effective unless and until its loan becomes accelerated due to certain specified events of default involving the investment vehicles managed by KJRM,
- v. the obligations of our subsidiaries' funding obligations to our investment vehicles, and
- vi. certain of our investment vehicles to fund or otherwise be liable for a portion of their investment losses and/or to provide them with liquidity upon certain termination events (the maximum amount of which is unknown until the scheduled termination date of the investment vehicle).

In addition, KKR has agreed to tender to one of its consolidated investment vehicles up to a fixed number of shares that KKR owns in it if the net asset value of such shares is less than an agreed upon value on June 1, 2027.

KKR may also become liable for certain fees payable to sellers of businesses or assets if a transaction does not close, subject to certain conditions, if any, specified in the acquisition agreements for such businesses or assets.

Insurance Segment

The Global Atlantic business was formerly owned by The Goldman Sachs Group, Inc. (together with its subsidiaries, "Goldman Sachs"). In connection with the separation of Global Atlantic from Goldman Sachs in 2013, Global Atlantic entered into a tax benefit payment agreement with Goldman Sachs. Under the tax benefit payment agreement, GA FinCo is obligated to make annual payments out of available cash, guaranteed by GAFG, to Goldman Sachs over an approximately 25-year period totaling \$214.0 million. As of June 30, 2024, the present value of the remaining amount to be paid is \$48.4 million. Although these payments are subordinated and deferrable, deferral of these payments would result in restrictions on distributions by GA FinCo and GAFG.

Unless otherwise stated above, KKR's maximum exposure under the arrangements described under this section “—Indemnifications and Other Guarantees” are currently unknown as there are no stated or notional amounts included in these arrangements and KKR's liabilities for these matters would require a claim to be made against KKR in the future.

Legal Proceedings

From time to time, KKR (including Global Atlantic) is involved in various legal proceedings, requests for information, lawsuits, arbitration and claims incidental to the conduct of KKR's businesses. KKR's businesses are also subject to extensive regulation, which may result in regulatory or other legal proceedings against them. Moreover, in the ordinary course of business, KKR is and can be both the defendant and the plaintiff in numerous lawsuits with respect to acquisitions, bankruptcy, insolvency and other events. Such lawsuits may involve claims that adversely affect the value of certain investments owned by KKR's funds and Global Atlantic's insurance companies.

Kentucky Matter

In December 2017, KKR & Co. L.P. (which is now KKR Group Co. Inc.) and its then Co-Chief Executive Officers, Henry Kravis and George Roberts, were named as defendants in a lawsuit filed in Kentucky state court (the “2017 Action”) alleging, among other things, the violation of fiduciary and other duties in connection with certain separately managed accounts that Prisma Capital Partners LP, a former subsidiary of KKR, manages for the Kentucky Retirement Systems. Also named as defendants in the lawsuit are certain current and former trustees and officers of the Kentucky Retirement Systems, Prisma Capital Partners LP, and various other service providers to the Kentucky Retirement Systems and their related persons. The 2017 Action was dismissed at the direction of the Supreme Court of Kentucky for lack of Kentucky constitutional standing. This dismissal became final on February 16, 2024.

On July 21, 2020, the Office of the Attorney General, on behalf of the Commonwealth of Kentucky (the “Kentucky AG”), filed a new lawsuit in the same Kentucky state court (the “2020 AG Action”) making essentially the same allegations as those raised in the 2017 Action, including against what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Messrs. Kravis and Roberts. On May 1, 2024, the trial court denied motions to dismiss the 2020 AG Action filed by KKR & Co. Inc. and Messrs. Kravis and Roberts.

On April 8, 2024, after receiving permission from the Kentucky trial court in the 2020 AG Action, the Kentucky AG amended its complaint in the 2020 AG Action to add a claim for breach of contract. The Kentucky AG also filed an action (the “2024 AG Action”) substantially identical to the 2020 AG Action, including the new claim for breach of contract. On April 23, 2024, KKR & Co. Inc., Messrs. Kravis and Roberts and other defendants moved to strike the Kentucky AG's amended complaint in the 2020 AG Action, to stay consideration of the breach of contract claim and the 2024 AG Action until after the trial court's ruling on the motions to dismiss the 2020 AG Action, and to deny a motion by the Kentucky AG to consolidate the 2020 AG Action and the 2024 AG Action. These motions were denied, and the trial court consolidated the 2020 AG Action with the 2024 AG Action. On June 17, 2024, KKR & Co. Inc., Messrs. Kravis and Roberts and other defendants filed new motions to dismiss the consolidated 2020 AG Action and 2024 AG Action.

In January 2021, some of the attorneys for the plaintiffs in the 2017 Action filed a new lawsuit on behalf of a new set of plaintiffs, who claim to be “Tier 3” members of Kentucky Retirement Systems (the “Tier 3 Plaintiffs”), alleging substantially the same allegations as in the 2017 Action. On July 9, 2021, the Tier 3 Plaintiffs served an amended complaint, which purports to assert, on behalf of a class of beneficiaries of Kentucky Retirement Systems, direct claims for breach of fiduciary duty and civil violations under the Racketeer Influenced and Corrupt Organizations Act (“RICO”). This complaint was removed to the U.S. District Court for the Eastern District of Kentucky, which has entered an order staying this case until the completion of the 2020 AG Action. On August 20, 2021, the Tier 3 Plaintiffs and other individual plaintiffs filed a second complaint in Kentucky state court (the “Second Tier 3 Action”), purportedly on behalf of Kentucky Retirement Systems' funds, alleging the same claims against what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Messrs. Kravis and Roberts as in the July 9th amended complaint but without the RICO or class action allegations. On May 1, 2024, the trial court denied motions to dismiss the Second Tier 3 Action filed by KKR & Co. Inc. and Messrs. Kravis and Roberts. On July 3, 2024, KKR & Co. Inc., Messrs. Kravis and Roberts and other defendants filed a writ of prohibition asking the Kentucky Court of Appeals to order the trial court to dismiss the Second Tier 3 Action. The Second Tier 3 Action is stayed pending the outcome of this petition.

On March 24, 2022, in a separate declaratory judgment action brought by the Commonwealth of Kentucky regarding the enforceability of certain indemnification provisions available to what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Prisma Capital Partners LP, the Kentucky state court concluded that it has personal jurisdiction over KKR & Co. Inc. in that action, and that the indemnification provisions violated the Kentucky Constitution and were therefore unenforceable. On December 1, 2023, the Kentucky Court of Appeals reversed the trial court's summary judgment on the issue of personal jurisdiction over KKR & Co. Inc., but affirmed the trial court's rulings that the indemnification provisions violated the

Kentucky Constitution and were unenforceable. On February 5, 2024, the Kentucky Court of Appeals denied the petitions of KKR & Co. Inc. and others for rehearing. On April 8, 2024, KKR & Co. Inc. and other defendants in the declaratory judgment case filed motions with the Supreme Court of Kentucky for discretionary review of the Court of Appeals' December 1, 2023 decision.

KKR intends to continue to vigorously defend against these claims against KKR and Messrs. Kravis and Roberts.

Shareholder Derivative Litigation

On July 30, 2024, a shareholder derivative complaint was filed in Delaware Chancery Court and was subsequently amended on August 7, 2024. The amended complaint claims, among other matters, that the Co-Founders and various current and former executive officers and directors of KKR & Co. Inc. breached fiduciary duties and wasted corporate assets in connection with transactions contemplated by the Reorganization Agreement pursuant to which, among other things, the Co-Founders, certain current and former executive officers, and other senior executives of KKR received common stock from KKR. The suit seeks to recover on behalf of KKR & Co. Inc. a cancellation of shares issued in the reorganization, monetary damages, injunctive relief, restitution, and other remedies. KKR & Co. Inc. intends to move to dismiss the amended complaint.

Regulatory Matters

KKR currently is, and expects to continue to become from time to time, subject to various examinations, inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies. Such examinations, inquiries and investigations may result in the commencement of civil, criminal or administrative proceedings, or the imposition of fines, penalties, or other remedies, against KKR and its personnel. KKR is subject to periodic examinations of its regulated businesses by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), the U.K. Financial Conduct Authority, Central Bank of Ireland, Monetary Authority of Singapore, U.S. state insurance regulatory authorities, and the Bermuda Monetary Authority. KKR may also become subject to inquiries or investigations (through a request for information, civil investigative demand, subpoena or otherwise) by any of the foregoing governmental and regulatory agencies as well as by any other U.S. or non-U.S. governmental or regulatory agency, including but not limited to the SEC, U.S. Department of Justice ("DOJ"), U.S. state attorney generals, and similar non-U.S. governmental or regulatory agencies.

KKR is currently subject to investigations by the Antitrust Division of the DOJ related to antitrust matters, including civil investigative demands and a grand jury subpoena seeking information with respect to the accuracy and completeness of certain filings made by KKR pursuant to the premerger notification requirements under the Hart-Scott-Rodino Act of 1976 for certain transactions in 2021 and 2022. KKR is continuing to cooperate with the DOJ in connection with these investigations and is currently engaged in discussions with the DOJ about a potential resolution of these investigations, but there can be no assurance that these discussions will result in a resolution. Any resolution, as well as any adverse outcome from proceedings that may be initiated by the DOJ in the absence of a resolution, could result in a range of adverse financial and non-financial consequences to KKR. In addition, KKR is currently subject to other investigations by the Antitrust Division of the DOJ related to antitrust matters, including restrictions on interlocking directorates under Section 8 of the Clayton Act. KKR is currently cooperating with the DOJ in connection with these other investigations. KKR is also currently subject to investigations by the SEC related to business-related electronic communications, including with respect to the preservation of text messages and similar communications on electronic messaging applications under the Investment Advisers Act of 1940. KKR is continuing to cooperate with the SEC in connection with this investigation and is currently engaged in discussions with the SEC about a potential resolution of this investigation, but there can be no assurance that these discussions will result in a resolution.

Loss Contingencies

KKR establishes an accrued liability for legal or regulatory proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. KKR includes in its financial statements the amount of any reserve for regulatory, litigation and related matters that Global Atlantic includes in its financial statements. No loss contingency is recorded for matters where such losses are either not probable or reasonably estimable (or both) at the time of determination. Such matters also have the possibility of resulting in losses in excess of any amounts accrued. To the extent KKR can in any particular period estimate an aggregate range of reasonably possible losses, these decisions involve significant judgment given that it is inherently difficult to determine whether any loss for a matter is probable or even possible or to estimate the amount of any loss in many legal, governmental and regulatory matters.

Estimating an accrued liability or a reasonably possible loss involves significant judgment due to many uncertainties, including among others: (i) the proceeding may be in early stages; (ii) damages sought may be unspecified, unsupported, unexplained or uncertain; (iii) discovery may not have been started or is incomplete; (iv) there may be uncertainty as to the

outcome of pending appeals or motions; (v) there may be significant factual issues to be resolved; (vi) there may be novel legal issues or unsettled legal theories to be presented or a large number of parties; or (vii) the proceeding relates to a regulatory examination, inquiry, or investigation. It is not possible to predict the ultimate outcome of all pending litigations, arbitrations, claims, and governmental or regulatory examinations, inquiries, investigations and proceedings, and some of the matters discussed above seek or may seek potentially large or indeterminate relief. Consequently, management is unable as of the date of filing of this report to estimate an amount or range of reasonably possible losses related to matters pending against KKR. In addition, any amounts accrued as loss contingencies or disclosed as reasonably possible losses may be, in part or in whole, subject to insurance or other payments such as contributions and indemnity, which may reduce any ultimate loss.

As of the date of filing this report, management does not believe, based on currently available information, that the outcomes of the matters pending against KKR will have a material adverse effect upon its financial statements. However, given the potentially large and/or indeterminate relief sought or that may be sought in certain of these matters and the inherent unpredictability of litigations, arbitrations, claims, and governmental or regulatory examinations, inquiries, investigations and proceedings, it is possible that an adverse outcome in certain matters could have a material adverse effect on KKR's financial results in any future period. In addition, there can be no assurance that material losses will not be incurred from claims that have not yet been asserted or those where potential losses have not yet been determined to be probable or possible and reasonably estimable.

Other Financing Arrangements

Global Atlantic has financing arrangements with unaffiliated third parties to support the reserves of its affiliated special purpose reinsurers. Total fees associated with these financing arrangements were \$5.1 million and \$5.0 million for the three months ended June 30, 2024 and 2023, respectively, and \$10.2 million and \$10.1 million for the six months ended June 30, 2024 and 2023, respectively, and are included in insurance expenses in the consolidated statements of operations. As of both June 30, 2024 and December 31, 2023, the total capacity of the financing arrangements with third parties was \$2.3 billion.

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

25. SUBSEQUENT EVENTS

Common Stock Dividend

A dividend of \$0.175 per share of common stock of KKR & Co. Inc. has been declared and was announced on July 31, 2024. This dividend will be paid on August 27, 2024 to common stockholders of record as of the close of business on August 12, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of KKR & Co. Inc., together with its consolidated subsidiaries, and the related notes included elsewhere in this report and our Annual Report, including the audited consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein. In addition, this discussion and analysis contains forward-looking statements and involves numerous risks and uncertainties, including those described under "Cautionary Note Regarding Forward-looking Statements" and "Business Environment" in this report and our Annual Report and "Risk Factors" in our Annual Report, and our other filings with the SEC. Actual results may differ materially from those contained in any forward-looking statements.

The unaudited condensed consolidated financial statements and the related notes included elsewhere in this report are hereafter referred to as the "financial statements." Additionally, the condensed consolidated statements of financial condition are referred to herein as the "consolidated statements of financial condition"; the condensed consolidated statements of operations are referred to herein as the "consolidated statements of operations"; the condensed consolidated statements of comprehensive income (loss) are referred to herein as the "consolidated statements of comprehensive income (loss)"; the condensed consolidated statements of changes in equity are referred to herein as the "consolidated statements of changes in equity"; and the condensed consolidated statements of cash flows are referred to herein as the "consolidated statements of cash flows."

Overview

We are a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. We aim to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in our portfolio companies and communities. We sponsor investment funds that invest in private equity, credit and real assets and have strategic partners that manage hedge funds. Our insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic.

Our asset management business offers a broad range of investment management services to fund investors around the world. Throughout our history, we have consistently been a leader in the private equity industry, having completed approximately 750 private equity investments in portfolio companies with a total transaction value in excess of \$725 billion as of June 30, 2024. Since the inception of our firm in 1976, we have expanded our investment strategies and product offerings from traditional private equity to areas such as leveraged credit, alternative credit, infrastructure, energy, real estate, growth equity, core private equity, and impact investments. We also provide capital markets services for our firm, our portfolio companies and third parties. Our balance sheet provides a significant source of capital in the growth and expansion of our business, and it has allowed us to further align our interests with those of our fund investors. Building on these efforts and leveraging our industry expertise and intellectual capital have allowed us to capitalize on a broader range of the opportunities we source and has also enabled the firm to establish a new reporting segment called Strategic Holdings, which is currently comprised of the firm's participation in our core private equity strategy.

Our insurance business is operated by Global Atlantic, in which we acquired a majority controlling interest on February 1, 2021 and the remaining equity interests in Global Atlantic that KKR did not already own on January 2, 2024. Global Atlantic is a leading retirement and life insurance company that provides a broad suite of protection, legacy and savings products and reinsurance solutions to clients across individual and institutional markets. Global Atlantic primarily offers individuals fixed-rate annuities, fixed-indexed annuities and targeted life products through a network of banks, broker-dealers and independent marketing organizations. Global Atlantic provides its institutional clients customized reinsurance solutions, including block, flow and pension risk transfer reinsurance, as well as funding agreements. Global Atlantic primarily generates income by earning a spread between its investment income and the cost of policyholder benefits. As of June 30, 2024, Global Atlantic served over three million policyholders.

Asset Management

Our asset management business offers a broad range of investment management services to fund investors around the world. In our asset management business, we have five business lines: (1) Private Equity, (2) Real Assets, (3) Credit and Liquid Strategies, (4) Capital Markets, and (5) Principal Activities. In addition to the overviews of each of these business lines provided in this report, please also refer to our Annual Report. As an asset management firm, we earn fees, including management fees and incentive fees, and carried interest for providing investment management and other services to our funds, vehicles, CLOs, managed accounts and portfolio companies, and we generate transaction fees from capital markets transactions. We earn additional investment income by investing our own capital alongside that of our fund investors and from other assets on our balance sheet. Carried interest we receive from our funds and certain other investment vehicles entitles us to a specified percentage of investment gains that are generated on third-party capital that is invested. The Asset Management segment continues to reflect how the chief operating decision makers allocate resources and assess performance in the asset management business, which includes operating collaboratively across asset management business lines, with predominantly a single expense pool.

Private Equity

Through our Private Equity business line, we manage and sponsor a group of private equity funds that invest capital for long-term appreciation, either through controlling ownership of a company or strategic non-controlling minority positions. In addition to our traditional private equity funds that invest in large and mid-sized companies, we sponsor funds that invest in core private equity, growth equity, and impact investments. Our Private Equity business line includes separately managed accounts that invest in multiple strategies, which may include our credit and real assets strategies, as well as our private equity strategies. These funds and accounts are managed by Kohlberg Kravis Roberts & Co. L.P., an SEC-registered investment adviser. As of June 30, 2024, our Private Equity business line had \$185.3 billion of AUM, consisting of \$131.0 billion in traditional private equity, \$36.1 billion in core private equity and \$18.2 billion in growth equity, which includes \$4.6 billion of impact investments.

The table below presents information as of June 30, 2024, relating to our current private equity and other vehicles reported in our Private Equity business line for which we have the ability to earn carried interest. This data does not reflect acquisitions or disposals of investments, changes in investment values, or distributions occurring after June 30, 2024.

	Investment Period		Amount (\$ in millions)						
	Start Date ⁽¹⁾	End Date ⁽²⁾	Commitment ⁽³⁾	Uncalled Commitments	Invested	Realized	Remaining Cost ⁽⁴⁾	Remaining Fair Value	Gross Accrued Carried Interest
Private Equity Business Line									
North America Fund XIII	8/2021	8/2027	\$ 18,400	\$ 8,200	\$ 10,199	\$ 12	\$ 9,947	\$ 12,276	\$ 274
Americas Fund XII	5/2017	5/2021	13,500	1,614	12,493	11,270	9,234	17,736	1,466
North America Fund XI	11/2012	1/2017	8,718	48	10,165	23,097	2,526	3,283	193
2006 Fund ⁽⁵⁾	9/2006	9/2012	17,642	—	17,309	37,423	—	—	—
Millennium Fund ⁽⁵⁾	12/2002	12/2008	6,000	—	6,000	14,129	—	—	—
Ascendant Fund	6/2022	6/2028	4,097	4,097	—	—	—	—	—
European Fund VI	6/2022	6/2028	7,437	5,774	1,663	—	1,663	1,028	—
European Fund V	7/2019	2/2022	6,365	729	5,751	1,320	5,486	7,247	388
European Fund IV	2/2015	3/2019	3,512	20	3,643	5,726	1,621	2,608	191
European Fund III ⁽⁵⁾	3/2008	3/2014	5,506	146	5,360	10,625	151	20	(53)
European Fund II ⁽⁵⁾	11/2005	10/2008	5,751	—	5,751	8,533	—	—	—
Asian Fund IV	7/2020	7/2026	14,735	8,321	7,129	715	6,893	10,107	528
Asian Fund III	8/2017	7/2020	9,000	1,328	8,192	6,658	6,602	13,298	1,265
Asian Fund II	10/2013	3/2017	5,825	—	7,494	6,694	2,697	1,971	(346)
Asian Fund ⁽⁵⁾	7/2007	4/2013	3,983	—	3,974	8,728	—	—	—
Next Generation Technology Growth Fund III	11/2022	11/2028	2,740	2,321	419	—	419	490	—
Next Generation Technology Growth Fund II	12/2019	5/2022	2,088	88	2,197	548	1,952	3,221	242
Next Generation Technology Growth Fund	3/2016	12/2019	659	4	670	1,235	258	871	70
Health Care Strategic Growth Fund II	5/2021	5/2027	3,789	2,498	1,291	—	1,291	1,414	—
Health Care Strategic Growth Fund	12/2016	4/2021	1,331	111	1,350	283	1,108	1,853	100
Global Impact Fund II	6/2022	6/2028	2,704	1,885	819	—	819	744	—
Global Impact Fund	2/2019	3/2022	1,242	211	1,207	483	1,028	1,732	136
Co-Investment Vehicles and Other	Various	Various	22,741	3,279	20,038	10,486	14,400	17,461	1,302
Core Investors II	8/2022	8/2027	11,814	8,963	2,851	—	2,851	3,241	19
Core Investors I	2/2018	8/2022	8,500	23	9,369	1,106	8,469	16,312	39
Other Core Vehicles	Various	Various	5,133	1,248	3,955	1,444	3,491	6,272	80
Unallocated Commitments ⁽⁶⁾	N/A	N/A	3,969	3,969	—	—	—	—	—
Total Private Equity			\$ 197,181	\$ 54,877	\$ 149,289	\$ 150,515	\$ 82,906	\$ 123,185	\$ 5,894

- (1) The start date represents the start of the fund's investment period as defined in the fund's governing documents and may or may not be the same as the date upon which management fees begin to accrue.
- (2) The end date represents the end of the fund's investment period as defined in the fund's governing documents and is generally not the date upon which management fees cease to be paid.
- (3) The commitment represents the aggregate capital commitments to the fund, including capital commitments by third-party fund investors and the general partner. Foreign currency commitments have been converted into U.S. dollars based on the exchange rate that prevailed on June 30, 2024.
- (4) The remaining cost represents the initial investment of the general partner and limited partners, reduced for returns of capital.
- (5) The "Invested" and "Realized" columns do not include the amounts of any realized investments that restored the unused capital commitments of the fund investors, if any.
- (6) "Unallocated Commitments" represent commitments received from our strategic investor partnerships that have yet to be allocated to a particular investment strategy.

Real Assets

Through our Real Assets business line, we manage and sponsor a group of real assets funds and accounts that invest capital in infrastructure, real estate, or energy. These funds and accounts are managed by Kohlberg Kravis Roberts & Co. L.P. or one of its subsidiaries. As of June 30, 2024, our Real Assets business line had \$151.5 billion of AUM, consisting of \$75.2 billion in real estate (of which \$39.8 billion is real estate credit and \$35.4 billion is real estate equity), \$72.7 billion in infrastructure, and \$3.6 billion in energy.

The table below presents information as of June 30, 2024, relating to our current real asset and other vehicles reported in our Real Assets business line for which we have the ability to earn carried interest. This data does not reflect acquisitions or disposals of investments, changes in investment values, or distributions occurring after June 30, 2024.

	Investment Period		Amount (\$ in millions)							
	Start Date ⁽¹⁾	End Date ⁽²⁾	Commitment ⁽³⁾	Uncalled Commitments	Invested	Realized	Remaining Cost ⁽⁴⁾	Remaining Fair Value	Gross Accrued Carried Interest	
Real Assets Business Line										
Global Infrastructure Investors V	7/2024	7/2030	\$ 8,290	\$ 8,290	\$ —	\$ —	\$ —	\$ —	\$ —	—
Global Infrastructure Investors IV	8/2021	6/2024	16,592	6,896	10,068	371	9,856	11,957	353	
Global Infrastructure Investors III	7/2018	6/2021	7,166	984	6,528	2,443	5,246	7,752	379	
Global Infrastructure Investors II	12/2014	6/2018	3,040	130	3,166	5,386	711	1,143	40	
Global Infrastructure Investors	9/2010	10/2014	1,040	—	1,050	2,228	—	—	—	
Asia Pacific Infrastructure Investors II	9/2022	9/2028	6,348	5,032	1,322	7	1,291	1,523	24	
Asia Pacific Infrastructure Investors	1/2020	9/2022	3,792	615	3,462	951	2,875	3,411	140	
Diversified Core Infrastructure Fund	12/2020	(5)	10,243	1,315	8,947	744	8,869	9,511	—	
Real Estate Partners Americas III	1/2021	1/2025	4,253	1,540	2,915	308	2,709	2,723	—	
Real Estate Partners Americas II	5/2017	12/2020	1,921	240	1,965	2,698	449	437	12	
Real Estate Partners Americas	5/2013	5/2017	1,229	135	1,024	1,438	16	10	(3)	
Real Estate Partners Europe II	3/2020	12/2023	2,061	418	1,848	431	1,539	1,518	—	
Real Estate Partners Europe	8/2015	12/2019	707	97	689	775	201	199	(9)	
Asia Real Estate Partners	7/2019	7/2023	1,682	399	1,314	203	1,208	1,335	—	
Property Partners Americas	12/2019	(5)	2,571	48	2,523	159	2,523	2,215	—	
Real Estate Credit Opportunity Partners II	8/2019	6/2023	950	—	976	281	976	933	19	
Real Estate Credit Opportunity Partners I	2/2017	4/2019	1,130	122	1,008	544	1,008	996	3	
Energy Related Vehicles	Various	Various	4,385	62	4,191	1,945	1,186	1,745	48	
Co-Investment Vehicles and Other	Various	Various	13,365	6,112	7,282	1,749	6,871	6,831	30	
Total Real Assets			\$ 90,765	\$ 32,435	\$ 60,278	\$ 22,661	\$ 47,534	\$ 54,239	\$ 1,036	

- (1) The start date represents the start of the fund's investment period as defined in the fund's governing documents and may or may not be the same as the date upon which management fees begin to accrue.
- (2) The end date represents the end of the fund's investment period as defined in the fund's governing documents and is generally not the date upon which management fees cease to be paid.
- (3) The commitment represents the aggregate capital commitments to the fund, including capital commitments by third-party fund investors and the general partner. Foreign currency commitments have been converted into U.S. dollars based on the exchange rate that prevailed on June 30, 2024.
- (4) The remaining cost represents the initial investment of the general partner and limited partners, reduced for returns of capital.
- (5) Open-ended fund.

Private Equity and Real Asset Performance

The table below presents information as of June 30, 2024, relating to the historical performance of certain of our Private Equity and Real Assets investment vehicles since inception, which we believe illustrates the benefits of our investment approach. This data does not reflect additional capital raised since June 30, 2024, or acquisitions or disposals of investments, changes in investment values, or distributions occurring after that date. The information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below. Past performance is no guarantee of future results.

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Private Equity and Real Assets Business Lines Investment Funds and Other Vehicles	Commitment ⁽²⁾	Invested	Realized ⁽⁴⁾	Unrealized	Total Value	Gross IRR ⁽⁵⁾	Net IRR ⁽⁵⁾	Gross Multiple of Invested Capital ⁽⁵⁾
	(\$ in millions)							
Total Investments								
<i>Legacy Funds ⁽¹⁾</i>								
1976 Fund	\$ 31	\$ 31	\$ 537	\$ —	\$ 537	39.5 %	35.5 %	17.1
1980 Fund	357	357	1,828	—	1,828	29.0 %	25.8 %	5.1
1982 Fund	328	328	1,291	—	1,291	48.1 %	39.2 %	3.9
1984 Fund	1,000	1,000	5,964	—	5,964	34.5 %	28.9 %	6.0
1986 Fund	672	672	9,081	—	9,081	34.4 %	28.9 %	13.5
1987 Fund	6,130	6,130	14,949	—	14,949	12.1 %	8.9 %	2.4
1993 Fund	1,946	1,946	4,143	—	4,143	23.6 %	16.8 %	2.1
1996 Fund	6,012	6,012	12,477	—	12,477	18.0 %	13.3 %	2.1
Subtotal - Legacy Funds	16,475	16,475	50,269	—	50,269	26.1 %	19.9 %	3.1
<i>Included Funds</i>								
European Fund (1999)	3,085	3,085	8,758	—	8,758	26.9 %	20.2 %	2.8
Millennium Fund (2002)	6,000	6,000	14,129	—	14,129	22.0 %	16.1 %	2.4
European Fund II (2005)	5,751	5,751	8,533	—	8,533	6.1 %	4.5 %	1.5
2006 Fund (2006)	17,642	17,309	37,423	—	37,423	11.9 %	9.3 %	2.2
Asian Fund (2007)	3,983	3,974	8,728	—	8,728	18.9 %	13.7 %	2.2
European Fund III (2008)	5,506	5,360	10,625	20	10,645	16.4 %	11.2 %	2.0
E2 Investors (Annex Fund) (2009)	196	196	200	—	200	0.6 %	0.5 %	1.0
China Growth Fund (2010)	1,010	1,010	1,152	8	1,160	3.6 %	(0.1) %	1.1
Natural Resources Fund (2010)	887	887	168	—	168	(24.3) %	(25.9) %	0.2
Global Infrastructure Investors (2010)	1,040	1,050	2,228	—	2,228	17.6 %	15.6 %	2.1
North America Fund XI (2012)	8,718	10,165	23,097	3,283	26,380	23.7 %	19.1 %	2.6
Asian Fund II (2013)	5,825	7,494	6,694	1,971	8,665	4.2 %	2.6 %	1.2
Real Estate Partners Americas (2013)	1,229	1,024	1,438	10	1,448	15.8 %	11.0 %	1.4
Energy Income and Growth Fund (2013)	1,589	1,589	1,221	—	1,221	(6.1) %	(8.8) %	0.8
Global Infrastructure Investors II (2014)	3,040	3,166	5,386	1,143	6,529	19.5 %	16.9 %	2.1
European Fund IV (2015)	3,512	3,643	5,726	2,608	8,334	23.0 %	17.8 %	2.3
Real Estate Partners Europe (2015)	707	689	775	199	974	11.9 %	8.8 %	1.4
Next Generation Technology Growth Fund (2016)	659	670	1,235	871	2,106	30.0 %	25.5 %	3.1
Health Care Strategic Growth Fund (2016)	1,331	1,350	283	1,853	2,136	16.2 %	10.8 %	1.6
Americas Fund XII (2017)	13,500	12,493	11,270	17,736	29,006	24.3 %	20.0 %	2.3
Real Estate Credit Opportunity Partners (2017)	1,130	1,008	544	996	1,540	9.0 %	7.6 %	1.5
Core Investment Vehicles (2017)	25,447	16,175	2,550	25,825	28,375	17.2 %	16.0 %	1.8
Asian Fund III (2017)	9,000	8,192	6,658	13,298	19,956	29.1 %	23.1 %	2.4
Real Estate Partners Americas II (2017)	1,921	1,965	2,698	437	3,135	25.1 %	20.5 %	1.6
Global Infrastructure Investors III (2018)	7,166	6,528	2,443	7,752	10,195	15.7 %	12.4 %	1.6
Global Impact Fund (2019)	1,242	1,207	483	1,732	2,215	24.6 %	18.6 %	1.8
European Fund V (2019)	6,365	5,751	1,320	7,247	8,567	14.8 %	11.4 %	1.5
Energy Income and Growth Fund II (2018)	994	1,194	355	1,583	1,938	17.2 %	15.3 %	1.6
Asia Real Estate Partners (2019)	1,682	1,314	203	1,335	1,538	9.7 %	5.2 %	1.2
Next Generation Technology Growth Fund II (2019)	2,088	2,197	548	3,221	3,769	22.4 %	17.7 %	1.7
Real Estate Credit Opportunity Partners II (2019)	950	976	281	933	1,214	10.3 %	7.8 %	1.2
Asia Pacific Infrastructure Investors (2020)	3,792	3,462	951	3,411	4,362	13.9 %	9.7 %	1.3
Asian Fund IV (2020)	14,735	7,129	715	10,107	10,822	23.1 %	16.0 %	1.5
Real Estate Partners Europe II (2020)	2,061	1,848	431	1,518	1,949	3.1 %	0.2 %	1.1
Real Estate Partners Americas III (2021)	4,253	2,915	308	2,723	3,031	2.0 %	(0.4) %	1.0
Health Care Strategic Growth Fund II (2021)	3,789	1,291	—	1,414	1,414	9.6 %	(3.9) %	1.1
North America Fund XIII (2021)	18,400	10,199	12	12,276	12,288	14.2 %	9.0 %	1.2
Global Infrastructure Investors IV (2022) ⁽³⁾	16,592	10,068	371	11,957	12,328	13.6 %	9.7 %	1.2
European Fund VI (2022) ⁽³⁾	7,437	1,663	—	1,028	1,028	—	—	—
Global Impact Fund II (2022) ⁽³⁾	2,704	819	—	744	744	—	—	—
Asia Pacific Infrastructure Investors II (2022) ⁽³⁾	6,348	1,322	7	1,523	1,530	—	—	—
Next Generation Technology Growth Fund III (2022) ⁽³⁾	2,740	419	—	490	490	—	—	—
Ascendant Fund (2022) ⁽³⁾	4,097	—	—	—	—	—	—	—
Global Infrastructure Investors V (2024) ⁽³⁾	8,290	—	—	—	—	—	—	—
Subtotal - Included Funds	238,433	174,547	169,947	141,252	311,199	16.1 %	12.3 %	1.8
All Funds	\$ 254,908	\$ 191,022	\$ 220,216	\$ 141,252	\$ 361,468	25.5 %	18.7 %	1.9

- (1) These funds were not contributed to KKR as part of the acquisition of the assets and liabilities of KKR & Co. (Guernsey) L.P. (formerly known as KKR Private Equity Investors, L.P.) on October 1, 2009.
- (2) Where commitments are not U.S. dollar-denominated, such amounts have been converted into U.S. dollars based on the exchange rate prevailing on June 30, 2024.
- (3) The gross IRR, net IRR and gross multiple of invested capital are calculated for our investment funds that made their first investment at least 24 months prior to June 30, 2024. We therefore have not calculated gross IRRs, net IRRs and gross multiples of invested capital with respect to these funds.
- (4) An investment is considered realized when it has been disposed of or has otherwise generated disposition proceeds or current income that has been distributed by the relevant fund.

- (5) IRRs measure the aggregate annual compounded returns generated by a fund's investments over a holding period. Net IRRs are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses. Gross IRRs are calculated before giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses.

The gross multiples of invested capital measure the aggregate value generated by a fund's investments in absolute terms. Each multiple of invested capital is calculated by adding together the total realized and unrealized values of a fund's investments and dividing by the total amount of capital invested by the fund. Such amounts do not give effect to the allocation of realized and unrealized carried interest or the payment of any applicable management fees or organizational expenses.

KKR's Private Equity and Real Assets funds may utilize third-party financing facilities to provide liquidity to such funds. The above net and gross IRRs are calculated from the time capital contributions are due from fund investors to the time fund investors receive a related distribution from the fund, and the use of such financing facilities generally decreases the amount of time that would otherwise be used to calculate IRRs, which tends to increase IRRs when fair value grows over time and decrease IRRs when fair value decreases over time. KKR's Private Equity and Real Assets funds also generally provide in certain circumstances, which vary depending on the relevant fund documents, for a portion of capital returned to investors to be restored to unused commitments as recycled capital. For KKR's Private Equity and Real Assets funds that have a preferred return, we take into account recycled capital in the calculation of IRRs and multiples of invested capital because the calculation of the preferred return includes the effect of recycled capital. For KKR's Private Equity and Real Assets funds that do not have a preferred return, we do not take recycled capital into account in the calculation of IRRs and multiples of invested capital. The inclusion of recycled capital generally causes invested and realized amounts to be higher and IRRs and multiples of invested capital to be lower than had recycled capital not been included. The inclusion of recycled capital would reduce the composite net IRR of all Included Funds by 0.1% and the composite net IRR of all Legacy Funds by 0.5% and would reduce the composite multiple of invested capital of Included Funds by less than 0.1 and the composite multiple of invested capital of Legacy Funds by 0.4.

For more information, see "Risk Factors—Risks Related to Our Investment Activities—Future results of our investments may be different than, and may not achieve the levels of, any of our historical returns" in our Annual Report.

Credit and Liquid Strategies

Through our Credit and Liquid Strategies business line, we report our credit and hedge funds platforms on a combined basis. As of June 30, 2024, our Credit and Liquid Strategies business line had \$264.5 billion of AUM, comprised of \$127.4 billion of assets managed in our leveraged credit strategies, \$100.3 billion of assets managed in our private credit strategy, \$8.9 billion of assets managed in our strategic investments group ("SIG") strategy, and \$27.9 billion of assets managed through our hedge fund platform. We manage \$139.3 billion of credit investments for our Global Atlantic insurance companies. Our BDCs have approximately \$15.2 billion in assets under management, which is reflected in the AUM of our leveraged credit and private credit strategies above. We report all of the assets under management of our BDCs in our AUM, but we report only a pro rata portion of the assets under management of our hedge fund partnerships based on our percentage ownership in them.

Credit

Our credit platform invests capital in a broad range of corporate debt and collateral-backed investments across asset classes and capital structures. Our credit strategies are primarily managed by KKR Credit Advisors (US) LLC, which is an SEC-registered investment adviser, KKR Credit Advisors (Ireland) Unlimited Company, which is regulated by the Central Bank of Ireland ("CBI"), KKR Credit Advisors (EMEA) LLP, which is regulated by the United Kingdom ("UK") Financial Conduct Authority (the "FCA"), and KKR Credit Advisors (Singapore) Pte. Ltd., which is regulated by the Monetary Authority of Singapore and an SEC-registered investment adviser. We also jointly own with a third party FS/KKR Advisor, LLC, an investment adviser registered with the SEC that provides investment advisory services to certain registered investment companies, including FS KKR Capital Corp. (NYSE: FSK), a publicly listed BDC and KKR FS Income Trust, a privately-offered BDC.

Our hedge funds platform consists of strategic partnerships with third-party hedge fund managers in which KKR owns a minority stake. Our hedge fund partnerships offer a range of alternative investment strategies, including long/short equity and hedge fund-of-funds.

Our credit business pursues a variety of investment strategies in leveraged credit and alternative credit.

Leveraged Credit. Our leveraged credit strategies seek to primarily invest in leveraged loans (including revolving credit facilities), CLOs, high yield bonds, structured credit, stressed securities and illiquid credits. Within leveraged credit, we manage both single-asset class and multi-asset class pools of capital. Our opportunistic credit strategy seeks to deploy capital across investment themes that seek to take advantage of credit market dislocations, spanning asset types and liquidity profiles. Our multi-asset credit strategy seeks to dynamically allocate across asset types in a broadly diversified strategy. Our revolving credit strategy invests in senior secured revolving credit facilities.

Alternative Credit. Our alternative credit strategy consists of our (i) private credit strategies and (ii) investments overseen by our credit platform's SIG group:

- **Private Credit.** Our private credit strategies focus on privately or directly originated and negotiated transactions. These strategies include direct lending typically in the senior part of a company's capital structure, junior mezzanine debt, and asset-based finance. Through our direct lending strategy, we seek to make investments in primarily senior debt financings for middle-market companies. Through our junior mezzanine debt strategy, investments typically consist of subordinated debt, which generates a current yield, coupled with marginal equity exposure for additional upside potential. Our asset-based finance strategy focuses on portfolios of financial loans and loans backed by hard assets.
- **Strategic Investments Group.** This strategy seeks to provide strategic capital solutions to high quality, mid-to-large cap companies and assets. The strategy pursues investments in corporate credit as well as asset or real estate-backed credit, where we believe market volatility or other investment themes have created the opportunity to invest opportunistically across the capital structure and through market cycles to generate outsized returns with downside-protected securities. These investments may include stressed or distressed investments (including post-restructuring equity), control-oriented opportunities, rescue financing (debt or equity investments made to address covenant, maturity or liquidity issues), debtor-in-possession or exit financing and other event-driven investments in debt or equity.

Hedge Fund Platform

Our hedge fund platform consists of strategic partnerships with third-party hedge fund managers in which KKR owns a minority stake. This principally consists of a 39.6% interest in Marshall Wace LLP (together with its affiliates, "Marshall Wace"), a global alternative investment manager specializing in long/short equity products. We also own other interests in third-party hedge fund managers, including a 39.9% interest in PAAMCO Prisma Holdings, LLC, an investment manager focused on liquid alternative investment solutions, including hedge fund-of-fund portfolios.

The table below presents information as of June 30, 2024, relating to our current credit and other vehicles reported in our Credit and Liquid Strategies business line for which we have the ability to earn carried interest. This data does not reflect acquisitions or disposals of investments, changes in investment values, or distributions occurring after June 30, 2024.

	Investment Period		Amount (\$ in millions)						
	Start Date ⁽¹⁾	End Date ⁽²⁾	Commitment ⁽³⁾	Uncalled Commitments	Invested	Realized	Remaining Cost ⁽⁴⁾	Remaining Fair Value	Gross Accrued Carried Interest
Credit and Liquid Strategies Business Line									
Opportunities Fund II	11/2021	1/2026	\$ 2,344	\$ 1,394	\$ 950	\$ 20	\$ 950	\$ 1,056	\$ 13
Dislocation Opportunities Fund	8/2019	11/2021	2,967	432	2,535	1,565	1,469	1,647	72
Special Situations Fund II	2/2015	3/2019	3,525	284	3,241	2,440	939	1,073	—
Special Situations Fund	1/2013	1/2016	2,274	1	2,273	1,899	337	177	—
Mezzanine Partners	7/2010	3/2015	1,023	33	990	1,166	184	119	(20)
Asset-Based Finance Partners	10/2020	7/2025	2,059	893	1,166	125	1,166	1,294	36
Private Credit Opportunities Partners II	12/2015	12/2020	2,245	354	1,891	902	1,240	1,202	—
Lending Partners IV	3/2022	9/2026	1,150	518	632	67	633	677	7
Lending Partners III	4/2017	11/2021	1,498	540	958	870	701	681	44
Lending Partners II	6/2014	6/2017	1,336	157	1,179	1,198	151	88	—
Lending Partners	12/2011	12/2014	460	40	420	458	23	12	—
Lending Partners Europe II	5/2019	9/2023	837	210	627	381	450	471	7
Lending Partners Europe	3/2015	3/2019	848	184	662	470	184	184	—
Asia Credit	1/2021	5/2025	1,084	506	578	35	578	671	17
Other Alternative Credit Vehicles	Various	Various	16,940	8,955	8,047	6,421	4,128	4,694	17
Total Credit and Liquid Strategies			\$ 40,590	\$ 14,501	\$ 26,149	\$ 18,017	\$ 13,133	\$ 14,046	\$ 193

- (1) The start date represents the start of the fund's investment period as defined in the fund's governing documents and may or may not be the same as the date upon which management fees begin to accrue.
- (2) The end date represents the end of the fund's investment period as defined in the fund's governing documents and is generally not the date upon which management fees cease to be paid.
- (3) The commitment represents the aggregate capital commitments to the fund, including capital commitments by third-party fund investors and the general partner. Foreign currency commitments have been converted into U.S. dollars based on the foreign exchange rate that prevailed on June 30, 2024.
- (4) The remaining cost represents the initial investment of the general partner and limited partners, reduced for returns of capital.

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The following table presents information regarding larger leveraged credit strategies managed by KKR from inception to June 30, 2024. The information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below. Past performance is no guarantee of any future result.

Leveraged Credit Strategy	Inception Date	Gross Returns	Net Returns	Benchmark ⁽¹⁾	Benchmark Gross Returns
Multi-Asset Credit Composite	Jul 2008	7.08 %	6.38 %	50% S&P/LSTA Loan Index, 50% BoAML HY Master II Index ⁽²⁾	5.68%
Opportunistic Credit ⁽³⁾	May 2008	10.63 %	9.06 %	50% S&P/LSTA Loan Index, 50% BoAML HY Master II Index ⁽³⁾	5.87%
Bank Loans	Apr 2011	5.76 %	5.19 %	S&P/LSTA Loan Index ⁽⁴⁾	4.71%
High-Yield	Apr 2011	6.02 %	5.44 %	BoAML HY Master II Index ⁽⁵⁾	5.33%
European Leveraged Loans ⁽⁶⁾	Sep 2009	4.85 %	4.33 %	CS Inst West European Leveraged Loan Index ⁽⁷⁾	3.88%
European Credit Opportunities ⁽⁶⁾	Sept 2007	6.89 %	5.69 %	S&P European Leveraged Loans (All Loans) ⁽⁸⁾	4.40%

- (1) The benchmarks referred to herein include the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA Loan Index"), S&P/LSTA U.S. B/BB Ratings Loan Index (the "S&P/LSTA BB-B Loan Index"), the Bank of America Merrill Lynch High Yield Master II Index (the "BoAML HY Master II Index"), the BofA Merrill Lynch BB-B US High Yield Index (the "BoAML HY BB-B Constrained"), the Credit Suisse Institutional Western European Leveraged Loan Index (the "CS Inst West European Leveraged Loan Index"), and S&P European Leveraged Loans (All Loans). The S&P/LSTA Loan Index is a daily tradable index for the U.S. loan market that seeks to mirror the market-weighted performance of the largest institutional loans that meet certain criteria. The BoAML HY Master II Index is an index for high-yield corporate bonds. It is designed to measure the broad high-yield market, including lower-rated securities. The CS Inst West European Leveraged Loan Index contains only institutional loan facilities priced above 90, excluding TL and TLa facilities and loans rated CC, C or are in default. The S&P European Leveraged Loan Index reflects the market-weighted performance of institutional leveraged loan portfolios investing in European credits. While the returns of our leveraged credit strategies reflect the reinvestment of income and dividends, none of the indices presented in the chart above reflect such reinvestment, which has the effect of increasing the reported relative performance of these strategies as compared to the indices. Furthermore, these indices are not subject to management fees, incentive allocations, or expenses.
- (2) Performance is based on a blended composite of Bank Loans, High Yield, and Structured Credit strategy accounts. The benchmark used for purposes of comparison for the Multi-Asset Credit Composite strategy is based on 65% S&P/LSTA Loan Index and 35% BoAML HY Master II Index to May 2022, and 50% S&P/LSTA Loan Index, 50% BoAML HY Master II Index, from June 2022.
- (3) The Opportunistic Credit strategy invests in high-yield securities and corporate loans with no preset allocation. The benchmark used for purposes of comparison for the Opportunistic Credit strategy presented herein is based on 50% S&P/LSTA Loan Index and 50% BoAML HY Master II Index. Funds within this strategy may utilize third-party financing facilities to enhance investment returns. In cases where financing facilities are used, the amounts drawn on the facility are deducted from the assets of the fund in the calculation of net asset value, which tends to increase returns when net asset value grows over time and decrease returns when net asset value decreases over time.
- (4) Performance is based on a composite of portfolios that primarily invest in leveraged loans. The benchmark used for purposes of comparison for the Bank Loans strategy is based on the S&P/LSTA Loan Index.
- (5) Performance is based on a composite of portfolios that primarily invest in high-yield securities. The benchmark used for purposes of comparison for the High Yield strategy is based on the BoAML HY Master II Index.
- (6) The returns presented are calculated based on local currency.
- (7) Performance is based on a composite of portfolios that primarily invest in higher quality leveraged loans. The benchmark used for purposes of comparison for the European Leveraged Loans strategy is based on the CS Inst West European Leveraged Loan Index.
- (8) Performance is based on a composite of portfolios that primarily invest in European institutional leveraged loans. The benchmark used for purposes of comparison for the European Credit Opportunities strategy is based on the S&P European Leveraged Loans (All Loans) Index.

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The following table presents information regarding our alternative credit investment funds where investors have capital commitments from inception to June 30, 2024. The information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below. Past performance is no guarantee of any future result.

Credit and Liquid Strategies Investment Funds	Investment Period Start Date	Amount		Fair Value of Investments		Total Value	Gross IRR ⁽²⁾	Net IRR ⁽²⁾	Multiple of Invested Capital ⁽³⁾	
		Commitment	Invested ⁽¹⁾	Realized ⁽¹⁾	Unrealized					
(\$ in Millions)										
Opportunities Fund II	Nov 2021	\$ 2,344	\$ 950	\$ 20	\$ 1,056	\$ 1,076	22.7 %	16.1 %	1.1	
Dislocation Opportunities Fund	Aug 2019	2,967	2,535	1,565	1,647	3,212	11.4 %	9.1 %	1.3	
Special Situations Fund II	Feb 2015	3,525	3,241	2,440	1,073	3,513	1.9 %	0.1 %	1.1	
Special Situations Fund	Jan 2013	2,274	2,273	1,899	177	2,076	(1.9)%	(3.7)%	0.9	
Mezzanine Partners	July 2010	1,023	990	1,166	119	1,285	8.5 %	5.3 %	1.3	
Asset-Based Finance Partners	Oct 2020	2,059	1,166	125	1,294	1,419	15.5 %	11.3 %	1.2	
Private Credit Opportunities Partners II	Dec 2015	2,245	1,891	902	1,202	2,104	2.9 %	1.2 %	1.1	
Lending Partners IV	Mar 2022	1,150	632	67	677	744	23.8 %	19.1 %	1.2	
Lending Partners III	Apr 2017	1,498	958	870	681	1,551	15.0 %	12.2 %	1.6	
Lending Partners II	Jun 2014	1,336	1,179	1,198	88	1,286	3.1 %	1.6 %	1.1	
Lending Partners	Dec 2011	460	420	458	12	470	3.5 %	2.6 %	1.1	
Lending Partners Europe II	May 2019	837	627	381	471	852	17.1 %	13.4 %	1.4	
Lending Partners Europe	Mar 2015	848	662	470	184	654	(0.2)%	(2.2)%	1.0	
Asia Credit	Jan 2021	1,084	578	35	671	706	15.8 %	11.5 %	1.2	
Other Alternative Credit Vehicles	Various	16,940	8,047	6,421	4,694	11,115	N/A	N/A	N/A	
All Funds		\$ 40,590	\$ 26,149	\$ 18,017	\$ 14,046	\$ 32,063				

- Recycled capital is excluded from the amounts invested and realized.
- These credit funds utilize third-party financing facilities to provide liquidity to such funds, and in such event IRRs are calculated from the time capital contributions are due from fund investors to the time fund investors receive a related distribution from the fund. The use of such financing facilities generally decreases the amount of invested capital that would otherwise be used to calculate IRRs, which tends to increase IRRs when fair value grows over time and decrease IRRs when fair value decreases over time. IRRs measure the aggregate annual compounded returns generated by a fund's investments over a holding period and are calculated taking into account recycled capital. Net IRRs presented are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses. Gross IRRs are calculated before giving effect to the allocation of carried interest and the payment of any applicable management fees and organizational expenses.
- The multiples of invested capital measure the aggregate value generated by a fund's investments in absolute terms. Each multiple of invested capital is calculated by adding together the total realized and unrealized values of a fund's investments and dividing by the total amount of capital invested by the investors. The use of financing facilities generally decreases the amount of invested capital that would otherwise be used to calculate multiples of invested capital, which tends to increase multiples when fair value grows over time and decrease multiples when fair value decreases over time. Such amounts do not give effect to the allocation of any realized and unrealized returns on a fund's investments to the fund's general partner pursuant to a carried interest or the payment of any applicable management fees and are calculated without taking into account recycled capital.

For additional information regarding impact of market conditions on the value and performance of our investments, see "Risk Factors—Risks Related to Our Business—Difficult market and economic conditions can, and periodically do, materially and adversely affect KKR." and "Risk Factors—Risks Related to Our Investment Activities—Future results of our investments may be different than, and may not achieve the levels of, any of our historical returns" in our Annual Report.

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The table below presents information as of June 30, 2024, based on the investment funds or other vehicles or accounts offered by our Credit and Liquid Strategies business line. Our funds, vehicles and accounts have been sorted based upon their primary investment strategies. However, the AUM and FPAUM presented for each line in the table includes certain investments from non-primary investment strategies, which are permitted by their investment mandates, for purposes of presenting the fees and other terms for such funds, vehicles and accounts.

(\$ in millions)	AUM	FPAUM	Typical Management Fee Rate	Incentive Fee / Carried Interest	Preferred Return	Duration of Capital
Leveraged Credit:						
Leveraged Credit SMAs/Funds ⁽¹⁾	\$ 100,247	\$ 96,849	0.15% - 1.30%	Various ⁽²⁾	Various ⁽²⁾	Subject to redemptions
CLOs	27,340	27,340	0.40% - 0.50%	Various ⁽²⁾	Various ⁽²⁾	10-14 Years ⁽³⁾
Total Leveraged Credit	127,587	124,189				
Alternative Credit: ⁽⁴⁾						
Private Credit ⁽¹⁾	85,057	70,702	0.25% - 1.50% ⁽⁵⁾	10.00 - 20.00%	5.00 - 8.00%	8-15 Years ⁽³⁾
SIG	8,757	4,489	0.50% - 1.75%	10.00 - 20.00%	7.00 - 12.00%	7-15 Years ⁽³⁾
Total Alternative Credit	93,814	75,191				
Hedge Funds ⁽⁶⁾	27,930	27,930	0.50% - 2.00%	Various ⁽²⁾	Various ⁽²⁾	Subject to redemptions
BDCs ⁽⁷⁾	15,196	15,196	0.60% - 0.75%	8.75% - 10.00%	7.00%	Indefinite
Total	\$ 264,527	\$ 242,506				

(1) Includes credit investments we manage for our Global Atlantic insurance companies. This capital is perpetual in nature, not subject to an incentive fee or carried interest, and does not require a preferred return.

(2) Certain funds and CLOs are subject to a performance fee in which the manager or general partner of the funds share up to 20% of the net profits earned by investors in excess of performance hurdles (generally tied to a benchmark or index) and subject to a provision requiring the funds and vehicles to regain prior losses before any performance fee is earned.

(3) Duration of capital is measured from inception. Inception dates for CLOs were between 2013 and 2024 and for separately managed accounts and funds investing in alternative credit strategies from 2009 through 2024.

(4) Our alternative credit funds generally have investment periods of two to five years and our newer alternative credit funds generally earn management fees on invested capital throughout their lifecycle.

(5) Lower fees on uninvested capital in certain vehicles.

(6) Hedge Funds represent KKR's pro rata portion of AUM and FPAUM of our hedge fund partnerships.

(7) Represents FS KKR Capital Corp. and KKR FS Income Trust. We report all of the assets under management of these BDCs in our AUM and FPAUM.

Capital Markets

Our Capital Markets business line is comprised of our global capital markets business, which is integrated with KKR's asset management business lines, and serves our firm, our portfolio companies and third-party customers by developing and implementing both traditional and non-traditional capital solutions for investments or companies seeking financing. These services include arranging debt and equity financing, placing and underwriting securities offerings, and providing other types of capital markets services that result in the firm receiving fees, including underwriting, placement, transaction and syndication fees, commissions, underwriting discounts, interest payments and other compensation, which may be payable in cash or securities, in respect of the activities described above. The third-party customers of our capital markets business include multinational corporations, public and private companies, financial sponsors, mutual funds, pension funds, sovereign wealth funds, and hedge funds globally. Our capital markets business provides these third-party clients with differentiated access to capital through our distribution platform.

Our capital markets business underwrites credit facilities and arranges loan syndications and participations. When we are sole or lead arrangers of a credit facility, we may advance amounts to the borrower on behalf of other lenders, subject to repayment. When we underwrite an offering of securities on a firm commitment basis, we commit to buy and sell an issue of securities and generate revenue by purchasing the securities at a discount or for a fee. When we act in an agency capacity or best efforts basis, we generate revenue for arranging financing or placing securities with capital markets investors. We may also provide issuers with capital markets advice on capital structuring, access to markets, marketing considerations, securities pricing, and other aspects of capital markets transactions in exchange for a fee. Our capital markets business also provides syndication services in respect of co-investments in transactions participated in by KKR funds or third-party clients, which may entitle the firm to receive syndication fees, management fees and/or a carried interest.

The capital markets business has a global footprint, with local presence and licenses to carry out certain broker-dealer activities in various countries in North America, Europe, Asia-Pacific and the Middle East. Our flagship capital markets subsidiaries include KKR Capital Markets LLC, which is an SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA"), KKR Capital Markets Asia Limited, a Hong Kong licensed asset manager and broker dealer licensed by the Securities and Futures Commission in Hong Kong to carry on dealing in securities, advising on securities and asset management regulated activities, and KKR Capital Markets Asia Limited II, which is a Hong Kong licensed broker dealer licensed by the Securities and Futures Commission in Hong Kong to carry on dealing in, and advising on, securities.

Principal Activities

Through our Principal Activities business line, we manage the firm's own assets on our firm's balance sheet and deploy capital to support and grow our Private Equity, Real Assets, and Credit and Liquid Strategies business lines.

Typically, the funds in our Private Equity, Real Assets, and Credit and Liquid Strategies business lines contractually require us, as general partner of the funds, to make sizable capital commitments. We believe making general partner commitments assists us in raising new funds from limited partners by demonstrating our conviction in a given fund's strategy. Our commitments to fund capital also occurs where we are the holder of the subordinated notes or the equity tranche of investment vehicles that we sponsor, including structured transactions. We also use our balance sheet to bridge investment activity during fundraising, for example by funding investments for new funds and acquiring investments to establish a track record for new investment strategies. We also use our own capital to bridge capital selectively for our funds' investments or finance strategic transactions, although the financial results of an acquired business may be reported in our other business lines.

Our Principal Activities business line also provides the required capital to fund the various commitments of our Capital Markets business line when underwriting or syndicating securities, or when providing term loan commitments for transactions involving our portfolio companies and for third parties. Our Principal Activities business line also holds assets that are utilized to satisfy regulatory requirements for our Capital Markets business line and risk retention requirements for certain investment vehicles.

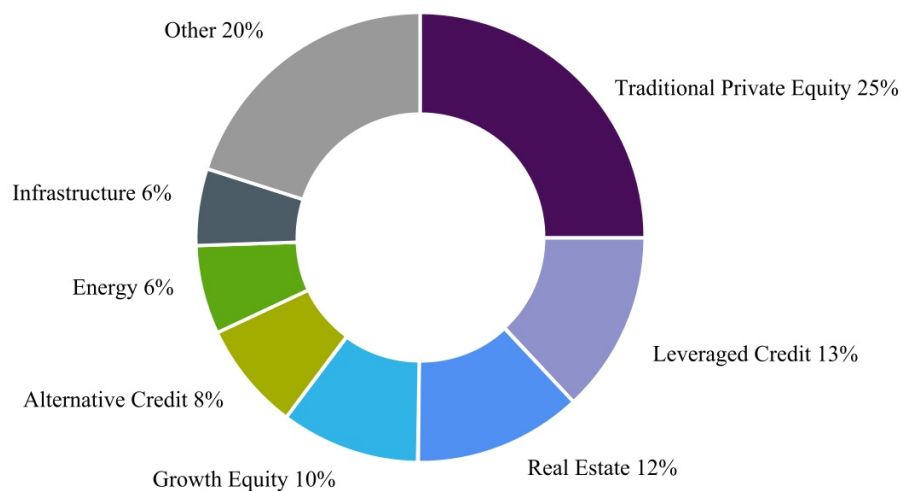
We also make opportunistic investments through our Principal Activities business line, which include co-investments alongside our Private Equity, Real Assets and Credit and Liquid Strategies funds, as well as Principal Activities investments that do not involve our Private Equity, Real Assets, or Credit and Liquid Strategies funds.

We endeavor to use our balance sheet strategically and opportunistically to generate an attractive risk-adjusted return on equity in a manner that is consistent with our fiduciary duties, in compliance with applicable laws, and consistent with our one-firm approach.

Prior to the creation of the Strategic Holdings segment, effective January 2, 2024, the periodic financial operating results of the firm's participation in the core private equity strategy were reported as part of this Principal Activities business line within the Asset Management segment. Starting with the first quarter of 2024, those financial operating results are not reflected in the Asset Management segment. See "Strategic Holdings" for further information regarding our participation in the core private equity strategy.

The chart below presents the holdings of our Principal Activities business line by asset class as of June 30, 2024, excluding our ownership of businesses reported through our Strategic Holdings segment.

Holdings by Asset Class ⁽¹⁾



(1) General partner commitments to our funds are included in the various asset classes shown above. Assets and revenues of other asset managers with which KKR has formed strategic partnerships where KKR does not hold more than 50% ownership interest are not included in our Principal Activities business line but are reported in the financial results of our other business lines.

Insurance

Our insurance business is operated by Global Atlantic, which operates as a separate business with its existing brands and management team. KKR acquired a majority controlling interest in Global Atlantic on February 1, 2021 and the remainder of Global Atlantic on January 2, 2024. Since the first quarter of 2021, we have presented Global Atlantic's financial results as a separate reportable segment.

Global Atlantic is a leading retirement and life insurance company that provides a broad suite of protection, legacy and savings products to customers and reinsurance solutions to clients across individual and institutional markets. Global Atlantic focuses on target markets that it believes support issuing products that have attractive risk and return characteristics. These markets allow Global Atlantic to leverage its strength in distribution and to deploy shareholder capital opportunistically across various market environments.

Global Atlantic offers individual customers fixed-rate annuities, fixed-indexed annuities, and targeted life products primarily through a network of banks, broker-dealers, and insurance agencies. Global Atlantic provides its institutional clients customized reinsurance solutions, including block, flow and pension risk transfer ("PRT") reinsurance, as well as funding agreements. Global Atlantic's assets generally increase when individual market sales and reinsurance transactions exceed run-off of in-force policies. Global Atlantic primarily generates income by earning a spread on assets under management, as the difference between its net investment income and the cost of policyholder benefits. Global Atlantic also earns fees paid by policyholders on certain types of contracts and fees paid by third-party investors, which are reported in the asset management segment. As of June 30, 2024, Global Atlantic served over three million policyholders.

Global Atlantic also sponsors co-investment vehicles (the "sponsored reinsurance vehicles") to participate alongside Global Atlantic in certain block, flow, PRT and other reinsurance transactions that Global Atlantic enters into during the vehicles' respective investment period. The sponsored reinsurance vehicles provide third-party capital to support reinsurance transactions and generally do not get consolidated into our financial statements. As of June 30, 2024, third parties have committed capital to the sponsored reinsurance vehicles of approximately \$3.5 billion, of which \$2.7 billion has been deployed.

The following table represents Global Atlantic's new business volumes by business and product for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(\$ in millions)</i>				
Individual Channel:				
Fixed-rate Annuities	\$ 2,150	\$ 468	\$ 5,135	\$ 2,614
Fixed-indexed Annuities	1,756	727	3,020	1,792
Variable Annuities	5	7	10	11
Total Retirement Products⁽¹⁾	\$ 3,911	\$ 1,202	\$ 8,165	\$ 4,417
Life Insurance Products	\$ —	\$ 3	\$ —	\$ 7
Preneed Life	63	80	132	155
Institutional Channel:				
Block	1,719	—	11,881	79
Flow & Pension Risk Transfer	4,544	2,438	7,448	4,868
Funding Agreements ⁽²⁾	—	—	700	—
Total Institutional Channel⁽³⁾⁽⁴⁾	\$ 6,263	\$ 2,438	\$ 20,029	\$ 4,947

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- (1) New business volumes in individual markets are referred to as sales. In Global Atlantic's individual market channel, sales of annuities include all money paid into new and existing contracts. Individual market channel sales of life insurance products are based on commissionable premium and individual market channel sales for preneed life are based on the face amount of insurance. Life insurance product sales do not include the recurring premiums that policyholders may pay over time. New business volumes from individual markets channel products typically occurs throughout the year.
- (2) Funding agreements new business volumes represent funding agreements issued in connection with the funding agreement backed note ("FABN") program only.
- (3) Global Atlantic expects block reinsurance transactions to be episodic rather than steady quarter over quarter. Similarly, funding agreements issued in the FABN program are subject to capital markets conditions and not expected to be consistent quarter over quarter. Flow and pension risk transfer new business volumes typically occurs throughout the year.
- (4) New business volumes from Global Atlantic's institutional market channel are based on the assets assumed, net of any ceding commission, and is gross of any retrocessions to investment vehicles that participate in qualifying reinsurance transactions sourced by Global Atlantic and to other third party reinsurers.

The table below represents a breakdown of Global Atlantic's policy liabilities by business and product type as of June 30, 2024, separated by reserves originated through its individual and institutional markets.

Reserves as of June 30, 2024							
	Individual Market	Institutional Market ⁽⁴⁾	Total	Ceded	Total, net	Percentage of Total	
<i>(\$ in thousands, except percentages, if applicable)</i>							
Fixed-rate Annuities ⁽¹⁾	\$ 27,532,462	\$ 33,980,938	\$ 61,513,400	\$ (10,455,416)	\$ 51,057,984	33.8 %	
Fixed-indexed Annuities ⁽¹⁾	26,238,373	10,699,570	36,937,943	(4,314,052)	32,623,891	20.3 %	
Payout Annuities ⁽¹⁾	514,074	21,716,214	22,230,288	(11,637,291)	10,592,997	12.2 %	
Variable Annuities	2,408,932	5,663,693	8,072,625	(2,287,735)	5,784,890	4.4 %	
Interest Sensitive Life ⁽¹⁾	13,700,549	19,103,807	32,804,356	(9,111,709)	23,692,647	18.0 %	
Other Life Insurance ⁽²⁾	3,531,423	4,172,334	7,703,757	(2,911,272)	4,792,485	4.2 %	
Funding Agreements ⁽³⁾	2,051,736	4,933,793	6,985,529	—	6,985,529	3.8 %	
Closed Block and Other Corporate Products	—	1,017,836	1,017,836	(963,547)	54,289	0.6 %	
Other ⁽⁵⁾	—	4,689,518	4,689,518	(3,605,699)	1,083,819	2.7 %	
Total Reserves	\$ 75,977,549	\$ 105,977,703	\$ 181,955,252	\$ (45,286,721)	\$ 136,668,531	100.0 %	
Total General Account	\$ 73,833,038	\$ 103,999,572	\$ 177,832,610	\$ (45,286,721)	\$ 132,545,889	97.7 %	
Total Separate Account	2,144,511	1,978,131	4,122,642	—	4,122,642	2.3 %	
Total Reserves	\$ 75,977,549	\$ 105,977,703	\$ 181,955,252	\$ (45,286,721)	\$ 136,668,531	100.0 %	

- (1) As of June 30, 2024, 80% of the account value in Global Atlantic's general account associated with its fixed-rate and fixed-indexed annuity products, and 43% of account value in its general account associated with universal life products was protected by surrender charges.
- (2) "Other life products" includes universal life, term and whole life insurance products.
- (3) "Funding agreements" includes funding agreements associated with FHLB borrowings and under Global Atlantic's FABN program.
- (4) Institutional market reserves are sourced using customized reinsurance solutions such as block, flow and PRT. As of June 30, 2024, reserves sourced through block, flow and PRT transactions were \$65.9 billion, \$26.3 billion and \$5.8 billion, respectively.
- (5) "Other" includes long-term care insurance where we have ceded all mortality and morbidity risk to a third-party reinsurance company.

Strategic Holdings

Starting with the first quarter of 2024, we are reporting a new third segment named Strategic Holdings. Our Strategic Holdings segment is currently comprised of the firm's ownership in the businesses we acquired through our participation in our core private equity strategy. Our core private equity strategy includes third-party capital in investment funds alongside our firm's capital. Our Asset Management segment continues to manage the investment funds that invest in our core private equity strategy, the financial results of which are not included in our Strategic Holdings segment.

Our core private equity strategy seeks to make investments in businesses that we anticipate holding for a longer period of time and that we believe have a lower anticipated risk profile than our investments in businesses through the traditional private equity strategy. For example, our core private equity strategy seeks to make investments in companies that, among other things, we believe are more stable, and typically have lower leverage over our holding period, than those companies in which our traditional private equity investments are made.

We may also acquire in the future other long-term assets that are not part of the core private equity strategy for this segment.

As of June 30, 2024, our Strategic Holdings segment consisted of our ownership stakes in 19 companies. Based on certain information made available to management as of June 30, 2024, approximately 65% of these companies are based in the Americas, 30% in Europe, and 5% in the Asia-Pacific (based on the geographic location of their headquarters). In addition, based on such information, these companies are primarily engaged in the following business sectors: approximately 32% in Business Services, 29% in Consumer, 13% in Infrastructure, 13% in technology-media-telecommunications (TMT), and 13% in Healthcare.

Effective as of the first quarter of 2024, our Asset Management segment charges a quarterly management fee based on invested capital in our Strategic Holdings segment. Additionally, our Asset Management segment will charge a performance fee from the sale of our interests in the companies included in our Strategic Holdings segment. The management and performance fees are charged in order to represent the cost of providing advisory services by our Asset Management segment rather than determining the allocable costs borne by our Asset Management segment to support our Strategic Holdings segment.

Business Environment

Our asset management (including the businesses reported in our Strategic Holdings segment) and insurance businesses are affected by the various market and economic conditions of the various countries and regions in which we operate. Market and economic conditions are expected to continue to have a substantial impact on our financial condition, results of operations and our business in various ways that we are unable to control, including our ability to make new investments, the valuations of the investments we manage, the amount of investment proceeds we realize when we exit our investments, the timing for such realization activity, our ability to fundraise or to sell our various investment and insurance products and services, and the level of our capital markets activities, as discussed in the "Risk Factors" section of our Annual Report.

During the second quarter of 2024, the United States experienced accelerating economic growth amid easing inflation. In Europe, GDP growth in the Eurozone was positive in the second quarter of 2024. Meanwhile, Eurozone inflation remained slightly above the European Central Bank's 2% inflation target. In Asia, the two largest economies continued to experience divergent economic conditions during the second quarter of 2024. Japan's economy is expected to have experienced positive growth in the second quarter of 2024 in conjunction with inflation exceeding the Bank of Japan's inflation targets. Against this backdrop, the Bank of Japan did not raise its short-term base interest rate further, having raised it out of negative territory in the first quarter of 2024. In China, the economy grew in the second quarter of 2024, albeit at a slower pace than in the first quarter of 2024. Chinese growth remains subject to various headwinds, including stresses in the property sector, retail sales, and industrial output.

Several key economic indicators in the United States and in other countries and regions in which we operate include:

- **GDP.** In the United States, real gross domestic product ("GDP") expanded by 2.8% for the quarter ended June 30, 2024, compared to an expansion of 1.4% for the quarter ended March 31, 2024. Euro Area real GDP increased by 0.3% for the quarter ended June 30, 2024, unchanged from 0.3% growth for the quarter ended March 31, 2024. In Japan, real GDP is estimated to have increased by 2.4 % for the quarter ended June 30, 2024, up from 2.9% contraction for the quarter ended March 31, 2024. Real GDP in China increased by 0.7% for the quarter ended June 30, 2024, compared to growth of 1.5% reported for the quarter ended March 31, 2024.
- **Interest Rates.** The effective federal funds rate set by the U.S. Federal Reserve Board was 5.33% as of June 30, 2024, unchanged from March 31, 2024. The short-term benchmark interest rate set by the European Central Bank was 4.25% as of June 30, 2024, down from 4.5% as of March 31, 2024. The short-term benchmark interest rate set by the Bank of Japan was 0.1% as of June 30, 2024, unchanged from March 31, 2024. The short-term benchmark interest rate set by The People's Bank of China was 3.45% as of June 30, 2024, unchanged from March 31, 2024.
- **Inflation.** The U.S. core consumer price index rose 3.3% on a year-over-year basis as of June 30, 2024, down from 3.8% on a year-over-year basis as of March 31, 2024. Euro Area core inflation was 2.9% as of June 30, 2024, unchanged from 2.9% as of March 31, 2024. In Japan, core inflation fell to 1.9% on a year-over-year basis as of June 30, 2024, down from 2.2% on a year-over-year basis as of March 31, 2024. Core inflation in China was 0.6% on a year-over-year basis as of June 30, 2024, unchanged from 0.6% as of March 31, 2024.
- **Unemployment.** The U.S. unemployment rate was 4.1% as of June 30, 2024, up from 3.8% as of March 31, 2024. Euro Area unemployment was 6.4% as of June 30, 2024, down from 6.5% as of March 31, 2024. The unemployment rate in Japan was 2.6% as of June 30, 2024, unchanged from 2.6% as of March 31, 2024. The unemployment rate in China was 4.9% as of June 30, 2024, down from 5.1% as of March 31, 2024.

Several key financial market indicators in the United States and in other countries and regions in which we operate include:

- **Equity Markets.** For the quarter ended June 30, 2024, the S&P 500 was up 4.3%, the MSCI Europe Index was down 2.3%, the MSCI Asia Index was up 2.7% and the MSCI World Index was up 2.8% on a total return basis including dividends. Equity market volatility as evidenced by the Chicago Board Options Exchange Market Volatility Index (VIX), a measure of volatility, ended at 12.4 as of June 30, 2024, decreasing from 13.0 as of March 31, 2024.
- **Credit Markets.** During the quarter ended June 30, 2024, U.S. investment grade corporate bond spreads (BofA Merrill Lynch US Corporate Index) tightened by 49 basis points. The non-investment grade credit indices were up during the quarter ended June 30, 2024 with the S&P/LSTA Leveraged Loan Index up 1.9% and the BofAML HY Master II Index up 1.1%. During the quarter ended June 30, 2024, the 10-year government bond yields rose 20 basis points in the United States, rose 20 basis points in Germany, rose 33 basis points in Japan, rose 24 basis points in the UK and fell 9 basis points in China.

- **Commodity Markets.** During the quarter ended June 30, 2024, the 3-year forward price of WTI crude oil increased approximately 0.4%, and the 3-year forward price of natural gas decreased from approximately \$3.82 per MMBtu to \$3.48 per MMBtu as of March 31, 2024 and June 30, 2024. The Japan spot LNG import price increased to approximately \$10.35 per MMBtu as of June 30, 2024 from approximately \$9.45 per MMBtu as of March 31, 2024.
- **Foreign Exchange Rates.** For the quarter ended June 30, 2024, the euro fell 0.7%, the British pound rose 0.2%, the Japanese yen fell 5.9%, and the Chinese renminbi fell 0.6%, respectively, relative to the U.S. dollar.

Other Trends, Uncertainties and Risks Related to Our Business

Please refer to the "Risk Factors" section of our Annual Report for important additional detail regarding risks, uncertainties and other conditions that could have a material favorable or unfavorable impact on our businesses, including the impact of market and economic conditions on valuations of investments. These risks, uncertainties and other conditions should be read in conjunction with this Business Environment section and the entire Risk Factor section of our Annual Report. In particular, see "Risks Related to Our Investment Activities—Our valuation methodologies for certain assets can be subjective, and the fair value of assets established pursuant to such subjective methodologies is uncertain and may never be realized" and "Risks Related to Our Investment Activities—Various market and economic conditions and events outside of our control that are difficult to quantify or predict may have a significant impact on the valuation of our investments and, therefore, on our financial results."

Basis of Accounting and Key Financial Measures under GAAP

We manage our business using certain financial measures and key operating metrics since we believe these metrics measure the productivity of our operating activities. We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See Note 2 "Summary of Significant Accounting Policies" in our financial statements and "Critical Accounting Policies and Estimates" contained in this section below. Our key Segment and non-GAAP financial measures and operating metrics are discussed below.

Key Segment and Non-GAAP Performance Measures

The following key segment and non-GAAP performance measures are used by management in making operational and resource deployment decisions as well as assessing the performance of KKR's business. They include certain financial measures that are calculated and presented using methodologies other than in accordance with GAAP. These performance measures as described below are presented prior to giving effect to the allocation of income (loss) between KKR & Co. Inc. and holders of exchangeable securities and as such represent the entire KKR business in total. In addition, these performance measures are presented without giving effect to the consolidation of certain investment funds and collateralized financing entities ("CFEs") that KKR manages.

We believe that providing these segment and non-GAAP performance measures on a supplemental basis to our GAAP results is helpful to stockholders in assessing the overall performance of KKR's business. These non-GAAP measures should not be considered as a substitute for financial measures calculated in accordance with GAAP. Reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, where applicable are included under "Segment Balance Sheet Measures—Reconciliations to GAAP Measures."

Modification of Segment Information and Non-GAAP Measures

In connection with building and scaling of the core private equity strategy on KKR's balance sheet and the acquisition of all of the remaining equity interests in Global Atlantic on January 2, 2024, KKR reevaluated the manner in which it makes operational and resource deployment decisions and assesses the overall performance of KKR's business. Effective with the first quarter of 2024, the items detailed below have changed with respect to the preparation of the reports used by KKR's chief operating decision makers. As a result, KKR has modified the presentation of its segment financial information with retrospective application to all prior periods presented.

The most significant changes between KKR's current segment presentation and its previous segment presentation reported prior to the first quarter of 2024, are as follows:

- **Creating a new business segment, Strategic Holdings** - The new segment is currently comprised of KKR's participation in its core private equity strategy. Our participation in our core private equity has scaled into a business KKR now evaluates separately from its Asset Management segment. Additionally, KKR may also acquire other long-term assets that are not part of the core private equity strategy for this segment. As of the first quarter of 2024, KKR's participation in its core private equity strategy no longer is reported as part of the Asset Management segment. The Asset Management segment continues to represent KKR's business separate from its insurance operations and continues to reflect how the chief operating decision makers allocate resources and assess performance in the asset management business, which includes operating collaboratively across its business lines, with predominantly a single expense pool. Effective as of the first quarter of 2024, the results of our Strategic Holdings segment includes a management fee and performance fee that is paid to our Asset Management segment for providing advisory services rather than allocating the costs borne by our Asset Management segment to support our Strategic Holdings segment. The historical amounts presented herein do not include any management or performance fees since the governing agreement was not in place prior to the first quarter of 2024.
- **Segment Earnings** - Segment Earnings is the performance measure for KKR's segment profitability and is used by management in making operational decisions and to assess performance.

Adjusted Net Income

Adjusted Net Income ("ANI") is a performance measure of KKR's earnings, which is derived from KKR's reported segment results. ANI is used to assess the performance of KKR's business operations and measures the earnings potentially available for distribution to its equity holders or reinvestment into its business. ANI is equal to Total Segment Earnings less Interest Expense, Net and Other and Income Taxes on Adjusted Earnings. Interest Expense, Net and Other includes interest expense on debt obligations not attributable to any particular segment net of interest income earned on cash and short-term investments. Income Taxes on Adjusted Earnings represents the (i) amount of income taxes that would be paid assuming that all pre-tax Asset Management and Strategic Holdings segment earnings were allocated to KKR & Co. Inc. and taxed at the same effective rate, which assumes that all securities exchangeable into shares of common stock of KKR & Co. Inc. were exchanged and (ii) amount of income taxes on Insurance Operating Earnings. Income taxes on Insurance Operating Earnings represent the total current and deferred tax expense or benefit on income before taxes adjusted to eliminate the impact of the tax expense or benefit associated with the non-operating adjustments. Equity based compensation expense is excluded from ANI, because (i) KKR believes that the cost of equity awards granted to employees does not contribute to the earnings potentially available for distributions to its equity holders or reinvestment into its business and (ii) excluding this expense makes KKR's reporting metric more comparable to the corresponding metric presented by other publicly traded companies in KKR's industry, which KKR believes enhances an investor's ability to compare KKR's performance to these other companies. Income Taxes on Adjusted Earnings includes the benefit of tax deductions arising from equity-based compensation, which reduces Income Taxes on Adjusted Earnings during the period. If tax deductions from equity-based compensation were to be excluded from Income Taxes on Adjusted Earnings, KKR's ANI would be lower and KKR's effective tax rate would appear to be higher, even though a lower amount of income taxes would have actually been paid or payable during the period. KKR separately discloses the amount of tax deduction from equity-based compensation for the period reported and the effect of its inclusion in ANI for the period. KKR makes these adjustments when calculating ANI in order to more accurately reflect the net realized earnings that are expected to be or become available for distribution to KKR's equity holders or reinvestment into KKR's business. However, ANI does not represent and is not used to calculate actual dividends under KKR's dividend policy, which is a fixed amount per period, and ANI should not be viewed as a measure of KKR's liquidity.

Total Segment Earnings

Total Segment Earnings is a performance measure that KKR believes is useful to stockholders as it provides a supplemental measure of our operating performance without taking into account items that KKR does not believe arise from or relate directly to KKR's operations. Total Segment Earnings excludes: (i) equity-based compensation charges, (ii) amortization of acquired intangibles, and (iii) transaction-related and non-operating items, if any. Transaction-related and non-operating items arise from corporate actions and non-operating items, which consist of: (i) impairments, (ii) transaction costs from acquisitions, (iii) depreciation on real estate that KKR owns and occupies, (iv) contingent liabilities, net of any recoveries, and (v) other gains or charges that affect period-to-period comparability and are not reflective of KKR's ongoing operational performance. Inter-segment transactions are not eliminated from segment results when management considers those transactions in assessing the results of the respective segments. These transactions include (i) management fees earned by our Asset Management segment as the investment adviser for Global Atlantic insurance companies, (ii) management and performance fees earned by our Asset Management segment for acquiring and managing the companies included in our Strategic Holdings segment, and (iii) interest income and expense based on lending arrangements where our Asset Management segment borrows from our Insurance segment. All these inter-segment transactions are recorded by each segment based on the applicable governing agreements. Total Segment Earnings represents the total segment earnings of KKR's Asset Management, Insurance and Strategic Holdings segments.

Asset Management Segment Earnings

Asset management segment earnings is the segment profitability measure used to make operating decisions and to assess the performance of the Asset Management segment. This measure is presented before income taxes and is comprised of: (i) Fee Related Earnings, (ii) Realized Performance Income, (iii) Realized Performance Income Compensation, (iv) Realized Investment Income, and (v) Realized Investment Income Compensation. The non-operating adjustments made to derive Asset Management Segment Earnings excludes the impact of: (i) unrealized gains (losses) on investments, (ii) unrealized carried interest, and (iii) unrealized carried interest compensation. Management fees earned by KKR as the adviser, manager or sponsor for its investment funds, vehicles and accounts, including its Global Atlantic insurance companies and Strategic Holdings segment, are included in Asset Management Segment Earnings.

Insurance Operating Earnings

Insurance Operating Earnings is the segment profitability measure used to make operating decisions and to assess the performance of the Insurance segment. This measure is presented before income taxes and is comprised of: (i) Net Investment Income, (ii) Net Cost of Insurance, and (iii) General, Administrative, and Other Expenses. The non-operating adjustments made to derive Insurance Operating Earnings excludes the impact of: (i) investment gains (losses) which include realized gains (losses) related to asset/liability matching investment strategies and unrealized investment gains (losses) and (ii) non-operating changes in policy liabilities and derivatives which includes (a) changes in the fair value of market risk benefits and other policy liabilities measured at fair value and related benefit payments, (b) fees attributed to guaranteed benefits, (c) derivatives used to manage the risks associated with policy liabilities, and (d) losses at contract issuance on payout annuities. Insurance Operating Earnings includes (i) realized gains and losses not related to asset/liability matching investment strategies and (ii) the investment management costs that are earned by our Asset Management segment as the investment adviser of the Global Atlantic insurance companies.

Strategic Holdings Segment Earnings

Strategic Holdings Segment Earnings is the segment profitability measure used to make operating decisions and to assess the performance of the Strategic Holdings segment. This measure is presented before income taxes and is comprised of: Dividends, Net and Net Realized Investment Income. The non-operating adjustment made to derive Strategic Holdings Segment Earnings excludes the impact of unrealized gains (losses) on investments. Strategic Holdings Segment Earnings includes management fees and performance fee expenses that are earned by the Asset Management segment.

Fee Related Earnings

Fee related earnings is a performance measure used to assess the Asset Management segment's generation of earnings from revenues that are measured and received on a more recurring basis as compared to KKR's investing earnings. KKR believes this measure is useful to stockholders as it provides additional insight into the profitability of our fee generating asset management and capital markets businesses. FRE equals (i) Management Fees, including fees paid by the Insurance and Strategic Holdings segments to the Asset Management segment and fees paid by certain insurance co-investment vehicles, (ii) Transaction and Monitoring Fees, Net and (iii) Fee Related Performance Revenues, less (x) Fee Related Compensation, and (y) Other Operating Expenses.

Fee Related Performance Revenues refers to the realized portion of performance fees from certain AUM that has an indefinite term and for which there is no immediate requirement to return invested capital to investors upon the realization of investments. Fee related performance revenues consists of performance fees (i) expected to be received from our investment funds, vehicles and accounts on a recurring basis, and (ii) that are not dependent on a realization event involving investments held by the investment fund, vehicle or account.

Fee Related Compensation refers to the compensation expense, excluding equity-based compensation, paid from (i) Management Fees, (ii) Transaction and Monitoring Fees, Net, and (iii) Fee Related Performance Revenues.

Other Operating Expenses represents the sum of (i) occupancy and related charges and (ii) other operating expenses.

Strategic Holdings Operating Earnings

Strategic Holdings Operating Earnings is a performance measure used to assess the firm's earnings from companies and businesses reported through its Strategic Holdings segment. Strategic Holdings Operating Earnings currently consists of earnings derived from dividends that the firm receives from businesses acquired through the firm's participation in our core private equity strategy. Strategic Holdings Operating Earnings currently equals dividends less management fees that are earned by our Asset Management segment. This measure is used by management to assess the Strategic Holdings segment's generation of earnings from revenues that are measured and received on a more recurring basis than, and are not dependent on, realizations from investment activities.

Total Operating Earnings

Total Operating Earnings is a performance measure that represents the sum of (i) FRE, (ii) Insurance Operating Earnings, and (iii) Strategic Holdings Operating Earnings. KKR believes this measure is useful to stockholders as it provides additional insight into the profitability of the most recurring forms of earnings from each of KKR's segments as compared to investing earnings.

Total Investing Earnings

Total Investing Earnings is a performance measure that represents the sum of (i) Net Realized Performance Income and (ii) Net Realized Investment Income. KKR believes this measure is useful to stockholders as it provides additional insight into the earnings of KKR's segments from the realization of investments.

Total Asset Management Segment Revenues

Total Asset Management Segment Revenues is a performance measure that represents the realized revenues of the Asset Management segment (which excludes unrealized carried interest and unrealized gains (losses) on investments) and is the sum of (i) Management Fees, (ii) Transaction and Monitoring Fees, Net, (iii) Fee Related Performance Revenues, (iv) Realized Performance Income, and (v) Realized Investment Income. Asset Management Segment Revenues excludes Realized Investment Income earned based on the performance of businesses presented in the Strategic Holdings segment. KKR believes that this performance measure is useful to stockholders as it provides additional insight into all forms of realized revenues generated by our Asset Management segment.

Other Terms and Capital Metrics

Adjusted Shares

Adjusted shares represents shares of common stock of KKR & Co. Inc. outstanding under GAAP adjusted to include certain securities exchangeable into shares of common stock of KKR & Co. Inc. and excludes equity unvested shares granted in connection with the equity incentive awards.

Assets Under Management

Assets under management represent the assets managed (including core private equity), advised or sponsored by KKR from which KKR is entitled to receive management fees or performance income (currently or upon a future event), general partner capital, and assets managed, advised or sponsored by our strategic BDC partnership and the hedge fund and other managers in which KKR holds an ownership interest. We believe this measure is useful to stockholders as it provides additional insight into the capital raising activities of KKR and its hedge fund and other managers and the overall activity in their investment funds and other managed or sponsored capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds and certain co-investment vehicles; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or performance income; (iii) the asset value of the Global Atlantic insurance companies; (iv) the par value of outstanding CLOs; (v) KKR's pro rata portion of the AUM of hedge fund and other managers in which KKR holds an ownership interest; (vi) all of the AUM of KKR's strategic BDC partnership; (vii) the acquisition cost of invested assets of certain non-US real estate investment trusts and (viii) the value of other assets managed or sponsored by KKR. The pro rata portion of the AUM of hedge fund and other managers is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's definition of AUM (i) is not based on any definition of AUM that may be set forth in the governing documents of the investment funds, vehicles, accounts or other entities whose capital is included in this definition, (ii) includes assets for which KKR does not act as an investment adviser, and (iii) is not calculated pursuant to any regulatory definitions.

Capital Invested

Capital invested is the aggregate amount of capital invested by (i) KKR's investment funds (including core private equity) and Global Atlantic insurance companies, (ii) KKR's Principal Activities business line as a co-investment, if any, alongside KKR's investment funds, and (iii) KKR's Principal Activities business line in connection with a syndication transaction conducted by KKR's Capital Markets business line, if any. Capital invested is used as a measure of investment activity at KKR during a given period. We believe this measure is useful to stockholders as it provides a measure of capital deployment across KKR's business lines. Capital invested includes investments made using investment financing arrangements like credit facilities, as applicable. Capital invested excludes (i) investments in certain leveraged credit strategies, (ii) capital invested by KKR's Principal Activities business line that is not a co-investment alongside KKR's investment funds, and (iii) capital invested by KKR's Principal Activities business line that is not invested in connection with a syndication transaction by KKR's Capital Markets business line. Capital syndicated by KKR's Capital Markets business line to third parties other than KKR's investment funds or Principal Activities business line is not included in capital invested.

Fee Paying AUM

Fee paying AUM represents only the AUM from which KKR is entitled to receive management fees. We believe this measure is useful to stockholders as it provides additional insight into the capital base upon which KKR earns management fees. FPAUM is the sum of all of the individual fee bases that are used to calculate KKR's and its hedge fund and BDC partnership management fees and differs from AUM in the following respects: (i) assets and commitments from which KKR is not entitled to receive a management fee are excluded (e.g., assets and commitments with respect to which it is entitled to receive only performance income or is otherwise not currently entitled to receive a management fee) and (ii) certain assets, primarily in its private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

Uncalled Commitments

Uncalled commitments is the aggregate amount of unfunded capital commitments that KKR's investment funds and carry-paying co-investment vehicles (including core private equity) have received from partners to contribute capital to fund future investments, and the amount of uncalled commitments is not reduced by capital invested using borrowings under an investment fund's subscription facility until capital is called from our fund investors. We believe this measure is useful to stockholders as it provides additional insight into the amount of capital that is available to KKR's investment funds and carry paying co-investment vehicles to make future investments. Uncalled commitments are not reduced for investments completed using fund-level investment financing arrangements or investments we have committed to make but remain unfunded at the reporting date.

Condensed Consolidated Results of Operations (GAAP Basis - Unaudited)

The following is a discussion of our consolidated results of operations on a GAAP basis for the three months ended June 30, 2024 and 2023. You should read this discussion in conjunction with the financial statements and related notes included elsewhere in this report. For a more detailed discussion of the factors that affected our segment results in these periods, see "—Analysis of Segment Operating Results." See "Risk Factors" in our Annual Report and "—Business Environment" for more information about factors that may impact our business, financial performance, operating results and valuations.

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Revenues			
<i>Asset Management and Strategic Holdings</i>			
Fees and Other	\$ 822,324	\$ 754,447	\$ 67,877
Capital Allocation-Based Income (Loss)	738,125	696,897	41,228
	<u>1,560,449</u>	<u>1,451,344</u>	<u>109,105</u>
<i>Insurance</i>			
Net Premiums	935,794	626,429	309,365
Policy Fees	333,900	315,382	18,518
Net Investment Income	1,580,498	1,311,055	269,443
Net Investment-Related Gains (Losses)	(302,620)	(117,550)	(185,070)
Other Income	63,889	39,858	24,031
	<u>2,611,461</u>	<u>2,175,174</u>	<u>436,287</u>
Total Revenues	4,171,910	3,626,518	545,392
Expenses			
<i>Asset Management and Strategic Holdings</i>			
Compensation and Benefits	895,165	657,114	238,051
Occupancy and Related Charges	23,306	23,593	(287)
General, Administrative and Other	304,489	289,586	14,903
	<u>1,222,960</u>	<u>970,293</u>	<u>252,667</u>
<i>Insurance</i>			
Net Policy Benefits and Claims (including market risk benefit loss (gain) of \$11,790 and \$(75,286), respectively.)	2,199,160	1,736,014	463,146
Amortization of Policy Acquisition Costs	32,808	170	32,638
Interest Expense	65,750	39,832	25,918
Insurance Expenses	244,954	172,121	72,833
General, Administrative and Other	180,697	204,052	(23,355)
	<u>2,723,369</u>	<u>2,152,189</u>	<u>571,180</u>
Total Expenses	3,946,329	3,122,482	823,847
Investment Income (Loss) - Asset Management and Strategic Holdings			
Net Gains (Losses) from Investment Activities	392,667	570,085	(177,418)
Dividend Income	471,349	246,939	224,410
Interest Income	903,861	850,061	53,800
Interest Expense	(783,253)	(720,108)	(63,145)
Total Investment Income (Loss)	984,624	946,977	37,647
Income (Loss) Before Taxes	1,210,205	1,451,013	(240,808)
Income Tax Expense (Benefit)	216,969	324,955	(107,986)

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Net Income (Loss)	993,236	1,126,058	(132,822)
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	29,666	(1,740)	31,406
Net Income (Loss) Attributable to Noncontrolling Interests	295,644	266,086	29,558
Net Income (Loss) Attributable to KKR & Co. Inc.	667,926	861,712	(193,786)
Series C Mandatory Convertible Preferred Stock Dividends	—	17,249	(17,249)
Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders	\$ 667,926	\$ 844,463	\$ (176,537)

Condensed Consolidated Results of Operations (GAAP Basis - Unaudited) - Asset Management and Strategic Holdings

Revenues

For the three months ended June 30, 2024 and 2023, revenues consisted of the following:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Management Fees	\$ 470,076	\$ 446,809	\$ 23,267
Fee Credits	(83,456)	(49,612)	(33,844)
Transaction Fees	316,457	269,416	47,041
Monitoring Fees	43,313	34,796	8,517
Incentive Fees	27,203	12,158	15,045
Expense Reimbursements	27,168	16,840	10,328
Consulting Fees	21,563	24,040	(2,477)
Total Fees and Other	822,324	754,447	67,877
Carried Interest	640,322	540,615	99,707
General Partner Capital Interest	97,803	156,282	(58,479)
Total Capital Allocation-Based Income (Loss)	738,125	696,897	41,228
Total Revenues	\$ 1,560,449	\$ 1,451,344	\$ 109,105

Fees and Other

Total Fees and Other for the three months ended June 30, 2024 increased compared to the three months ended June 30, 2023 primarily as a result of the increase in transaction fees and management fees, partially offset by an increase in fee credits.

For a more detailed discussion of the factors that affected our transaction fees during the period, see "—Analysis of Asset Management Segment Operating Results."

The increase in management fees was primarily attributable to (i) management fees earned at our private equity and infrastructure K-Series vehicles primarily from capital inflows, (ii) a higher level of management fees earned from Diversified Core Infrastructure fund due to an increase in its fee base from capital inflows and investment appreciation year over year, and (iii) a higher level of management fees earned from Asia Pacific Infrastructure Investors II. The increase was partially offset by a lower level of management fees from Americas Fund XII due to a step-down in the management fee rate in 2023 and a decrease in invested capital.

Management fees due from consolidated investment funds and other vehicles are eliminated upon consolidation under GAAP. However, because these amounts are funded by, and earned from, noncontrolling interests, upon consolidation under GAAP, KKR's allocated share of the net income from the consolidated investment funds and other vehicles is increased by the amount of fees that are eliminated. Accordingly, net income (loss) attributable to KKR would be unchanged if such investment funds and other vehicles were not consolidated. For a more detailed discussion on the factors that affect our management fees during the period, see "—Analysis of Asset Management Segment Operating Results."

Fee credits increased compared to the prior period as a result of a higher level of transaction fees in our Credit and Liquid Strategies and Real Assets business lines in the current period. Fee credits owed to consolidated investment funds and other vehicles are eliminated upon consolidation under GAAP. However, because these amounts are owed to noncontrolling interests, upon consolidation under GAAP, KKR's allocated share of the net income from the consolidated investment funds and other vehicles is decreased by the amount of fee credits that are eliminated. Accordingly, net income (loss) attributable to KKR would be unchanged if such investment funds and other vehicles were not consolidated. Transaction and monitoring fees earned from our portfolio companies are not eliminated upon consolidation because those fees are earned from companies which are not consolidated. Furthermore, transaction fees earned in our capital markets business are not shared with fund investors. Accordingly, certain transaction fees are reflected in our revenues without a corresponding fee credit.

Capital Allocation-Based Income (Loss)

Capital Allocation-Based Income (Loss) for the three months ended June 30, 2024 was positive primarily due to the net appreciation of the underlying investments at many of our unconsolidated carry earning investment funds, most notably Asian Fund IV, Asian Fund III, and North America Fund XIII. Capital Allocation-Based Income (Loss) for the three months ended June 30, 2023 was positive primarily due to the net appreciation of the underlying investments at many of our unconsolidated carry earning investment funds, most notably Americas Fund XII, Asian Fund III, and Next Generation Technology Growth Fund II.

KKR calculates the carried interest that would be due to KKR for each investment fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of the reporting date, irrespective of whether such amounts have been realized. Since the fair value of the underlying investments varies between reporting periods, it is necessary to make adjustments to the amounts recorded as carried interest to reflect either (a) positive performance, resulting in an increase in the carried interest allocated to the general partner or (b) negative performance that would cause the amount due to KKR to be less than the amount previously recognized, resulting in a negative adjustment to carried interest allocated to the general partner. In each case, it is necessary to calculate the carried interest on cumulative results compared to the carried interest recorded to date and to make the required positive or negative adjustments.

Investment Income (Loss)

Net Gains (Losses) from Investment Activities for the three months ended June 30, 2024

The net gains from investment activities for the three months ended June 30, 2024 were comprised of net realized gains of \$224.1 million and net unrealized gains of \$168.6 million.

Investment gains and losses relating to our general partner capital interest in our unconsolidated funds are not reflected in our discussion and analysis of Net Gains (Losses) from Investment Activities. Our economics associated with these gains and losses are reflected in Capital Allocation-Based Income (Loss) as described above.

Realized Gains and Losses from Investment Activities

For the three months ended June 30, 2024, net realized gains related primarily to (i) realized gains on the sale of Darktrace Limited (LSE: DARK) and Transphorm Inc. (NASDAQ: TGAN) and (ii) realized gains on the partial sale of Incheon Metro Logistics Center (real estate equity). Partially offsetting these realized gains were realized losses from the distribution of certain assets to third-party fund investors in certain of our consolidated energy funds and Impel Pharmaceuticals, Inc. (NASDAQ: IMPL).

Unrealized Gains and Losses from Investment Activities

For the three months ended June 30, 2024, net unrealized gains were driven by (i) mark-to-market gains primarily relating to USI, Inc. (financial services sector), Barracuda Networks, Inc. (technology sector), and Arnott's Biscuit Company (consumer products sector). These unrealized gains were partially offset by (i) mark-to-market losses primarily relating to BridgeBio Pharma, Inc. (NASDAQ: BBIO) and Accell Group N.V. (consumer products sector), and (ii) the reversal of previously recognized unrealized gains relating to the realization activity described above.

The factors that affect each investment strategy vary depending on the nature of the asset class and the valuation methodology employed. For the three months ended June 30, 2024, net unrealized gains were primarily generated in the following asset classes:

- Core private equity, which were primarily impacted by (i) overall positive operating performance of its portfolio companies, and (ii) the positive returns of global equity markets and the related increase of market multiples used in the market comparables methodology for the valuation of Level III investments; and
- Infrastructure, which primarily benefited from the positive operating performance of certain infrastructure assets and, to a lesser extent, by the positive returns of global equity markets and the related increase of market multiples used in the market comparables methodology for the valuation of Level III investments.

See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuation.

Net Gains (Losses) from Investment Activities for the three months ended June 30, 2023

The net gains from investment activities for the three months ended June 30, 2023 were comprised of net realized losses of \$(389.3) million and net unrealized gains of \$959.4 million.

Realized Gains and Losses from Investment Activities

For the three months ended June 30, 2023, net realized losses related primarily to the (i) realized losses for Envision Healthcare Corporation (health care sector) and Hilding Anders International AB (consumer products sector) and (ii) losses from the sales of revolving credit facilities. Partially offsetting these realized losses were realized gains on certain foreign exchange forward contracts.

Unrealized Gains and Losses from Investment Activities

For the three months ended June 30, 2023, net unrealized gains were driven by mark-to-market gains primarily relating to (i) Exact Holding B.V. (technology sector), which is held in one of our consolidated core private equity funds, (ii) USI, Inc., (iii) certain investments held in our consolidated CLOs, and (iv) the reversal of previously recognized unrealized losses relating to the realization activity described above. These unrealized gains were partially offset by mark-to-market losses primarily relating to (i) PetVet Care Centers, LLC (health care sector) and GenesisCare Pty Ltd. (health care sector), which are held in one of our consolidated core private equity funds, and (ii) debt obligations of our consolidated CLOs.

For a discussion of other factors that affected KKR's realized investment income, see "—Analysis of Asset Management Segment Operating Results." For additional information about net gains (losses) from investment activities, see Note 4 "Net Gains (Losses) from Investment Activities - Asset Management and Strategic Holdings" in our financial statements.

Dividend Income

During the three months ended June 30, 2024, dividend income was primarily from (i) our investment in MásOrange (telecommunications sector), held through our consolidated European Fund V, (ii) our investment in 1-800 Contacts Inc. (health care sector) held through our consolidated core vehicles and (iii) certain of our consolidated real estate funds. During the three months ended June 30, 2023, dividend income was primarily from (i) certain investments held in our consolidated open-ended core infrastructure fund, Diversified Core Infrastructure Fund, (ii) Atlantic Aviation FBO Inc. (infrastructure: transportation sector), and (iii) certain investments held in our consolidated opportunistic real estate equity and credit funds.

Significant dividends from portfolio companies and consolidated funds are generally not recurring quarterly dividends, and while they may occur in the future, their size and frequency are variable. For a discussion of other factors that affected KKR's dividend income, see "—Analysis of Asset Management Segment Operating Results."

Interest Income

The increase in interest income during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily due to (i) the impact of closing CLOs that are consolidated subsequent to June 30, 2023, (ii) higher interest rates on floating rate investments held in consolidated CLOs and our consolidated private credit funds, and (iii) a higher level of interest income from certain of our consolidated private credit funds, related primarily to an increase in the amount of capital deployed. For a discussion of other factors that affected KKR's interest income, see "—Analysis of Asset Management Segment Operating Results."

Interest Expense

The increase in interest expense during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily due to (i) the impact of closing CLOs that are consolidated subsequent to June 30, 2023, (ii) an increase in the amount of borrowings outstanding from certain consolidated funds and other vehicles, (iii) higher interest rates on floating rate debt obligations held in consolidated CLOs and (iv) the impact of issuances of KKR senior notes after June 30, 2023. For a discussion of other factors that affected KKR's interest expense, see "—Key Segment and Non-GAAP Performance Measures."

Expenses - Asset Management

Compensation and Benefits Expense

The increase in compensation and benefits expense during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily due to a higher level of accrued carried interest compensation in the current period. Additionally, the number of equity-based compensation awards granted in 2023 is higher than in 2022, which resulted in higher equity-based compensation in the current period.

General, Administrative and Other

The increase in general, administrative and other expenses during the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily due to (i) expenses from consolidation of newly formed CLOs in the current period, (ii) higher level of expenses reimbursable by our unconsolidated investment funds and (iii) higher levels of broken-deal expenses.

The level of broken-deal expenses can vary significantly period to period based upon a number of factors, the most significant of which are the number of potential investments being pursued for our investment funds, the size and complexity of investments being pursued, and the number of investment funds currently in their investment period.

In periods of increased fundraising and to the extent that we use third parties to assist in our capital raising efforts, our General, Administrative and Other expenses are expected to increase accordingly.

Condensed Consolidated Results of Operations (GAAP Basis - Unaudited) - Insurance

Revenues

For the three months ended June 30, 2024 and 2023, revenues consisted of the following:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Net Premiums	\$ 935,794	\$ 626,429	\$ 309,365
Policy Fees	333,900	315,382	18,518
Net Investment Income	1,580,498	1,311,055	269,443
Net Investment-Related Losses	(302,620)	(117,550)	(185,070)
Other Income	63,889	39,858	24,031
Total Insurance Revenues	\$ 2,611,461	\$ 2,175,174	\$ 436,287

Net Premiums

Net premiums increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to an increase in initial premiums assumed from reinsurance transactions with life contingencies or morbidity risk during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023. The increase was partially offset by higher retrocessions to third party reinsurers during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023. The initial premiums on assumed reinsurance were offset by a comparable increase in policy reserves reported within net policy benefits and claims (as discussed below under “Expenses—Net policy benefits and claims”).

Net investment income

Net investment income increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to (i) increased average assets under management due to growth in assets in Global Atlantic's institutional market channel as a result of new reinsurance transactions and individual market channel sales and (ii) growth in portfolio yields. The growth in portfolio yields during the three months ended June 30, 2024, was offset in part due to holding higher levels of lower yielding assets, such as cash and corporate fixed maturity securities acquired as part of recent reinsurance transactions, pending deployment into higher yielding asset classes.

Net investment-related losses

The components of net investment-related losses were as follows:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Funds Withheld Payable Embedded Derivatives	\$ 357,732	\$ 32,842	\$ 324,890
Equity Future Contracts	(7,370)	(48,383)	41,013
Foreign Exchange and Other Derivative Contracts	571	13,799	(13,228)
Equity Index Options	91,329	230,602	(139,273)
Interest Rate Contracts	(117,718)	(164,765)	47,047
Funds Withheld Receivable Embedded Derivatives	274	14,149	(13,875)
Net Gains on Derivative Instruments	324,818	78,244	246,574
Net Other Investment Losses	(627,438)	(195,794)	(431,644)
Net Investment-related Losses	\$ (302,620)	\$ (117,550)	\$ (185,070)

Net gains on derivative instruments

The increase in the fair value of embedded derivatives on funds withheld at interest payable was driven primarily by the change in fair value of the underlying investments in the funds withheld payable at interest portfolio, which is primarily comprised of fixed maturity securities (designated as trading for accounting purposes), mortgage and other loan receivables and other investments. The underlying investments in the funds withheld at interest payable portfolio decreased in value during the three months ended June 30, 2024, primarily due to a smaller increase in market interest rates and an increase in the overall growth of the funds withheld at interest payable portfolio due recent reinsurance transactions, as compared to a decrease in value in the three months ended June 30, 2023, due to a comparatively larger increase in market interest rates.

The increase in the fair value of interest rate contracts was primarily driven by a smaller increase in market interest rates during the three months ended June 30, 2024, as compared to a larger increase in market interest rates during the three months ended June 30, 2023, resulting in losses on interest rate contracts in both periods.

The increase in the fair value of equity futures contracts was driven primarily by the performance of equity markets. Global Atlantic purchases equity futures primarily to hedge the market risk in Global Atlantic's variable annuity products which are accounted for in net policy benefits and claims. The majority of Global Atlantic's equity futures are based on the S&P 500 Index, which had a smaller increase during the three months ended June 30, 2024, as compared to a larger increase during the three months ended June 30, 2023, resulting in a gain on equity futures contracts in both periods.

The decrease in the fair value of equity index options was primarily driven by the performance of the indexes upon which these options are based. Global Atlantic purchases equity index options to hedge the market risk of embedded derivatives in indexed universal life and fixed-indexed annuity products (the change in which is accounted for in net policy benefits and claims). The majority of Global Atlantic's equity index options are based on the S&P 500 Index, which had a smaller increase during the three months ended June 30, 2024, as compared to a larger increase during the three months ended June 30, 2023.

Net other investment (losses) gains

The components of net other investment (losses) gains were as follows:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Realized Gains on Investments Not Supporting Asset-liability Matching Strategies	\$ 10,072	\$ 2,103	\$ 7,969
Realized Losses on Available-for-sale Fixed Maturity Debt Securities	(74,466)	(55,471)	(18,995)
Credit Loss Allowances	(33,342)	(21,608)	(11,734)
Unrealized Losses on Fixed Maturity Securities Classified as Trading	(485,257)	(66,627)	(418,630)
Unrealized Losses on Investments Accounted Under a Fair-value Option and Equity Investments	(34,961)	(3,440)	(31,521)
Unrealized Losses on Real Estate Investments Recognized at Fair Value Under Investment Company Accounting	(28,766)	(43,371)	14,605
Realized Gains on Funds Withheld at Interest Payable Portfolio	46,018	3,632	42,386
Realized Losses on Funds Withheld at Interest Receivable Portfolio	(20,762)	(12,020)	(8,742)
Other	(5,974)	1,008	(6,982)
Net Other Investment-related Losses	\$ (627,438)	\$ (195,794)	\$ (431,644)

The increase in net other investment losses for the three months ended June 30, 2024 as compared to net other investment losses for the three months ended June 30, 2023, were primarily due to (i) an increase in unrealized losses on fixed maturity securities classified as trading primarily as a result of the growth in the trading portfolio and an increase in market interest rates during the three months ended June 30, 2024 as compared to a larger increase in market interest rates during the three months ended June 30, 2023, (ii) an increase in unrealized losses on investments accounted under a fair-value option and equity investments, and (iii) an increase in realized losses on available-for-sale fixed maturity securities which was primarily due to an increase in portfolio rotation activity.

Offsetting these increases in net other investment losses were (i) an increase in realized gains on funds withheld at interest payable portfolio and (ii) a decrease in unrealized losses on real estate investments recognized at fair value under investment company accounting.

Expenses

Net policy benefits and claims

Net policy benefits and claims increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to (i) an increase in net flows from both individual and institutional market channel sales, (ii) higher initial reserves assumed related to new reinsurance transactions with life contingencies or morbidity risk in the three months ended June 30, 2024 as compared to the three months ended June 30, 2023, and (iii) higher average funding costs due to higher crediting rates and the ordinary-course run-off of older business originated in a lower interest rate environment.

These increases were offset in part by (i) a smaller increase in the value of embedded derivatives in Global Atlantic's fixed indexed annuity products, as a result of lower equity market gains for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 (as discussed above under "Condensed Consolidated Results of Operations (GAAP Basis - Unaudited)—Insurance—Revenues—Net investment-related (losses) gains," Global Atlantic purchases equity index options in order to hedge this risk, the fair value changes of which are accounted for in gains on derivative instruments, and generally offsetting the change in embedded derivative fair value reported in net policy benefits and claims) and (ii) a decrease in market risk benefits gains due to a smaller increase in interest rates and equity-market returns for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023.

Amortization of policy acquisition costs

Amortization of policy acquisition costs increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to growth in Global Atlantic's individual market and institutional market channels.

Interest expense

Interest expense increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to (i) an increase in total debt outstanding with a higher coupon rate, and (ii) an increase in interest expense on floating rate debt (in connection with Global Atlantic's fixed-to-floating swaps on its fixed rate debt) due to higher market interest rates.

Insurance expenses

Insurance expenses increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to an increase in commission expenses and reinsurance expense allowances as result of higher volumes of new business in the institutional markets channel.

General, administrative and other

General, administrative and other decreased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to a decrease in employee compensation expenses.

Other Condensed Consolidated Results of Operations (GAAP Basis - Unaudited)

Income Tax Expense (Benefit)

Income taxes decreased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily driven by the lower level of income before taxes. For a discussion of factors that impacted KKR's tax provision, see Note 18 "Income Taxes" in our financial statements included elsewhere in this report.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests for the three months ended June 30, 2024 relates primarily to net income (loss) attributable to: (i) exchangeable securities representing ownership interests in KKR Group Partnership until they are exchanged for common stock of KKR & Co. Inc. and (ii) third-party limited partner interests in consolidated investment funds. Net income (loss) attributable to noncontrolling interests for the three months ended June 30, 2024 was primarily due to net gains from investment activities at our consolidated investment funds.

Net Income (Loss) Attributable to KKR & Co. Inc.

Net income (loss) attributable to KKR & Co. Inc. decreased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to higher investment-related realized and unrealized losses recognized by Global Atlantic, partially offset by a higher level of fees, capital allocation-based income and investment income from our asset management and strategic holdings operations, as described above.

Consolidated Results of Operations (GAAP Basis - Unaudited)

The following is a discussion of our consolidated results of operations on a GAAP basis for the six months ended June 30, 2024 and 2023. You should read this discussion in conjunction with the financial statements and related notes included elsewhere in this report. See also "Risk Factors" in our Annual Report and "— Business Environment" for more information about factors that may affect our business, financial performance, operating results and valuations.

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Revenues			
<i>Asset Management and Strategic Holding</i>			
Fees and Other	\$ 1,515,850	\$ 1,431,463	\$ 84,387
Capital Allocation-Based Income (Loss)	2,001,067	1,145,915	855,152
	<u>3,516,917</u>	<u>2,577,378</u>	<u>939,539</u>
<i>Insurance</i>			
Net Premiums	6,972,316	1,100,053	5,872,263
Policy Fees	662,847	629,184	33,663
Net Investment Income	3,100,400	2,611,752	488,648
Net Investment-Related Gains (Losses)	(544,106)	(241,383)	(302,723)
Other Income	120,274	77,016	43,258
	<u>10,311,731</u>	<u>4,176,622</u>	<u>6,135,109</u>
Total Revenues	13,828,648	6,754,000	7,074,648
Expenses			
<i>Asset Management and Strategic Holding</i>			
Compensation and Benefits	2,211,613	1,232,784	978,829
Occupancy and Related Charges	46,846	45,742	1,104
General, Administrative and Other	582,470	503,275	79,195
	<u>2,840,929</u>	<u>1,781,801</u>	<u>1,059,128</u>
<i>Insurance</i>			
Net Policy Benefits and Claims (including market risk benefit loss (gain) of \$(89,970) and \$71,024, respectively)	9,460,229	3,263,068	6,197,161
Amortization of Policy Acquisition Costs	29,056	44,381	(15,325)
Interest Expense	120,317	80,093	40,224
Insurance Expenses	444,190	397,439	46,751
General, Administrative and Other	364,552	415,783	(51,231)
	<u>10,418,344</u>	<u>4,200,764</u>	<u>6,217,580</u>
Total Expenses	13,259,273	5,982,565	7,276,708
Investment Income (Loss) - Asset Management and Strategic Holding			
Net Gains (Losses) from Investment Activities	1,030,829	410,676	620,153
Dividend Income	716,406	395,106	321,300
Interest Income	1,793,963	1,578,677	215,286
Interest Expense	(1,537,317)	(1,296,446)	(240,871)
Total Investment Income (Loss)	<u>2,003,881</u>	<u>1,088,013</u>	<u>915,868</u>
Income (Loss) Before Taxes	2,573,256	1,859,448	713,808
Income Tax Expense (Benefit)	<u>486,170</u>	<u>473,702</u>	<u>12,468</u>

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Net Income (Loss)	2,087,086	1,385,746	701,340
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	62,344	(9,043)	71,387
Net Income (Loss) Attributable to Noncontrolling Interests	674,602	193,083	481,519
Net Income (Loss) Attributable to KKR & Co. Inc.	1,350,140	1,201,706	148,434
Series C Mandatory Convertible Preferred Stock Dividends	—	34,499	(34,499)
Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders	\$ 1,350,140	\$ 1,167,207	\$ 182,933

Consolidated Results of Operations (GAAP Basis - Unaudited) - Asset Management and Strategic Holdings

Revenues

For the six months ended June 30, 2024 and 2023, revenues consisted of the following:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Management Fees	\$ 956,830	\$ 899,902	\$ 56,928
Fee Credits	(177,502)	(107,143)	(70,359)
Transaction Fees	535,075	479,255	55,820
Monitoring Fees	92,280	64,649	27,631
Incentive Fees	33,829	18,571	15,258
Expense Reimbursements	35,261	32,384	2,877
Consulting Fees	40,077	43,845	(3,768)
Total Fees and Other	1,515,850	1,431,463	84,387
Carried Interest	1,785,250	883,685	901,565
General Partner Capital Interest	215,817	262,230	(46,413)
Total Capital Allocation-Based Income (Loss)	2,001,067	1,145,915	855,152
Total Revenues - Asset Management	\$ 3,516,917	\$ 2,577,378	\$ 939,539

Fees and Other

Total Fees and Other for the six months ended June 30, 2024 increased compared to the six months ended June 30, 2023 primarily as a result of an increase in management fees and transaction fees, which were partially offset by an increase in fee credits.

For a more detailed discussion of the factors that affected our transaction fees during the period, see "—Analysis of Asset Management Segment Operating Results."

The increase in management fees was primarily attributable to (i) management fees earned at our private equity and infrastructure K-Series vehicles primarily from capital inflows, (ii) a higher level of management fees earned from Diversified Core Infrastructure Fund due to an increase in its fee base from capital inflows and investment appreciation year over year, and (iii) a higher level of management fees earned from Asia Pacific Infrastructure Investors II. The increases were partially offset by a lower level of management fees from Americas Fund XII due to a step-down in the management fee rate in 2023 and a decrease in invested capital.

Management fees due from consolidated investment funds and other vehicles are eliminated upon consolidation under GAAP. However, because these amounts are funded by, and earned from, noncontrolling interests, upon consolidation under GAAP, KKR's allocated share of the net income from the consolidated investment funds and other vehicles is increased by the amount of fees that are eliminated. Accordingly, net income (loss) attributable to KKR would be unchanged if such investment funds and other vehicles were not consolidated. For a more detailed discussion on the factors that affect our management fees during the period, see "—Analysis of Asset Management Segment Operating Results."

Fee credits increased compared to the prior period primarily as a result of a (i) higher level of transaction fees in our Real Assets and Credit and Liquid Strategies business lines in the current period and (ii) a higher level of monitoring fees primarily due to a termination payment received in connection with the initial public offering of BrightSpring Health Services, Inc.(NASDAQ: BTSG) in our Americas Fund XII during the current period. These termination payments in connection with our monitoring fee arrangements may occur in the future; however, they are infrequent in nature and typically occur at initial public offering and other realization activity in our private equity portfolio. Fee credits owed to consolidated investment funds and other vehicles are eliminated upon consolidation under GAAP. However, because these amounts are owed to noncontrolling interests, upon consolidation under GAAP, KKR's allocated share of the net income from the consolidated investment funds is decreased by the amount of fee credits that are eliminated. Accordingly, net income (loss) attributable to KKR would be unchanged if such investment funds and other vehicles were not consolidated. Transaction and monitoring fees earned from KKR portfolio companies are not eliminated upon consolidation because those fees are earned from companies which are not consolidated. Furthermore, transaction fees earned in our capital markets business are not shared with fund investors. Accordingly, certain transaction fees are reflected in our revenues without a corresponding fee credit.

Capital Allocation-Based Income (Loss)

Capital Allocation-Based Income (Loss) for the six months ended June 30, 2024 was positive primarily due to the net appreciation of the underlying investments in many of our unconsolidated carry-earning investment funds, most notably Asian Fund III, North America Fund XIII, and Asian Fund IV. Capital Allocation-Based Income (Loss) for the six months ended June 30, 2023 was positive primarily due to the net appreciation of the underlying investments in many of our unconsolidated carry-earning investment funds, most notably Americas Fund XII, Asian Fund III, and Global Infrastructure Investors III.

KKR generally calculates the carried interest that would be due to KKR for each investment fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of the reporting date, irrespective of whether such amounts have been realized. Since the fair value of the underlying investments varies between reporting periods, it is necessary to make adjustments to the amounts recorded as carried interest to reflect either (a) positive performance, resulting in an increase in the carried interest allocated to the general partner or (b) negative performance that would cause the amount due to KKR to be less than the amount previously recognized, resulting in a negative adjustment to carried interest allocated to the general partner. In each case, it is necessary to calculate the carried interest on cumulative results compared to the carried interest recorded to date and to make the required positive or negative adjustments.

Investment Income (Loss) - Asset Management

Net Gains (Losses) from Investment Activities for the six months ended June 30, 2024

The net gains from investment activities for the six months ended June 30, 2024 were comprised of net realized gains of \$33.2 million and net unrealized gains of \$997.7 million.

Investment gains and losses relating to our general partner capital interest in our unconsolidated funds are not reflected in our discussion and analysis of Net Gains (Losses) from Investment Activities. Our economics associated with these gains and losses are reflected in Capital Allocation-Based Income (Loss) as described above.

Realized Gains and Losses from Investment Activities

For the six months ended June 30, 2024, net realized gains related primarily to the (i) realized gains on the sale of Darktrace Limited and Transphorm Inc., and (ii) realized gains on certain foreign exchange forward contracts. Partially offsetting these realized gains were realized losses due primarily to the (i) realized losses on the sale of Telepizza SAU (consumer products sector) and (ii) realized losses from the distribution of certain assets to third-party fund investors in certain of our consolidated energy funds.

Unrealized Gains and Losses from Investment Activities

For the six months ended June 30, 2024, net unrealized gains were driven primarily by (i) mark-to-market gains primarily relating to USI, Inc., and (ii) unrealized gains on certain foreign exchange forward contracts. These unrealized gains were partially offset by mark-to-market losses primarily relating to (i) our investment in BridgeBio Pharma, Inc. and Accell Group N.V. (consumer products sector), and (ii) unrealized losses in certain of our consolidated credit funds.

The factors that affect each investment strategy vary depending on the nature of the asset class and the valuation methodology employed. For the six months ended June 30, 2024 net unrealized gains were primarily generated in the following asset classes:

- Core private equity, which were primarily impacted by (i) overall positive operating performance of its portfolio companies, and (ii) the positive returns of global equity markets and the related increase of market multiples used in the market comparables methodology for the valuation of Level III investments; and
- Infrastructure, which primarily benefited from the positive operating performance of certain infrastructure assets and to a lesser extent by the positive returns of global equity markets and the related increase of market multiples used in the market comparables methodology for the valuation of Level III investments.

See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuation.

Net Gains (Losses) from Investment Activities for the six months ended June 30, 2023

The net gains from investment activities for the six months ended June 30, 2023 were comprised of net realized losses of \$(289.9) million and net unrealized gains of \$700.6 million.

Realized Gains and Losses from Investment Activities

For the six months ended June 30, 2023, net realized losses related primarily to (i) the realized losses of Envision Healthcare Corporation, (ii) realized losses on our alternative credit investments in Hilding Anders International AB and Chembulk Group (transportation sector), and (iii) realized losses from the sales of various revolving credit facilities. Partially offsetting these realized losses were realized gains primarily relating to the sale of our investment in KnowBe4, Inc. (NASDAQ: KNBE) and Flutter Entertainment PLC (LON: FLTR).

Unrealized Gains and Losses from Investment Activities

For the six months ended June 30, 2023, net unrealized gains were driven primarily by mark-to-market gains primarily relating to (i) BridgeBio Pharma, Inc., (ii) Exact Holding B.V. held in one of our consolidated core private equity funds, (iii) the reversal of previously recognized unrealized losses relating to the realization activity described above in "Realized Gains and Losses from Investment Activities", and (iv) certain investments held in our consolidated CLOs. These unrealized gains were partially offset by mark-to-market losses primarily relating to (i) GenesisCare Pty Ltd. and PetVet Care Centers, LLC, which are held in one of our consolidated core private equity funds and (ii) debt obligations of our consolidated CLOs.

For a discussion of other factors that affected KKR's realized investment income, see "-Analysis of Asset Management Segment Operating Results."

Dividend Income

During the six months ended June 30, 2024, dividend income was primarily from (i) our investments in 1-800 Contacts Inc., Exact Holdings B.V., Viridor Limited (infrastructure: energy and energy transition sector), and FiberCop S.p.A. (infrastructure: telecommunications infrastructure sector), held through our consolidated core vehicles, (ii) our investment in MásOrange, held through our consolidated European Fund V, and (iii) certain of our consolidated real estate funds. During the six months ended June 30, 2023, the most significant dividends were received from (i) certain investments held in our consolidated open-ended core infrastructure fund, Diversified Core Infrastructure Fund, (ii) our consolidated opportunistic real estate equity funds, and (iii) Atlantic Aviation FBO Inc., which is held in one of our consolidated core private equity funds.

Significant dividends from portfolio companies and consolidated funds are generally not recurring quarterly dividends, and while they may occur in the future, their size and frequency are variable. For a discussion of other factors that affected KKR's dividend income, see "—Analysis of Asset Management Segment Operating Results."

Interest Income

The increase in interest income during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to (i) the impact of closing CLOs that are consolidated subsequent to June 30, 2023, (ii) higher interest rates on floating rate investments held in consolidated CLOs and our consolidated private credit funds, and (iii) a higher level of interest income from certain of our consolidated private credit funds, related primarily to an increase in the amount of capital deployed. For a discussion of other factors that affected KKR's interest income, see "—Analysis of Asset Management Segment Operating Results."

Interest Expense

The increase in interest expense during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to (i) the increase in the amount of borrowings outstanding from certain consolidated funds and other vehicles, (ii) the impact of closing CLOs that are consolidated subsequent to June 30, 2023, (iii) higher interest rates on floating rate debt obligations held in consolidated CLOs, and (iv) the impact of issuances of KKR senior notes after June 30, 2023. For a discussion of other factors that affected KKR's interest expense, see "—Analysis of Non-GAAP Performance Measures."

Expenses - Asset Management

Compensation and Benefits

The increase in compensation and benefits during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to a higher level of accrued carried interest compensation in the current period. Additionally, the number of equity-based compensation awards granted in 2023 is higher than in 2022, which resulted in higher equity-based compensation in the current period.

General, Administrative and Other

The increase in general, administrative and other during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to (i) a provision for legal reserves in the current period and (ii) expenses from consolidation of newly formed CLOs in the current period.

In periods of increased fundraising and to the extent that we use third parties to assist in our capital raising efforts, our General, Administrative and Other are expected to increase accordingly.

Consolidated Results of Operations (GAAP Basis - Unaudited) - Insurance

Revenues

For the six months ended June 30, 2024 and 2023, revenues consisted of the following:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Net Premiums	\$ 6,972,316	\$ 1,100,053	\$ 5,872,263
Policy Fees	662,847	629,184	33,663
Net Investment Income	3,100,400	2,611,752	488,648
Net Investment-Related Gains (Losses)	(544,106)	(241,383)	(302,723)
Other Income	120,274	77,016	43,258
Total Insurance Revenues	\$ 10,311,731	\$ 4,176,622	\$ 6,135,109

Net Premiums

Net premiums increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to an increase in initial premiums assumed from reinsurance transactions with life contingencies or morbidity risk during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023. The increase was partially offset by higher retrocessions to third party reinsurers during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023. The initial premiums on assumed reinsurance were offset by a comparable increase in policy reserves reported within net policy benefits and claims (as discussed below under “Expenses—Net policy benefits and claims”).

Net investment income

Net investment income increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to (i) increased average assets under management due to growth in assets in Global Atlantic's institutional market channel as a result of new reinsurance transactions and individual market channel sales and (ii) growth in portfolio yields due to higher market interest rates. The growth in portfolio yields during the six months ended June 30, 2024 was offset in part due to holding higher levels of lower yielding assets, such as cash and corporate fixed maturity securities acquired as part of recent reinsurance transactions, pending deployment into higher yielding asset classes.

Net investment-related losses

The components of net investment-related losses were as follows:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Funds Withheld Payable Embedded Derivatives	\$ 453,173	\$ (397,393)	\$ 850,566
Equity Future Contracts	(70,886)	(89,208)	18,322
Foreign Exchange and Other Derivative Contracts	36,476	14,518	21,958
Equity Index Options	348,432	314,489	33,943
Interest Rate Contracts	(367,013)	(95,769)	(271,244)
Funds Withheld Receivable Embedded Derivatives	25,604	(16,618)	42,222
Net Gains (Losses) on Derivative Instruments	425,786	(269,981)	695,767
Net Other Investment Gains (Losses)	(969,892)	28,598	(998,490)
Net Investment-related Losses	\$ (544,106)	\$ (241,383)	\$ (302,723)

Net gains on derivative instruments

The increase in the fair value of embedded derivatives on funds withheld at interest payable for the six months ended June 30, 2024 was primarily driven by (i) the change in fair value of the underlying investments in the funds withheld at interest payable portfolio, which is primarily comprised of fixed maturity securities (designated as trading for accounting purposes), mortgage and other loan receivables, and other investments, and (ii) the overall increase in the funds withheld at interest payable portfolio due to recent reinsurance transactions. The underlying investments in the funds withheld at interest payable portfolio decreased in value during the six months ended June 30, 2024 and increased during the six months ended June 30, 2023 primarily due to an increase in market interest rates for the six months ended June 30, 2024 as compared to a decrease in the six months ended June 30, 2023.

The increase in the fair value of embedded derivatives on funds withheld at interest receivable was primarily due to a widening of credit spreads during the six months ended June 30, 2024, as compared to a narrowing of credit spreads during the six months ended June 30, 2023.

The increase in the fair value of equity index options was primarily driven by the performance of the indexes upon which these options are based. Global Atlantic purchases equity index options to hedge the market risk of embedded derivatives in indexed universal life and fixed-indexed annuity products (the change in which is accounted for in net policy benefits and claims). The majority of Global Atlantic's equity index options are based on the S&P 500 Index, which increased during both the six months ended June 30, 2024 and the six months ended June 30, 2023.

The decrease in the fair value of interest rate was primarily driven by an increase in market interest rates during the six months ended June 30, 2024 and a decrease in market interest rates during the six months ended June 30, 2023, resulting in a larger loss on interest rate contracts for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

Net other investment (losses) gains

The components of net other investment (losses) gains were as follows:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Realized Gains on Investments Not Supporting Asset-liability Matching Strategies	\$ 10,072	\$ 2,103	\$ 7,969
Realized Losses on Available-for-sale Fixed Maturity Debt Securities	(102,623)	(52,039)	(50,584)
Credit Loss Allowances	(135,455)	(170,037)	34,582
Impairment of Available-for-sale Fixed Maturity Debt Securities Due to Intent to Sell	—	(26,741)	26,741
Unrealized (Losses) Gains on Fixed Maturity Securities Classified as Trading	(584,836)	309,663	(894,499)
Unrealized Losses on Investments Accounted Under a Fair-value Option and Equity Investments	(77,168)	(59,213)	(17,955)
Unrealized (Losses) Gains on Real Estate Investments Recognized at Fair Value Under Investment Company Accounting	(106,777)	19,821	(126,598)
Realized Gains on Funds Withheld at Interest Payable Portfolio	70,305	7,612	62,693
Realized (Losses) Gains on Funds Withheld at Interest Receivable Portfolio	(23,048)	5,713	(28,761)
Other	(20,362)	(8,284)	(12,078)
Net Other Investment-related (Losses) Gains	\$ (969,892)	\$ 28,598	\$ (998,490)

The increase in net other investment losses for the six months ended June 30, 2024 as compared to net other investment gains for the six months ended June 30, 2023, were primarily due to (i) an increase in unrealized losses on fixed maturity securities classified as trading primarily as a result of an increase in market interest rates during the six months ended June 30, 2024 as compared to a decrease in market interest rates during the six months ended June 30, 2023, (ii) an increase in unrealized losses on real estate investments at fair-value under investment company accounting primarily due to higher discount rates and capitalization rates during the six months ended June 30, 2024, and (iii) an increase in realized losses on available-for-sale fixed maturity securities as result of rotating investments acquired from recent reinsurance transactions into higher yielding asset classes.

Offsetting these increases in net other investment losses were (i) an increase in realized gains on funds withheld at interest payable portfolio and (ii) a decrease in credit loss allowances.

Expenses

Net policy benefits and claims

Net policy benefits and claims increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to (i) an increase in net flows from both individual and institutional market channel sales, (ii) higher initial reserves assumed related to new reinsurance transactions with life contingencies or morbidity risk in the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, and (iii) higher average funding costs due to higher crediting rates and the ordinary-course run-off of older business originated in a lower interest rate environment.

These increases were offset in part by (i) an increase in the value of embedded derivatives in Global Atlantic's fixed indexed annuity products, as a result of lower equity market gains for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 (as discussed above under "Consolidated Results of Operations (GAAP Basis)–Revenues–Net investment-related gains (losses)," Global Atlantic purchases equity index options in order to hedge this risk, the fair value changes of which are accounted for in gains on derivative instruments, and generally offsetting the change in embedded derivative fair value reported in net policy benefits and claims), and (ii) a decrease in market risk benefit liabilities primarily due to higher market interest rates for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

Amortization of policy acquisition costs

Amortization of policy acquisition costs decreased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to the remeasurement of the policy liabilities associated with certain cost-of-reinsurance asset intangibles, resulting in an increase in the cost-of-reinsurance asset and a decrease in amortization, offset in part by higher amortization on deferred acquisition costs associated with higher volumes of new retirement products business in the individual markets channel.

Interest expense

Interest expense increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to (i) an increase in total debt outstanding with a higher coupon rate, and (ii) an increase in interest expense on floating rate debt (in connection with Global Atlantic's fixed-to-floating swaps on its fixed rate debt) due to higher market interest rates during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

Insurance expenses

Insurance expenses increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to an increase in commission expenses and reinsurance expense allowances as result of higher volumes of new business in the institutional markets channel.

General, administrative and other

General, administrative and other decreased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to decreased employee compensation expenses.

Other Consolidated Results of Operations (GAAP Basis - Unaudited)

Income Tax Expense (Benefit)

Income tax expense increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily driven by the higher level of income before tax. For a discussion of factors that impacted KKR's tax provision, see Note 18 "Income Taxes" in our financial statements included elsewhere in this report.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests for the six months ended June 30, 2024 relates primarily to net income (loss) attributable to: (i) exchangeable securities representing ownership interests in KKR Group Partnership until they are exchanged for common stock of KKR & Co. Inc. and (ii) third-party limited partner interests in consolidated investment funds. Net income attributable to noncontrolling interests for the six months ended June 30, 2024 was primarily related to net gains from investment activities at our consolidated investment funds.

Net Income (Loss) Attributable to KKR & Co. Inc.

Net income attributable to KKR & Co. Inc. increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to a higher level of fees, capital allocation-based income, and investment income from our asset management and strategic holdings operations in the current period, partially offset by higher investment-related realized and unrealized losses recognized by Global Atlantic, as described above.

Condensed Consolidated Statements of Financial Condition (GAAP Basis - Unaudited)

The following table provides our condensed consolidated statements of financial condition on a GAAP basis as of June 30, 2024 and December 31, 2023.

(Amounts in thousands, except per share amounts)

	As of	
	June 30, 2024	December 31, 2023
Assets		
<i>Asset Management and Strategic Holding</i>		
Cash and Cash Equivalents	\$ 7,829,321	\$ 8,393,892
Investments	102,046,987	98,634,801
Other Assets	6,865,896	6,538,674
	<u>116,742,204</u>	<u>113,567,367</u>
<i>Insurance</i>		
Cash and Cash Equivalents	7,710,857	11,954,675
Investments	163,502,261	141,370,323
Other Assets	60,513,857	50,401,829
	<u>231,726,975</u>	<u>203,726,827</u>
Total Assets	\$ 348,469,179	\$ 317,294,194
Liabilities and Equity		
<i>Asset Management and Strategic Holdings</i>		
Debt Obligations	\$ 45,396,247	\$ 44,886,870
Other Liabilities	10,313,965	8,256,514
	<u>55,710,212</u>	<u>53,143,384</u>
<i>Insurance</i>		
Debt Obligations	3,698,209	2,587,857
Other Liabilities	230,530,791	203,184,041
	<u>234,229,000</u>	<u>205,771,898</u>
Total Liabilities	\$ 289,939,212	\$ 258,915,282
Redeemable Noncontrolling Interests	\$ 1,291,487	\$ 615,427
Stockholders' Equity		
Stockholders' Equity - Common Stock	\$ 21,673,103	\$ 22,858,694
Noncontrolling Interests	35,565,377	34,904,791
Total Equity	57,238,480	57,763,485
Total Liabilities and Equity	\$ 348,469,179	\$ 317,294,194

On January 2, 2024, KKR completed the 2024 GA Acquisition. Prior to becoming a wholly-owned subsidiary of KKR in the 2024 GA Acquisition, Global Atlantic was majority owned and controlled by KKR, and KKR already consolidated Global Atlantic in the consolidated financial statements of KKR & Co. Inc. The purchase price paid by KKR was approximately \$2.6 billion, including the issuances of approximately \$41 million of securities exchangeable for shares of KKR & Co. Inc. common stock. Global Atlantic was consolidated prior to January 2, 2024 and consequently, this transaction was accounted for as an equity transaction. At the time of the 2024 GA Acquisition, the carrying value of the noncontrolling interests held by third parties in Global Atlantic was lower than the purchase price paid by KKR, which was determined by excluding unrealized losses on its available-for-sale portfolio, which are included in accumulated other comprehensive income. As such, this transaction resulted in a decrease in KKR & Co. Inc. Stockholders' Equity. This decrease was partially offset by net income attributable to KKR & Co. Inc. common stockholders.

Consolidated Statements of Cash Flows (GAAP Basis - Unaudited)

The following is a discussion of our consolidated cash flows for the six months ended June 30, 2024 and 2023. You should read this discussion in conjunction with the financial statements and related notes included elsewhere in this report.

The consolidated statements of cash flows include the cash flows of our consolidated entities, which include certain consolidated investment funds, CLOs and certain variable interest entities formed by Global Atlantic notwithstanding the fact that we may hold only a minority economic interest in those investment funds and CFEs. The assets of our consolidated investment funds and CFEs, on a gross basis, can be substantially larger than the assets of our business and, accordingly, could have a substantial effect on the cash flows reflected in our consolidated statements of cash flows. The primary cash flow activities of our consolidated funds and CFEs involve: (i) capital contributions from fund investors; (ii) using the capital of fund investors to make investments; (iii) financing certain investments with indebtedness; (iv) generating cash flows through the realization of investments; and (v) distributing cash flows from the realization of investments to fund investors. Because our consolidated funds are treated as investment companies for accounting purposes, certain of these cash flow amounts are included in our cash flows from operations.

Net Cash Provided (Used) by Operating Activities

Our net cash provided (used) by operating activities was \$4.9 billion and \$(4.6) billion during the six months ended June 30, 2024 and 2023, respectively. These amounts primarily included: (i) investments purchased (asset management and strategic holdings), net of proceeds from investments (asset management and strategic holdings) of \$(0.02) billion and \$(7.7) billion, during the six months ended June 30, 2024 and 2023, respectively, (ii) net realized gains (losses) on investments (asset management and strategic holdings) of \$0.03 billion and \$(0.3) billion during the six months ended June 30, 2024 and 2023 respectively, (iii) change in unrealized gains (losses) on investments (asset management and strategic holdings) of \$1.0 billion and \$0.7 billion during the six months ended June 30, 2024 and 2023, respectively, (iv) capital allocation-based income (loss) (asset management and strategic holdings) of \$2.0 billion and \$1.1 billion during the six months ended June 30, 2024 and 2023, respectively, (v) net investment and policy liability-related gains (losses) (insurance) of \$(1.4) billion and \$(1.5) billion during the six months ended June 30, 2024 and 2023, respectively, and (vi) interest credited to policyholder account balances (net of policy fees) (insurance) of \$1.9 billion and \$1.3 billion during the six months ended June 30, 2024, and 2023, respectively. Investment funds are investment companies under GAAP and reflect their investments and other financial instruments at fair value.

Net Cash Provided (Used) by Investing Activities

Our net cash provided (used) by investing activities was \$(11.7) billion and \$(3.6) billion during the six months ended June 30, 2024 and 2023, respectively. Our investing activities included: (i) investments purchased (insurance), net of proceeds from investments (insurance), of \$(11.6) billion and \$(3.6) billion during the six months ended June 30, 2024 and 2023, respectively, and (ii) the purchase of fixed assets of \$(43.8) million and \$(61.8) million during the six months ended June 30, 2024 and 2023, respectively.

Net Cash Provided (Used) by Financing Activities

Our net cash provided (used) by financing activities was \$2.1 billion and \$5.5 billion during the six months ended June 30, 2024 and 2023, respectively. Our financing activities primarily included: (i) contributions from, net of distributions to, our noncontrolling and redeemable noncontrolling interests of \$(32.3) million and \$3.7 billion during the six months ended June 30, 2024 and 2023, respectively, (ii) proceeds received, net of repayment of debt obligations, of \$1.9 billion and \$2.9 billion during the six months ended June 30, 2024 and 2023, respectively, (iii) additions to, net of withdrawals from, contractholder deposit funds (insurance) of \$4.0 billion and \$(0.6) billion during the six months ended June 30, 2024 and 2023, respectively, (iv) cash consideration for the 2024 GA Acquisition of \$(2.6) billion during the six months ended June 30, 2024, (v) reinsurance transactions, net of cash provided (insurance) of \$48.1 million and \$79.9 million during the six months ended June 30, 2024 and 2023, respectively, (vi) common stock dividends of \$(301.3) million and \$(275.7) million during the six months ended June 30, 2024 and 2023, respectively, and (vii) Series C Mandatory Convertible Preferred Stock dividends of \$(34.5) million during the six months ended June 30, 2023.

Analysis of Segment Operating Results

The following is a discussion of the results of our business on a segment basis for the three and six months ended June 30, 2024 and 2023. You should read this discussion in conjunction with the information included under "—Key Segment and Non-GAAP Performance Measures" and the financial statements and related notes included elsewhere in this report. See "Risk Factors" in our Annual Report and "—Business Environment" for more information about factors that may impact our business, financial performance, operating results and valuations.

Analysis of Asset Management Segment Operating Results

The following tables set forth information regarding KKR's asset management segment operating results and certain key capital metrics for the three months ended June 30, 2024 and 2023:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Management Fees	\$ 847,307	\$ 748,888	\$ 98,419
Transaction and Monitoring Fees, Net	222,858	190,228	32,630
Fee Related Performance Revenues	37,145	28,352	8,793
Fee Related Compensation	(193,779)	(217,684)	23,905
Other Operating Expenses	(158,134)	(147,475)	(10,659)
Fee Related Earnings	755,397	602,309	153,088
Realized Performance Income	482,309	149,334	332,975
Realized Performance Income Compensation	(359,470)	(97,085)	(262,385)
Realized Investment Income	138,546	118,022	20,524
Realized Investment Income Compensation	(20,782)	(17,183)	(3,599)
Asset Management Segment Earnings	\$ 996,000	\$ 755,397	\$ 240,603

Management Fees

The following table presents management fees by business line:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Management Fees			
Private Equity	\$ 350,650	\$ 320,081	\$ 30,569
Real Assets	230,085	201,590	28,495
Credit and Liquid Strategies	266,572	227,217	39,355
Total Management Fees	\$ 847,307	\$ 748,888	\$ 98,419

The increase in Private Equity management fees was primarily attributable to (i) management fees earned on new capital raised over the past twelve months at our private equity K-Series vehicles and Ascendant Fund (a middle market focused traditional private equity strategy) and (ii) management fees earned from our Strategic Holdings segment in the current period. The increase was partially offset by a lower level of management fees from Americas Fund XII due to a step-down in the management fee rate in 2023 and a decrease in invested capital. During the second quarter of 2024, approximately \$14.1 million of management fees were earned on new capital raised that is retroactive to the start of the relevant fund's investment period.

The increase in Real Assets management fees was primarily attributable to (i) a higher level of management fees earned from Global Atlantic due to the growth in assets from inflows, (ii) management fees earned on new capital raised over the past twelve months at our infrastructure K-series vehicles, and (iii) a higher level of management fees earned from Diversified Core Infrastructure Fund due to an increase in its fee base from capital inflows and investment appreciation year over year. During the second quarter of 2024, there were no management fees earned on new capital raised that were retroactive to the start of the relevant fund's investment period.

The increase in Credit and Liquid Strategies management fees was primarily attributable to (i) a higher level of management fees earned from Global Atlantic due to the growth in assets from inflows, (ii) a higher level of management fees earned from FS KKR Capital Corp. (NYSE: FSK) ("FSK") (our business development company) and (iii) an increase in capital invested in certain alternative credit strategy accounts, which resulted in an increase in its fee base. The increase was partially offset by a lower level of management fees from certain leveraged credit strategy accounts primarily due to a decrease in the funds' fee base from distributions to, and redemptions by, fund investors.

Transaction and Monitoring Fees, Net

The following table presents transaction and monitoring fees, net by business line:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Transaction and Monitoring Fees, Net			
Private Equity	\$ 16,640	\$ 33,142	\$ (16,502)
Real Assets	11,752	5,179	6,573
Credit and Liquid Strategies	2,366	1,493	873
Capital Markets	192,100	150,414	41,686
Total Transaction and Monitoring Fees, Net	\$ 222,858	\$ 190,228	\$ 32,630

Our Private Equity, Real Assets and Credit and Liquid Strategies business lines earn transaction and monitoring fees from portfolio companies, and under the terms of the management agreements with certain of our investment funds, we are required to share all or a portion of such fees with our fund investors. For most of our investment funds, transaction and monitoring fees are credited against fund management fees up to 100% of the amount of the transaction and monitoring fees attributable to that investment fund, which results in a decrease in our transaction and monitoring fees. Our Capital Markets business line earns transaction fees, which are generally not shared with fund investors.

The increase in transaction and monitoring fees, net is primarily due to a higher level of transaction fees earned in our Capital Markets business line, partially offset by a lower level of transaction and monitoring fees, net in our Private Equity business line. The increase in Capital Markets business line transaction fees was primarily due to an increase in the number of capital markets transactions for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, reflecting increased levels of issuance activity across the global equity and leveraged loan markets. Overall, we completed 99 capital markets transactions for the three months ended June 30, 2024, of which 15 represented equity offerings and 84 represented debt offerings, as compared to 60 capital markets transactions for the three months ended June 30, 2023, of which 14 represented equity offerings and 46 represented debt offerings. We earn fees in connection with underwriting, syndication and other capital markets services. While each of the capital markets transactions that we undertake in this business line is separately negotiated, our fee rates are generally higher with respect to underwriting or syndicating equity offerings than with respect to debt offerings, and the amount of fees that we earn for similar transactions generally correlates with overall transaction sizes.

Our capital markets fees are generated in connection with activity involving our private equity, real assets and credit funds as well as from third-party companies. For the three months ended June 30, 2024 and June 30, 2023, approximately 16% of our transaction fees in our Capital Markets business line were earned from unaffiliated third parties. Our transaction fees are comprised of fees earned in North America, Europe, and the Asia-Pacific region. For the three months ended June 30, 2024, approximately 34% of our transaction fees were generated outside of North America as compared to approximately 47% for the three months ended June 30, 2023. Our Capital Markets business line is dependent on the overall capital markets environment, which is influenced by equity prices, credit spreads, and volatility. Our Capital Markets business line does not generate monitoring fees.

Transaction and monitoring fees, net were lower for the three months ended June 30, 2024 compared to the prior period in our Private Equity business line primarily due to the decrease in the level of transaction activity in the current period. See "—Analysis of Asset Management Segment Operating Results—Capital Invested" for more information about capital invested by business line.

Fee Related Performance Revenues

The following table presents fee related performance revenues by business line:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Fee Related Performance Revenues			
Private Equity	\$ —	\$ —	\$ —
Real Assets	16,206	9,055	7,151
Credit and Liquid Strategies	20,939	19,297	1,642
Total Fee Related Performance Revenues	\$ 37,145	\$ 28,352	\$ 8,793

Fee related performance revenues represent performance fees that are (i) expected to be received from our investment funds, vehicles and accounts on a recurring basis, and (ii) not dependent on a realization event involving investments held by the investment fund, vehicle or account.

These performance fees are primarily earned from (i) FSK in our Credit and Liquid Strategies business line, and (ii) KKR Real Estate Select Trust Inc. ("KREST") (our registered closed-end real estate equity fund), KKR Real Estate Finance Trust Inc. ("KREF") (our real estate credit investment trust), KJR Management ("KJRM") (our Japanese real estate investment trust asset manager), and our infrastructure K-Series vehicles in our Real Assets business line.

Fee related performance revenues were higher for the three months ended June 30, 2024 compared to the prior period primarily due to a performance fee being earned from one of our infrastructure K-Series vehicles in our Real Assets business line in the current period.

Fee Related Compensation

The decrease in fee related compensation for the three months ended June 30, 2024 compared to the prior period was primarily due to a lower percentage of fee related revenues recorded as compensation in the current period as compared to the prior period. Effective as of the first quarter of 2024, KKR reduced the compensation range on fee related revenues to a 15% to 20% range.

Other Operating Expenses

The increase in other operating expenses for the three months ended June 30, 2024 compared to the prior period was primarily due to a higher level of corporate travel and information technology costs compared to the prior period.

Fee Related Earnings

The increase in fee related earnings for the three months ended June 30, 2024 compared to the prior period was primarily due to a (i) higher level of management fees across our Private Equity, Real Assets, and Credit and Liquid Strategies business lines, (ii) a higher level of transaction fees earned in our Capital Markets business line, and (iii) a lower level of fee related compensation, as described above.

Realized Performance Income

The following table presents realized performance income by business line:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Realized Performance Income			
Private Equity	\$ 327,943	\$ 146,232	\$ 181,711
Real Assets	124,342	—	124,342
Credit and Liquid Strategies	30,024	3,102	26,922
Total Realized Performance Income	\$ 482,309	\$ 149,334	\$ 332,975

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Private Equity			
Americas Fund XII	\$ 229,107	\$ 92,906	\$ 136,201
European Fund V	32,864	—	32,864
Private Equity K-Series	32,476	—	32,476
North America Fund XI	10,948	23,486	(12,538)
Co-Investment Vehicles and Other	9,327	6,838	2,489
Next Generation Technology Growth Fund	6,954	—	6,954
Asian Fund III	—	23,002	(23,002)
Other	6,267	—	6,267
Total Realized Performance Income	\$ 327,943	\$ 146,232	\$ 181,711

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Real Assets			
Global Infrastructure Investors III	\$ 124,342	\$ —	\$ 124,342
Total Realized Performance Income	\$ 124,342	\$ —	\$ 124,342

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Credit and Liquid Strategies			
Alternative Credit Vehicles and Other Funds	\$ 12,541	\$ —	\$ 12,541
Other	17,483	3,102	14,381
Total Realized Performance Income	\$ 30,024	\$ 3,102	\$ 26,922

Realized performance income includes (i) realized carried interest from our carry earning funds and (ii) incentive fees not included in Fee Related Performance Revenues. Incentive fees consist of performance fees earned from (i) our hedge fund partnerships, (ii) investment management agreements with KKR sponsored investment vehicles, and (iii) investment management agreements to provide KKR's investment strategies to funds managed by a UK investment fund manager.

Realized performance income in our Private Equity business line for the three months ended June 30, 2024 consisted primarily of (i) realized proceeds from the sale of our investment in AppLovin Corporation (NASDAQ: APP) held by Americas Fund XII and a dividend from MásOrange held by European Fund V and (ii) performance income from one of our private equity K-Series vehicles.

Realized performance income in our Private Equity business line for the three months ended June 30, 2023 consisted primarily of realized proceeds from the sale of our investments in AppLovin Corporation held by Americas Fund XII, Endeavor Group Holdings, Inc. (NASDAQ: EDR) held by North America Fund XI, and Kokusai Electric Corporation (TYO: 6525) held by Asian Fund III.

Realized performance income in our Real Assets business line for the three months ended June 30, 2024 consisted primarily of realized proceeds from the sale of our investment in ADNOC Oil Pipelines (infrastructure: midstream sector) held by Global Infrastructure Investors III.

During the three months ended June 30, 2023, there was no realized performance income earned in our Real Assets business line.

Realized performance income in our Credit & Liquid Strategies business line for the three months ended June 30, 2024 consisted primarily of (i) performance fees earned from our subadvisory agreement with a UK investment fund manager and (ii) realized proceeds from the sale of various investments at certain credit funds that are eligible to pay carried interest.

Realized performance income in our Credit and Liquid Strategies business line for the three months ended June 30, 2023 consisted of performance fees earned from our subadvisory agreement with a UK investment fund manager.

Realized Performance Income Compensation

The increase in realized performance income compensation for the three months ended June 30, 2024 compared to the prior period was primarily due to (i) a higher level of compensation recorded in connection with the higher level of realized performance income and (ii) a higher percentage of realized performance income recorded as compensation in the current period as compared to the prior period. Effective as of the first quarter of 2024, KKR increased the compensation range on realized performance income to a 70% to 80% range.

Realized Investment Income

The following table presents realized investment income in our Principal Activities business line:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Realized Investment Income			
Net Realized Gains (Losses)	\$ 28,777	\$ 15,342	\$ 13,435
Interest Income and Dividends, Net	109,769	102,680	7,089
Total Realized Investment Income	\$ 138,546	\$ 118,022	\$ 20,524

The increase in realized investment income is primarily due to a higher level of net realized gains and interest income and dividends, net. The amount of realized investment income depends on the transaction activity of our funds and balance sheet, which can vary from period to period.

For the three months ended June 30, 2024, net realized gains were comprised of realized gains primarily from the sale of our investments in AppLovin Corporation and Darktrace Limited. Partially offsetting these realized gains were realized losses, the most significant of which were (i) a realized loss on our private equity investment, Acteon Group Ltd. (energy sector) and (ii) realized losses from the sales of various revolving credit facilities.

For the three months ended June 30, 2023, net realized gains were comprised of realized gains primarily from the sale of our investments in AppLovin Corporation, Pembina Gas Infrastructure Inc. (infrastructure: midstream sector), and Kokusai Electric Corporation. Partially offsetting these realized gains were realized losses on our private equity investment, Envision Healthcare Corporation, alternative credit investment Hilding Anders International AB, and from sales of various revolving credit facilities.

For the three months ended June 30, 2024, interest income and dividends, net were comprised of (i) interest income primarily from our investments in CLOs, and (ii) dividend income primarily from our investments in KREST, Crescent Energy Company (NYSE: CRGY) ("Crescent"), and MásOrange.

For the three months ended June 30, 2023, interest income and dividends, net were comprised of (i) interest income, primarily from our investments in CLOs, and (ii) dividend distributions primarily from our Americas real estate credit and equity investments, as well as dividend distributions from our investments in Atlantic Aviation FBO Inc. and Seiyu Group (consumer products sector). See "—Analysis of Segment and Non-GAAP Performance Measures" and "—Segment Balance Sheet Measures."

Realized investment income includes the net income (loss) from KKR Capstone. For the three months ended June 30, 2024, total fees attributable to KKR Capstone were \$21.6 million and total expenses attributable to KKR Capstone were \$19.3 million. For KKR Capstone-related adjustments in reconciling asset management segment revenues to GAAP revenues see "—Segment Balance Sheet Measures—Reconciliations to GAAP Measures."

Realized Investment Income Compensation

The increase in realized investment income compensation for the three months ended June 30, 2024 compared to the prior period is primarily due to a higher level of compensation recorded in connection with the higher level of realized investment income. The compensation range on realized investment income did not change from the prior year and remains at its current range of 10% to 20%.

Other Operating and Capital Metrics

The following tables present our key operating and capital metrics:

	As of		
	June 30, 2024	March 31, 2024	Change
	(\$ in millions)		
Assets Under Management	\$ 601,341	\$ 577,633	\$ 23,708
Fee Paying Assets Under Management	\$ 487,320	\$ 470,603	\$ 16,717
Uncalled Commitments	\$ 107,707	\$ 97,508	\$ 10,199

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in millions)		
Capital Invested	\$ 22,733	\$ 9,590	\$ 13,143

Assets Under Management

Private Equity

The following table reflects the changes in the AUM of our Private Equity business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)
March 31, 2024	\$ 182,766
New Capital Raised	2,071
Distributions and Other	(3,394)
Redemptions	(2)
Change in Value	3,824
June 30, 2024	<u>\$ 185,265</u>

AUM of our Private Equity business line was \$185.3 billion at June 30, 2024, an increase of \$2.5 billion, compared to \$182.8 billion at March 31, 2024.

The increase was primarily attributable to (i) appreciation in investment value from Asian Fund IV, our core private equity strategy, and Asian Fund III, and, to a lesser extent, (ii) new capital raised from our private equity K-Series vehicles and Ascendant Fund. Partially offsetting the increase were distributions to fund investors primarily as a result of realized proceeds, most notably from Americas Fund XII, European Fund V, and North America Fund XI.

For the three months ended June 30, 2024, the value of our traditional private equity investment portfolio increased 4%. This was comprised of a 15% increase in share prices of various publicly held investments and a 2% increase in value of our privately held investments. For the three months ended June 30, 2024, the value of our core private equity investment portfolio increased 4% and our growth equity investment portfolio increased 2%.

The most significant increases in share prices of our publicly held investments were increases in HD Hyundai Marine Solution Co. Ltd. (KRX: 443060), AppLovin Corporation, and Kokusai Electric Corporation. These increases were partially offset by decreases in share prices of other publicly held investments, the most significant of which were BridgeBio Pharma Inc. and ZJLD Group Inc. (HKG: 6979). The prices of publicly held companies may experience volatile changes following the reporting period. See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors, such as volatility, that may impact our business, financial performance, operating results and valuations.

The most significant increases in the value of our privately held investments were increases in USI, Inc., Seiyu Group, and IVI-RMA Global (health care sector). These increases in value of our privately held investments were partially offset by decreases in the value of certain other privately held investments, the most significant of which were PetVet Care Centers, LLC, Accell Group N.V. (consumer products sector), and OneStream Software, LLC (technology sector). The increased valuations of our privately held investments, in the aggregate, generally related to (i) individual company performance and (ii) an increase in the value of market comparables. The decreased valuations of our privately held investments, in the aggregate, generally related to an unfavorable business outlook.

Real Assets

The following table reflects the changes in the AUM of our Real Assets business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)
March 31, 2024	\$ 135,362
New Capital Raised	18,023
Distributions and Other	(2,158)
Redemptions	(65)
Change in Value	387
June 30, 2024	\$ 151,549

AUM of our Real Assets business line was \$151.5 billion at June 30, 2024, an increase of \$16.1 billion, compared to \$135.4 billion at March 31, 2024.

The increase was primarily attributable to new capital raised from Global Infrastructure Investors V, Global Atlantic, and our infrastructure K-Series vehicles. Partially offsetting the increase were (i) payments to Global Atlantic policyholders, and (ii) distributions to fund investors as a result of realized proceeds, most notably from Global Infrastructure Investors III and Asia Real Estate Partners.

For the three months ended June 30, 2024, the value of our infrastructure investment portfolio increased 3% and the value of our opportunistic real estate equity investment portfolio increased 1%.

The most significant increases in value across our Real Assets portfolio were increases in CyrusOne Inc. (infrastructure: telecommunications infrastructure sector), Serentica Renewables (infrastructure: energy and energy transition sector), and Metronet Holdings, LLC (infrastructure: telecommunication infrastructure sector). These increases in value of our privately held investments were partially offset by decreases in the value of certain other privately held investments, the most significant of which were Pembina Gas Infrastructure Inc. and Ritchies Transport Limited (infrastructure: transportation sector). The increased valuations of our privately held investments, in the aggregate, generally related to individual company or asset performance. The decreased valuations of our privately held investments, in the aggregate, generally related to an unfavorable business outlook.

Credit and Liquid Strategies

The following table reflects the changes in the AUM of our Credit and Liquid Strategies business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)
March 31, 2024	\$ 259,505
New Capital Raised	12,338
Distributions and Other	(7,155)
Redemptions	(1,746)
Change in Value	1,585
June 30, 2024	\$ 264,527

AUM of our Credit and Liquid Strategies business line was \$264.5 billion at June 30, 2024, an increase of \$5.0 billion compared to \$259.5 billion at March 31, 2024.

The increase was primarily attributable to (i) new capital raised from Global Atlantic and various private credit investment funds, (ii) the issuance of CLOs, and, to a lesser extent, (ii) investment value appreciation on assets managed by Marshall Wace and across our leveraged credit and private credit investment funds. Partially offsetting the increases were (i) payments to Global Atlantic policyholders, (ii) redemptions at Marshall Wace, and (iii) distributions to, and redemptions from, fund investors at certain leveraged credit and private credit funds.

See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuations.

Fee Paying Assets Under Management

Private Equity

The following table reflects the changes in the FPAUM of our Private Equity business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)
March 31, 2024	\$ 116,287
New Capital Raised	2,442
Distributions and Other	(583)
Redemptions	(2)
Change in Value	96
June 30, 2024	\$ 118,240

FPAUM of our Private Equity business line was \$118.2 billion at June 30, 2024, an increase of \$1.9 billion compared to \$116.3 billion at March 31, 2024.

The increase was primarily attributable to new capital raised from private equity K-Series vehicles and Ascendant Fund. Partially offsetting the increase was distributions to fund investors primarily as a result of realized proceeds, most notably from North America Fund XI and European Fund V.

Uncalled capital commitments from private equity funds and other investment vehicles from which KKR is currently not earning management fees amounted to approximately \$18.9 billion at June 30, 2024, which includes capital commitments reserved for follow-on investments for funds that have completed their investment periods. This capital will generally begin to earn management fees upon deployment of the capital or upon the commencement of the fund's investment period. The average annual management fee rate associated with this capital is approximately 0.9%. The date on which we begin to earn fees (as specified above) is not guaranteed to occur and may not occur for an extended period of time. If and when such management fees are earned, a portion of existing FPAUM may cease paying fees or pay lower fees, thus offsetting a portion of any new management fees earned.

Real Assets

The following table reflects the changes in the FPAUM of our Real Assets business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)
March 31, 2024	\$ 115,649
New Capital Raised	15,272
Distributions and Other	(1,592)
Redemptions	(65)
Net Changes in Fee Base of Certain Funds	(2,137)
Change in Value	(553)
June 30, 2024	\$ 126,574

FPAUM of our Real Assets business line was \$126.6 billion at June 30, 2024, an increase of \$11.0 billion, compared to \$115.6 billion at March 31, 2024.

The increase was primarily attributable to new capital raised from Global Infrastructure Investors V, Global Atlantic and infrastructure K-Series vehicles. Partially offsetting the increase were (i) a change in fee base for Global Infrastructure Investors IV as a result of the fund entering its post-investment period, during which we earn fees on invested capital rather than committed capital, (ii) payments to Global Atlantic policyholders, and (iii) a decline in the value of the assets managed by KJRM due to the impact of the decline in the value of the Japanese Yen.

Uncalled capital commitments from real assets investment funds and other investment vehicles from which KKR is currently not earning management fees amounted to approximately \$17.6 billion at June 30, 2024, which includes capital commitments reserved for follow-on investments for funds that have completed their investment periods. This capital will generally begin to earn management fees upon deployment of the capital or upon the commencement of the fund's investment period. The average annual management fee rate associated with this capital is approximately 1.2%. The date on which we begin to earn fees (as specified above) is not guaranteed to occur and may not occur for an extended period of time. If and when such management fees are earned, a portion of existing FPAUM may cease paying fees or pay lower fees, thus offsetting a portion of any new management fees earned.

Credit and Liquid Strategies

The following table reflects the changes in the FPAUM of our Credit and Liquid Strategies business line from March 31, 2024 to June 30, 2024:

	(\$ in millions)	
March 31, 2024	\$	238,667
New Capital Raised		11,471
Distributions and Other		(7,341)
Redemptions		(1,746)
Change in Value		1,455
June 30, 2024	\$	242,506

FPAUM of our Credit and Liquid Strategies business line was \$242.5 billion at June 30, 2024, an increase of \$3.8 billion, compared to \$238.7 billion at March 31, 2024.

The increase was primarily attributable to (i) new capital raised from Global Atlantic and various private credit investment funds, (ii) the issuance of CLOs, and, to a lesser extent, (iii) investment value appreciation on assets managed by Marshall Wace and across our leveraged credit and private credit investment funds. Partially offsetting the increase were (i) payments to Global Atlantic policyholders, (ii) redemptions at Marshall Wace, and (iii) distributions to, and redemptions from, fund investors at certain leveraged credit and private credit funds.

Uncalled capital commitments from credit investment funds from which KKR is currently not earning management fees amounted to approximately \$16.2 billion at June 30, 2024, which includes capital commitments reserved for follow-on investments for funds that have completed their investment periods. This capital will generally begin to earn management fees upon deployment of the capital or upon the commencement of the fund's investment period. The average annual management fee rate associated with this capital is approximately 0.6%. The date on which we begin to earn fees is not guaranteed to occur and may not occur for an extended period of time. If and when such management fees are earned, a portion of existing FPAUM may cease paying fees or pay lower fees, thus offsetting a portion of any new management fees earned.

See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuations.

Uncalled Commitments

Private Equity

As of June 30, 2024, our Private Equity business line had \$54.9 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$55.0 billion as of March 31, 2024. The decrease was primarily attributable to capital called from fund investors to make investments during the period, which was offset by new capital commitments from fund investors.

Real Assets

As of June 30, 2024, our Real Assets business line had \$33.1 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$24.3 billion as of March 31, 2024. The increase was primarily attributable to new capital commitments from fund investors, which was partially offset by capital called from fund investors to make investments during the period.

Credit and Liquid Strategies

As of June 30, 2024, our Credit and Liquid Strategies business line had \$19.7 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$18.2 billion as of March 31, 2024. The increase was primarily attributable to new capital commitments from fund investors, which was partially offset by capital called from fund investors to make investments during the period.

Capital Invested

Private Equity

For the three months ended June 30, 2024, our Private Equity business line had \$2.6 billion of capital invested as compared to \$3.2 billion for the three months ended June 30, 2023. The decrease was driven primarily by a \$1.9 billion decrease in capital invested in our core private equity strategy, partially offset by a \$1.6 billion increase in capital invested in our traditional private equity strategy. During the three months ended June 30, 2024, 86% of capital deployed in private equity (including core and growth equity investments which includes impact investments) was in transactions in North America, 10% was in the Asia-Pacific region, and 4% was in Europe. The number of large private equity investments made in any quarterly or year-to-date period is volatile and, consequently, a significant amount of capital invested in one period or a few periods may not be indicative of a similar level of capital deployment in future periods.

Real Assets

For the three months ended June 30, 2024, our Real Assets business line had \$8.2 billion of capital invested as compared to \$3.3 billion for the three months ended June 30, 2023. The increase was driven primarily by a \$3.7 billion increase in capital invested in our real estate strategy and a \$1.3 billion increase in our infrastructure strategy. During the three months ended June 30, 2024, 69% of capital deployed in real assets was in transactions in North America, 20% was in Europe, and 11% was in the Asia-Pacific region. The number of large real assets investments made in any quarterly or year-to-date period is volatile and, consequently, a significant amount of capital invested in one period or a few periods may not be indicative of a similar level of capital deployment in future periods.

Credit and Liquid Strategies

For the three months ended June 30, 2024, our Credit and Liquid Strategies business line had \$11.9 billion of capital invested as compared to \$3.1 billion for the three months ended June 30, 2023. The increase was driven primarily by a higher level of capital deployed across our various private credit strategies, most notably asset-based finance and direct lending. During the three months ended June 30, 2024, 90% of capital deployed was in transactions in North America, 9% was in Europe, and 1% was in the Asia-Pacific region.

Analysis of Insurance Segment Operating Results

The following table sets forth information regarding KKR's insurance segment operating results for the three months ended June 30, 2024 and 2023:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Net Investment Income	\$ 1,538,046	\$ 1,283,794	\$ 254,252
Net Cost of Insurance	(1,070,616)	(811,677)	(258,939)
General, Administrative and Other	(214,217)	(203,285)	(10,932)
Pre-tax Operating Earnings	253,213	268,832	(15,619)
Pre-tax Operating Earnings Attributable to Noncontrolling Interests	—	(98,608)	98,608
Insurance Operating Earnings	\$ 253,213	\$ 170,224	\$ 82,989

Net Investment Income

Net investment income increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to (i) increased average assets under management due to growth in assets in the institutional market channel as a result of recent reinsurance transactions and individual market channel sales from new business growth, and (ii) increases in portfolio yields. These higher investment portfolio yields were offset in part by the impact of higher levels of cash and more liquid investments and investment-grade corporate bonds transferred as part of recent block reinsurance transactions that are pending rotation into higher yielding investments, and recent deployments into investments with lower near-term yields.

Net Cost of Insurance

Net cost of insurance increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to (i) growth in reserves in the institutional market as a result of recent reinsurance transactions and in the individual market as a result of new business volumes, and (ii) higher average funding costs due to higher crediting rates and the routine run-off of older business originated in a lower interest rate environment.

General, Administrative and Other Expenses

General and administrative expenses increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to an increase in interest expense due to a net increase in total debt outstanding and partially offset by lower compensation expense.

Insurance Operating Earnings

Insurance operating earnings increased for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily due to the acquisition of the remaining minority interests of Global Atlantic not already held by KKR on January 2, 2024.

Analysis of Strategic Holdings Segment Operating Results

The following table sets forth information regarding KKR's strategic holdings segment operating results for the three months ended June 30, 2024 and 2023:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Dividends, Net	\$ 40,852	\$ —	\$ 40,852
Strategic Holdings Operating Earnings	40,852	—	40,852
Net Realized Investment Income	—	—	—
Strategic Holdings Segment Earnings	\$ 40,852	\$ —	\$ 40,852

Dividends, Net

For the three months ended June 30, 2024, dividends, net were comprised of dividend income from 1-800 Contacts Inc. and Viridor Limited. For the three months ended June 30, 2023 there were no dividends earned. Dividends earned in our Strategic Holdings segment are reduced by a management fee charged by our Asset Management segment. For the three months ended June 30, 2024, the management fee was \$8.2 million.

Net Realized Investment Income

For the three months ended June 30, 2024 and 2023, there was no net realized investment income earned in our Strategic Holdings segment.

Strategic Holdings Segment Earnings

The increase in our Strategic Holdings segment earnings for the three months ended June 30, 2024 compared to the prior period was due to the distribution of dividends by companies owned by the firm through our participation in the core private equity strategy.

Analysis of Non-GAAP Performance Measures

The following is a discussion of our Non-GAAP performance measures for the three months ended June 30, 2024 and 2023:

	Three Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Fee Related Earnings	\$ 755,397	\$ 602,309	\$ 153,088
Insurance Operating Earnings	253,213	170,224	82,989
Strategic Holdings Operating Earnings	40,852	—	40,852
Total Operating Earnings	1,049,462	772,533	276,929
Net Realized Performance Income	122,839	52,249	70,590
Net Realized Investment Income	117,764	100,839	16,925
Total Investing Earnings	240,603	153,088	87,515
Total Segment Earnings	1,290,065	925,621	364,444
Interest Expense, Net and Other	(79,952)	(101,475)	21,523
Income Taxes on Adjusted Earnings	(238,244)	(171,542)	(66,702)
Adjusted Net Income	\$ 971,869	\$ 652,604	\$ 319,265

Total Operating Earnings

The increase in total operating earnings for the three months ended June 30, 2024 compared to the prior period was primarily due to a higher level of fee related earnings, insurance operating earnings, and strategic holdings operating earnings. The higher level of insurance operating earnings was primarily due to the acquisition of the remaining minority interests of Global Atlantic not already held by KKR on January 2, 2024. For a discussion of fee related earnings, insurance operating earnings, and strategic holdings operating earnings, see "—Analysis of Asset Management Segment Operating Results", "—Analysis of Insurance Segment Operating Results", and "—Analysis of Strategic Holdings Segment Operating Results."

Total Investing Earnings

The increase in total investing earnings for the three months ended June 30, 2024 compared to the prior period was primarily due to a higher level of net realized performance income and net realized investment income. For a discussion of net realized performance income and net realized investment income, see "—Analysis of Asset Management Segment Operating Results" and "—Analysis of Strategic Holdings Segment Operating Results."

Total Segment Earnings

The increase in total segment earnings for the three months ended June 30, 2024 compared to the prior period was primarily due to an increase in total operating earnings and total investing earnings.

Adjusted Net Income

The increase in adjusted net income for the three months ended June 30, 2024 compared to the prior period was primarily due to a higher level of total segment earnings and, to a lesser extent, a decrease in interest expense, net, partially offset by an increase in income taxes on adjusted earnings.

Income Taxes on Adjusted Earnings

The increase in income taxes on adjusted earnings for the three months ended June 30, 2024 compared to the prior period was primarily due to a higher level of total segment earnings.

For the three months ended June 30, 2024 and 2023, the amount of the tax benefit from equity-based compensation included in income taxes on adjusted earnings was \$29.4 million and \$10.5 million, respectively. The inclusion of the tax benefit from equity-based compensation in Adjusted Net Income had the effect of increasing this measure by 3% and 2%, respectively, for three months ended June 30, 2024 and 2023.

Analysis of Asset Management Segment Operating Results

The following tables set forth information regarding KKR's asset management segment operating results for the six months ended June 30, 2024 and 2023.

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Management Fees	\$ 1,662,634	\$ 1,487,044	\$ 175,590
Transaction and Monitoring Fees, Net	374,942	332,407	42,535
Fee Related Performance Revenues	56,246	50,093	6,153
Fee Related Compensation	(366,419)	(420,778)	54,359
Other Operating Expenses	(303,265)	(297,879)	(5,386)
Fee Related Earnings	1,424,138	1,150,887	273,251
Realized Performance Income	753,854	324,732	429,122
Realized Performance Income Compensation	(553,017)	(211,094)	(341,923)
Realized Investment Income	273,299	312,856	(39,557)
Realized Investment Income Compensation	(40,993)	(46,897)	5,904
Asset Management Segment Earnings	\$ 1,857,281	\$ 1,530,484	\$ 326,797

Management Fees

The following table presents management fees by business line:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Management Fees			
Private Equity	\$ 693,135	\$ 636,422	\$ 56,713
Real Assets	450,172	394,955	55,217
Credit and Liquid Strategies	519,327	455,667	63,660
Total Management Fees	\$ 1,662,634	\$ 1,487,044	\$ 175,590

The increase in Private Equity management fees was primarily attributable to (i) management fees earned on new capital raised over the past twelve months at Ascendant Fund and our private equity K-Series vehicles and (ii) management fees earned from our Strategic Holdings segment in the current period. The increase was partially offset by a lower level of management fees from Americas Fund XII due to a step-down in the management fee rate in 2023 and a decrease in invested capital. During the six months ended June 30, 2024, approximately \$26.8 million of management fees were earned on new capital raised that were retroactive to the start of the relevant fund's investment period.

The increase in Real Assets management fees was primarily attributable to (i) a higher level of management fees earned from Global Atlantic due to the growth in assets from inflows, (ii) management fees earned on new capital raised over the past twelve months at our infrastructure K-series vehicles, and (iii) a higher level of management fees earned from Diversified Core Infrastructure Fund due to an increase in its fee base from capital inflows and investment appreciation year over year. During the six months ended June 30, 2024, approximately \$0.5 million of management fees were earned on new capital raised that is retroactive to the start of the relevant fund's investment period.

The increase in Credit and Liquid Strategies management fees was primarily attributable to (i) a higher level of management fees earned from Global Atlantic due to the growth in assets from inflows, (ii) a higher level of management fees earned from FSK and (iii) an increase in capital invested in certain alternative credit strategy accounts, which resulted in an increase in its fee base. The increase was partially offset by (i) a lower level of management fees from certain leveraged credit strategy accounts primarily due to a decrease in the funds' fee base from distributions to, and redemptions from, fund investors, and (ii) a lower level of management fees from certain SIG funds primarily due to a decrease in the funds' fee base from the sale of investments and certain SIG funds which no longer pay management fees as a result of an agreement to waive such fees.

Transaction and Monitoring Fees, Net

The following table presents transaction and monitoring fees, net by business line:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Transaction and Monitoring Fees, Net			
Private Equity	\$ 32,445	\$ 67,416	\$ (34,971)
Real Assets	29,125	10,913	18,212
Credit and Liquid Strategies	5,554	1,777	3,777
Capital Markets	307,818	252,301	55,517
Total Transaction and Monitoring Fees, Net	\$ 374,942	\$ 332,407	\$ 42,535

Our Private Equity, Real Assets and Credit and Liquid Strategies business lines earn transaction and monitoring fees from portfolio companies, and under the terms of the management agreements with certain of our investment funds, we are required to share all or a portion of such fees with our fund investors. For most of our investment funds, transaction and monitoring fees are credited against fund management fees up to 100% of the amount of the transaction and monitoring fees attributable to that investment fund, which results in a decrease of our monitoring and transaction fees. Our Capital Markets business line earns transaction fees, which are generally not shared with fund investors.

The increase in transaction and monitoring fees, net is primarily due to a higher level of transaction fees earned in our Capital Markets and Real Assets business lines, partially offset by a lower level of transaction fees earned in our Private Equity business line. The increase in capital markets transaction fees was primarily due to an increase in the number of capital markets transactions for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, reflecting increased levels of capital markets issuance activity across the global equity and leveraged loan markets. Overall, we completed 184 capital markets transactions for the six months ended June 30, 2024, of which 24 represented equity offerings and 160 represented debt offerings, as compared to 102 transactions for the six months ended June 30, 2023, of which 23 represented equity offerings and 79 represented debt offerings. We earn fees in connection with underwriting, syndication and other capital markets services. While each of the capital markets transactions that we undertake in this business line is separately negotiated, our fee rates are generally higher with respect to underwriting or syndicating equity offerings than with respect to debt offerings, and the amount of fees that we earn for similar transactions generally correlates with overall transaction sizes.

Our capital markets fees are generated in connection with activity involving our private equity, real assets and credit funds as well as from third-party companies. For the six months ended June 30, 2024, approximately 22% of our transaction fees in our Capital Markets business line were earned from unaffiliated third parties as compared to approximately 15% for the six months ended June 30, 2023. Our transaction fees are comprised of fees earned from North America, Europe, and the Asia-Pacific region. For the six months ended June 30, 2024, approximately 34% of our transaction fees were generated outside of North America as compared to approximately 52% for the six months ended June 30, 2023. Our Capital Markets business line is dependent on the overall capital markets environment, which is influenced by equity prices, credit spreads, and volatility. Our Capital Markets business line does not generate monitoring fees.

Transaction and monitoring fees, net were higher for the six months ended June 30, 2024 compared to the prior period in our Real Assets business line primarily due to the increase in the level of transaction activity in the current period. Transaction and monitoring fees, net were lower for the six months ended June 30, 2024 compared to the prior period in our Private Equity business line primarily due to the decrease in the level of transaction activity in the current period. See "—Analysis of Asset Management Segment Operating Results—Capital Invested" for more information about capital invested by business line.

Fee Related Performance Revenues

The following table presents fee related performance revenues by business line:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Fee Related Performance Revenues			
Private Equity	\$ —	\$ —	\$ —
Real Assets	17,606	12,759	4,847
Credit and Liquid Strategies	38,640	37,334	1,306
Total Fee Related Performance Revenues	\$ 56,246	\$ 50,093	\$ 6,153

Fee related performance revenues were higher for the six months ended June 30, 2024 compared to the prior period primarily due to a performance fee being earned from one of our infrastructure K-Series vehicles in our Real Assets business line in the current period.

Fee Related Compensation

The decrease in fee related compensation for the six months ended June 30, 2024 compared to the prior period was primarily due to a lower percentage of fee related revenues recorded as compensation in the current period as compared to the prior period. Effective as of the first quarter of 2024, KKR reduced the compensation range on fee related revenues to a 15% to 20% range.

Other Operating Expenses

The increase in other operating expenses for the six months ended June 30, 2024 compared to the prior period was primarily due to a higher level of corporate travel and information technology costs compared to the prior period.

Fee Related Earnings

The increase in fee related earnings for the six months ended June 30, 2024 compared to the prior period was primarily due to a (i) higher level of management fees across our Private Equity, Real Assets, and Credit and Liquid Strategies business lines, (ii) a higher level of transaction fees earned in our Capital Markets and Real Assets business lines, and (iii) a lower level of fee related compensation, as described above.

Realized Performance Income

The following table presents realized performance income by business line:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Realized Performance Income			
Private Equity	\$ 593,240	\$ 309,284	\$ 283,956
Real Assets	124,966	9,686	115,280
Credit and Liquid Strategies	35,648	5,762	29,886
Total Realized Performance Income	\$ 753,854	\$ 324,732	\$ 429,122

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Private Equity			
Americas Fund XII	\$ 398,493	\$ 107,620	\$ 290,873
Core Investment Vehicles	65,846	103,659	(37,813)
European Fund V	32,864	—	32,864
Private Equity K-Series	32,476	—	32,476
Co-Investment Vehicles and Other	16,057	9,130	6,927
North America Fund XI	10,948	23,486	(12,538)
Asian Fund III	6,721	23,002	(16,281)
Next Generation Technology Growth Fund	6,954	17,810	(10,856)
2006 Fund	961	4,271	(3,310)
Global Impact Fund	—	20,257	(20,257)
Other	21,920	49	21,871
Total Realized Performance Income	\$ 593,240	\$ 309,284	\$ 283,956

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Real Assets			
Global Infrastructure Investors III	\$ 124,342	\$ —	\$ 124,342
Real Estate Partners Americas II	624	—	624
Global Infrastructure Investors II	—	9,686	(9,686)
Total Realized Performance Income	\$ 124,966	\$ 9,686	\$ 115,280

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Credit and Liquid Strategies			
Alternative Credit and Other Funds	\$ 12,541	\$ —	\$ 12,541
Other	23,107	5,762	17,345
Total Realized Performance Income	\$ 35,648	\$ 5,762	\$ 29,886

Realized performance income in our Private Equity business line for the six months ended June 30, 2024 consisted primarily of (i) realized proceeds from the sale of our investment in AppLovin Corporation held by Americas Fund XII and a dividend from MásOrange held by European Fund V and (ii) performance income from our core investment vehicles and one of our private equity K-Series vehicles.

Realized performance income in our Private Equity business line for the six months ended June 30, 2023 consisted primarily of (i) realized proceeds from the sale of our investments in AppLovin Corporation held by Americas Fund XII, KnowBe4, Inc. held by Global Impact Fund and Next Generation Technology Fund, and Endeavor Group Holdings, Inc. held by North America Fund XI, and (ii) performance income from our core investment vehicles.

Realized performance income in our Real Assets business line for the six months ended June 30, 2024 consisted primarily of realized proceeds from the sale of our investment in ADNOC Oil Pipelines held by Global Infrastructure Investors III.

Realized performance income in our Real Assets business line for the six months ended June 30, 2023 consisted primarily of realized proceeds from the sale of our investment in Telxius Telecom, S.A.U. (infrastructure: telecommunications infrastructure sector) held by Global Infrastructure Investors II.

Realized performance income in our Credit & Liquid Strategies business line for the six months ended June 30, 2024 consisted primarily of (i) performance fees earned from our subadvisory agreement with a UK investment fund manager and (ii) realized proceeds from the sale of various investments at certain credit funds that are eligible to pay carried interest.

Realized performance income in our Credit and Liquid Strategies business line for the six months ended June 30, 2023 consisted of performance fees earned from our subadvisory agreement with a UK investment fund manager.

Realized Performance Income Compensation

The increase in realized performance income compensation for the six months ended June 30, 2024 compared to the prior period was primarily due to (i) a higher level of compensation recorded in connection with the higher level of realized performance income and (ii) a higher percentage of realized performance income recorded as compensation in the current period as compared to the prior period. Effective as of the first quarter of 2024, KKR increased the compensation range on realized performance income to a 70% to 80% range.

Realized Investment Income

The following table presents realized investment income from our Principal Activities business line:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Realized Investment Income			
Net Realized Gains (Losses)	\$ 79,332	\$ 127,384	\$ (48,052)
Interest Income and Dividends, Net	193,967	185,472	8,495
Total Realized Investment Income	\$ 273,299	\$ 312,856	\$ (39,557)

The decrease in realized investment income is primarily due to a lower level of net realized gains, partially offset by a higher level of interest income and dividends, net. The amount of realized investment income depends on the transaction activity of our funds and our subsidiaries, which can vary from period to period.

For the six months ended June 30, 2024, net realized gains were comprised of realized gains primarily from the sale of our investments in AppLovin Corporation, Darktrace Limited, and Australian Venue Co. (consumer products sector). Partially offsetting these realized gains were realized losses, the most significant of which were (i) a realized loss on our infrastructure investment, Indus Towers Ltd. (NSE: INDUSTOW), (ii) a realized loss on our private equity investment, Acteon Group Ltd., and (iii) realized losses from the sales of various revolving credit facilities.

For the six months ended June 30, 2023, net realized gains were comprised primarily of the sale of our investments in AppLovin Corporation, Pembina Gas Infrastructure Inc., KnowBe4, Inc., and Flutter Entertainment PLC. Partially offsetting these realized gains were realized losses, the most significant of which were (i) a realized loss on our private equity investment, Envision Healthcare Corporation, (ii) realized losses on our alternative credit investments, Hilding Anders International AB and Chembulk Group, and (iii) realized losses from the sales of various revolving credit facilities.

For the six months ended June 30, 2024, interest income and dividends, net were comprised of (i) interest income primarily from our investments in CLOs, and (ii) dividend income primarily from our investments in Crescent and KREST.

For the six months ended June 30, 2023, interest income and dividends, net were comprised of (i) interest income primarily from our investments in CLOs, and to a lesser extent, our credit investments, and (ii) dividend income primarily from (i) our Americas real estate credit and equity investments and (ii) dividend distributions received from our investment in Resolution Life Holdings L.P. (financial services sector), and our investment in Diversified Core Infrastructure Fund.

Realized investment income includes the net income (loss) from KKR Capstone. For the six months ended June 30, 2024, total fees attributable to KKR Capstone were \$40.1 million and total expenses attributable to KKR Capstone were \$37.6 million. For KKR Capstone-related adjustments in reconciling asset management segment revenues to GAAP revenues see "—Non-GAAP Balance Sheet Measures—Reconciliations to GAAP Measures."

As of the date of this filing, we have transactions that are pending or that have closed after June 30, 2024, representing at least \$500 million of realized performance income and realized investment income, which are expected to be realized in the third quarter 2024. Some of these transactions are not complete, and are subject to the satisfaction of closing conditions, including regulatory approvals; therefore, there can be no assurance if or when such transactions will be completed. In addition, we may realize gains or losses based on transactions or other events that occur after the date of filing this report, which could impact, positively or negatively, the total amount of our realized performance income and realized investment income. Therefore, no assurance can be given for what our actual realized performance income and realized investment income in the third quarter 2024 or future quarters will be.

Realized Investment Income Compensation

The decrease in realized investment income compensation for the six months ended June 30, 2024 compared to the prior period is primarily due to a lower level of compensation recorded in connection with the lower level of realized investment income. The compensation range on realized investment income did not change from the prior year and remains at its current range of 10% to 20%.

Operating and Capital Metrics

The following tables present our key operating and capital metrics:

	As of				
	June 30, 2024		December 31, 2023		Change
	(\$ in millions)				
Assets Under Management	\$	601,341	\$	552,801	\$ 48,540
Fee Paying Assets Under Management	\$	487,320	\$	446,408	\$ 40,912
Uncalled Commitments	\$	107,707	\$	98,557	\$ 9,150

	Six Months Ended				
	June 30, 2024		June 30, 2023		Change
	(\$ in millions)				
Capital Invested	\$	36,837	\$	19,357	\$ 17,480

Assets Under Management

Private Equity

The following table reflects the changes in the AUM of our Private Equity business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 176,377
New Capital Raised	5,661
Distributions and Other	(5,311)
Redemptions	(2)
Change in Value	8,540
June 30, 2024	\$ 185,265

AUM of our Private Equity business line was \$185.3 billion at June 30, 2024, an increase of \$8.9 billion, compared to \$176.4 billion at December 31, 2023.

The increase was primarily attributable to (i) appreciation in investment value from Asian Fund III, Asian Fund IV, and Americas Fund XII, and, to a lesser extent, (ii) new capital raised from our private equity K-Series vehicles and Ascendant Fund. Partially offsetting the increase were distributions to fund investors primarily as a result of realized proceeds, most notably from Americas Fund XII, European Fund V, and Asian Fund III.

For the six months ended June 30, 2024, the value of our traditional private equity investment portfolio increased by 9%. This was comprised of a 25% increase in share prices of publicly held investments and a 6% increase in value of our privately held investments. For the six months ended June 30, 2024, the value of both our core private equity investment portfolio and our growth equity investment portfolio increased by 5%.

The most significant increases in share prices of our publicly held investments were increases in AppLovin Corporation, Kokusai Electric Corporation, and HD Hyundai Marine Solution Co. Ltd. These increases were partially offset by decreases in share prices of other publicly held investments, the most significant of which were BridgeBio Pharma Inc. and BrightSpring Health Services, Inc. The prices of publicly held companies may experience volatile changes following the reporting period. See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors, such as volatility, that may impact our business, financial performance, operating results and valuations.

The most significant increases in the value of our privately held investments were increases in Seiyu Group, Cloudera, Inc. (technology sector), and USI, Inc. These increases in value of our privately held investments were partially offset by decreases in the value of certain other privately held investments, the most significant of which were Accell Group N.V., Mills Fleet Farm Group LLC (retail sector), and PetVet Care Centers, LLC. The increased valuations of our privately held investments, in the aggregate, generally related to (i) individual company performance and (ii) an increase in the value of market comparables. The decreased valuations of our privately held investments, in the aggregate, generally related to an unfavorable business outlook.

Real Assets

The following table reflects the changes in the AUM of our Real Assets business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 130,933
New Capital Raised	23,881
Distributions and Other	(3,888)
Redemptions	(193)
Change in Value	816
June 30, 2024	\$ 151,549

AUM of our Real Assets business line was \$151.5 billion at June 30, 2024, an increase of \$20.6 billion, compared to \$130.9 billion at December 31, 2023.

The increase was primarily attributable to new capital raised from Global Infrastructure Investors V, Global Atlantic, and our infrastructure K-Series vehicles. Partially offsetting the increase were (i) payments to Global Atlantic policyholders, and (ii) distributions to fund investors as a result of realized proceeds, most notably from Global Infrastructure Investors III and Asia Pacific Infrastructure Investors.

For the six months ended June 30, 2024, the value of our infrastructure investment portfolio increased 8% and the value of our opportunistic real estate equity investment portfolio increased by 3%.

The most significant increases in value across our Real Assets portfolio were increases in CyrusOne Inc., Global Technical Realty L.P. (infrastructure: telecommunications infrastructure sector), and Metronet Holdings, LLC. These increases in value of our privately held investments were partially offset by decreases in the value of certain other privately held investments, the most significant of which was Ritchies Transport Limited. The increased valuations of our privately held investments, in the aggregate, generally related to individual company or asset performance. The decreased valuations of our privately held investments, in the aggregate, generally related to an unfavorable business outlook.

Credit and Liquid Strategies

The following table reflects the changes in the AUM of our Credit and Liquid Strategies business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 245,491
New Capital Raised	33,496
Distributions and Other	(13,214)
Redemptions	(4,639)
Change in Value	3,393
June 30, 2024	\$ 264,527

AUM of our Credit and Liquid Strategies business line totaled \$264.5 billion at June 30, 2024, an increase of \$19.0 billion compared to AUM of \$245.5 billion at December 31, 2023.

The increase was primarily attributable to (i) new capital raised from Global Atlantic and various private credit investment funds, (ii) the issuance of CLOs, and, to a lesser extent, (iii) investment value appreciation on assets managed by Marshall Wace and across our leveraged credit and private credit investment funds. Partially offsetting the increase were (i) payments to Global Atlantic policyholders, (ii) distributions to, and redemptions from, fund investors at certain leveraged credit and private credit funds, and (iii) redemptions at Marshall Wace.

See also "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuations.

Fee Paying Assets Under Management*Private Equity*

The following table reflects the changes in the FPAUM of our Private Equity business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 107,726
New Capital Raised	11,917
Distributions and Other	(1,569)
Redemptions	(2)
Change in Value	168
June 30, 2024	\$ 118,240

FPAUM of our Private Equity business line was \$118.2 billion at June 30, 2024, an increase of \$10.5 billion, compared to \$107.7 billion at December 31, 2023.

The increase was primarily attributable to (i) assets we manage and earn a fee on from our Strategic Holdings segment beginning with the first quarter of 2024 and (ii) new capital raised from private equity K-Series vehicles and Ascendant Fund. Partially offsetting the increase was distributions to fund investors primarily as a result of realized proceeds, most notably from Asian Fund II, North America Fund XI and Asian Fund III.

Real Assets

The following table reflects the changes in the FPAUM of our Real Assets business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 112,254
New Capital Raised	21,549
Distributions and Other	(3,532)
Redemptions	(193)
Net Changes in Fee Base of Certain Funds	(2,137)
Change in Value	(1,367)
June 30, 2024	<u>\$ 126,574</u>

FPAUM of our Real Assets business line was \$126.6 billion at June 30, 2024, an increase of \$14.3 billion, compared to \$112.3 billion at December 31, 2023.

The increase was primarily attributable to (i) new capital raised from Global Infrastructure Investors V, Global Atlantic and our infrastructure K-Series vehicles. Partially offsetting the increase were (i) payments to Global Atlantic policyholders (ii) a change in fee base for Global Infrastructure Investors IV as a result of entering its post-investment period, during which we earn fees on invested capital rather than committed capital, and (iii) a decline in the value of the assets managed by KJRM due to the impact of the decline in the value of the Japanese yen.

Credit and Liquid Strategies

The following table reflects the changes in the FPAUM of our Credit and Liquid Strategies business line from December 31, 2023 to June 30, 2024:

	(\$ in millions)
December 31, 2023	\$ 226,428
New Capital Raised	31,362
Distributions and Other	(13,470)
Redemptions	(4,639)
Change in Value	2,825
June 30, 2024	<u>\$ 242,506</u>

FPAUM of our Credit and Liquid Strategies business line was \$242.5 billion at June 30, 2024, an increase of \$16.1 billion compared to \$226.4 billion at December 31, 2023.

The increase was primarily attributable to (i) new capital raised from Global Atlantic and various private credit investment funds, (ii) the issuance of CLOs, and, to a lesser extent, (iii) investment value appreciation on assets managed by Marshall Wace and across our leveraged credit and private credit investment funds. Partially offsetting the increase were (i) payments to Global Atlantic policyholders, (ii) distributions to, and redemptions from, fund investors at certain leveraged credit funds, and (iii) redemptions at Marshall Wace.

See "Risk Factors" in our Annual Report and "—Business Environment" for more information about the factors that may impact our business, financial performance, operating results and valuations.

Uncalled Commitments*Private Equity*

As of June 30, 2024, our Private Equity business line had \$54.9 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$57.4 billion as of December 31, 2023. The decrease was primarily attributable to capital called from fund investors to make investments during the period, which was partially offset by new capital commitments from fund investors.

Real Assets

As of June 30, 2024, our Real Assets business line had \$33.1 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$24.7 billion as of December 31, 2023. The increase was primarily attributable to new capital commitments from fund investors, partially offset by capital called from fund investors to make investments during the period.

Credit and Liquid Strategies

As of June 30, 2024, our Credit and Liquid Strategies business line had \$19.7 billion of remaining uncalled commitments that could be called for investments in new transactions as compared to \$16.5 billion as of December 31, 2023. The increase was primarily attributable to new capital commitments from fund investors, which was partially offset by capital called from fund investors to make investments during the period.

Capital Invested

Private Equity

For the six months ended June 30, 2024, \$3.7 billion of capital was invested by our Private Equity business line, as compared to \$6.1 billion for the six months ended June 30, 2023. The decrease was driven primarily by a \$3.0 billion decrease in capital invested in our core private equity strategy, partially offset by a \$0.9 billion increase in capital invested in our traditional private equity strategy. During the six months ended June 30, 2024, 78% of capital deployed in private equity was in transactions in North America, 14% was in the Asia-Pacific region, and 8% was in Europe. The number of large private equity investments made in any quarterly or year-to-date period is volatile and, consequently, a significant amount of capital invested in one period or a few periods may not be indicative of a similar level of capital deployment in future periods.

Real Assets

For the six months ended June 30, 2024, \$13.7 billion of capital was invested by our Real Assets business line, as compared to \$7.9 billion for the six months ended June 30, 2023. The increase was driven primarily by a \$5.4 billion increase in capital invested in our real estate strategy. During the six months ended June 30, 2024, 51% of capital deployed in real assets was in transactions in North America, 26% was in Europe, and 23% was in the Asia-Pacific region. The number of large real assets investments made in any quarterly or year-to-date period is volatile and, consequently, a significant amount of capital invested in one period or a few periods may not be indicative of a similar level of capital deployment in future periods.

Credit and Liquid Strategies

For the six months ended June 30, 2024, \$19.4 billion of capital was invested by our Credit and Liquid Strategies business line, as compared to \$5.4 billion for the six months ended June 30, 2023. The increase was driven primarily by a higher level of capital deployed across our various private credit strategies, most notably asset-based finance and direct lending. During the six months ended June 30, 2024, 90% of capital deployed was in transactions in North America, 9% was in Europe, and 1% was in the Asia-Pacific region.

Analysis of Insurance Segment Operating Results

The following table sets forth information regarding KKR's insurance segment operating results for the six months ended June 30, 2024 and June 30, 2023:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
	(\$ in thousands)		
Net Investment Income	\$ 3,024,465	\$ 2,555,049	\$ 469,416
Net Cost of Insurance	(2,073,943)	(1,562,289)	(511,654)
General, Administrative and Other	(424,469)	(399,999)	(24,470)
Pre-tax Operating Earnings	526,053	592,761	(66,708)
Pre-tax Operating Earnings Attributable to Noncontrolling Interests	—	(217,425)	217,425
Insurance Operating Earnings	\$ 526,053	\$ 375,336	\$ 150,717

Net Investment Income

Net investment income increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to (i) increased average assets under management due to growth in assets in the institutional market channel as a result of recent reinsurance transactions and individual market channel sales from new business growth, and (ii) increases in portfolio yields due to higher market interest rates. These higher investment portfolio yields were offset in part by the impact in the current period of higher levels of cash and more liquid investments and investment-grade corporate bonds transferred as part of recent block reinsurance transactions that are pending rotation into higher yielding investments, and recent deployments into investments with lower near-term yields.

Net Cost of Insurance

Net cost of insurance increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to (i) growth in reserves in the institutional market as a result of recent reinsurance transactions and in the individual market as a result of new business volumes, and (ii) higher average funding costs due to higher crediting rates and the routine run-off of older business originated in a lower interest rate environment.

General, Administrative and Other Expenses

General and administrative expenses increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to an increase in interest expense on floating rate debt (in connection with Global Atlantic's fixed-to-floating swaps on its fixed rate debt) due to higher market interest rates and a net increase in total debt outstanding and partially offset by lower compensation expense.

Insurance Operating Earnings

Insurance operating earnings increased for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily due to the acquisition of the remaining minority interests of Global Atlantic not already held by KKR on January 2, 2024.

Analysis of Strategic Holdings Segment Operating Results

The following table sets forth information regarding KKR's strategic holdings segment operating results for the six months ended June 30, 2024 and 2023:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Dividends, Net	\$ 61,572	\$ —	\$ 61,572
Strategic Holdings Operating Earnings	61,572	—	61,572
Net Realized Investment Income	—	—	—
Strategic Holdings Segment Earnings	\$ 61,572	\$ —	\$ 61,572

Dividends, Net

For the six months ended June 30, 2024, dividends, net were comprised of dividend income from 1-800 Contacts Inc., Exact Holdings B.V., Viridor Limited, and FiberCop S.p.A. For the six months ended June 30, 2023, there were no dividends earned. Dividends earned in our Strategic Holdings segment are reduced by a management fee charged by our Asset Management segment. For the six months ended June 30, 2024, the management fee was \$15.7 million.

Net Realized Investment Income

For the six months ended June 30, 2024 and 2023, there was no net realized investment income earned in our Strategic Holdings segment.

Strategic Holdings Segment Earnings

The increase in our Strategic Holdings segment earnings for the six months ended June 30, 2024 compared to the prior period was due to the distribution of dividends by companies owned by the firm through our participation in the core private equity strategy.

Analysis of Non-GAAP Performance Measures

The following is a discussion of our Non-GAAP performance measures for the six months ended June 30, 2024 and 2023:

	Six Months Ended		
	June 30, 2024	June 30, 2023	Change
(\$ in thousands)			
Fee Related Earnings	\$ 1,424,138	\$ 1,150,887	\$ 273,251
Insurance Operating Earnings	526,053	375,336	150,717
Strategic Holdings Operating Earnings	61,572	—	61,572
Total Operating Earnings	2,011,763	1,526,223	485,540
Net Realized Performance Income	200,837	113,638	87,199
Net Realized Investment Income	232,306	265,959	(33,653)
Total Investing Earnings	433,143	379,597	53,546
Total Segment Earnings	2,444,906	1,905,820	539,086
Interest Expense, Net and Other	(154,682)	(189,341)	34,659
Income Taxes on Adjusted Earnings	(454,610)	(344,599)	(110,011)
Adjusted Net Income	\$ 1,835,614	\$ 1,371,880	\$ 463,734

Total Operating Earnings

The increase in total operating earnings for the six months ended June 30, 2024 compared to the prior period was primarily due to a higher level of fee related earnings, insurance operating earnings, and strategic holdings operating earnings. The higher level of insurance operating earnings was primarily due to the acquisition of the remaining minority interests of Global Atlantic not already held by KKR on January 2, 2024. For a discussion of fee related earnings, insurance operating earnings, and strategic holdings operating earnings, see "—Analysis of Asset Management Segment Operating Results", "—Analysis of Insurance Segment Operating Results", and "—Analysis of Strategic Holdings Segment Operating Results."

Total Investing Earnings

The increase in total investing earnings for the six months ended June 30, 2024 compared to the prior period was primarily due to a higher level of net realized performance income, partially offset by a lower level of net realized investment income. For a discussion of net realized performance income and net realized investment income, see "—Analysis of Asset Management Segment Operating Results" and "—Analysis of Strategic Holdings Segment Operating Results."

Total Segment Earnings

The increase in total segment earnings for the six months ended June 30, 2024 compared to the prior period was primarily due to an increase in total operating earnings and total investing earnings.

Adjusted Net Income

The increase in adjusted net income for the six months ended June 30, 2024 compared to the prior period was primarily due to a higher level of total segment earnings and, to a lesser extent, a decrease in interest expense, net, partially offset by an increase in income taxes on adjusted earnings.

Income Taxes on Adjusted Earnings

The increase in income taxes on adjusted earnings for the six months ended June 30, 2024 compared to the prior period was primarily due to a higher level of total segment earnings.

For the six months ended June 30, 2024 and 2023, the amount of the tax benefit from equity-based compensation included in income taxes on adjusted earnings was \$55.6 million and \$24.2 million, respectively. The inclusion of the tax benefit from equity-based compensation in Adjusted Net Income had the effect of increasing this measure by 3% and 2%, respectively, for six months ended June 30, 2024 and 2023.

Segment Balance Sheet Measures

Asset Management Investment Portfolio

Beginning with the first quarter of 2024, we are reporting our investments from our core private equity strategy in our Strategic Holdings segment, and our investments from the investment strategies that we manage that are reported in the Asset Management segment excludes core private equity. To the extent our investments are realized at values above or below their cost in future periods, adjusted net income would be positively or negatively affected by the amount of any such gain or loss, respectively, during the period in which the realization event occurs. Our investments in Asset Management by asset class as of June 30, 2024 are as follows:

Asset Management Investments ⁽¹⁾	As of June 30, 2024		
	Cost	Fair Value	Fair Value as a Percentage of Total Asset Management Investments
Traditional Private Equity	\$ 1,079,603	\$ 2,744,409	25.0 %
Growth Equity	327,703	1,107,418	10.1 %
Private Equity Total	1,407,306	3,851,827	35.1 %
Real Estate	1,460,259	1,363,034	12.4 %
Energy	629,171	700,198	6.4 %
Infrastructure	346,297	632,628	5.8 %
Real Assets Total	2,435,727	2,695,860	24.6 %
Leveraged Credit	1,416,176	1,398,047	12.7 %
Alternative Credit	678,402	832,377	7.6 %
Credit Total	2,094,578	2,230,424	20.3 %
Other	2,225,644	2,206,062	20.0 %
Total Asset Management Investments	\$ 8,163,255	\$ 10,984,173	100.0 %

(1) Investments is a term used solely for purposes of financial presentation of a portion of KKR's balance sheet and includes majority ownership of subsidiaries that operate KKR's asset management and insurance businesses, including the general partner interests of KKR's investment funds. Investments presented are principally the assets measured at fair value that are held by KKR's asset management segment, which, among other things, does not include the underlying investments held by Global Atlantic and Marshall Wace. This table excludes investments in our Strategic Holdings and Insurance segments, about which additional information is available at Footnote 21 "Segment Reporting" in our financial statements.

Global Atlantic's Investment Portfolio

As of June 30, 2024, 95% and 87% of Global Atlantic's available-for-sale ("AFS") fixed maturity securities were considered investment grade under ratings from the Securities Valuation Office of the NAIC and NRSROs, respectively. As of December 31, 2023, 96% and 88% of Global Atlantic's AFS fixed maturity securities were considered investment grade under ratings from NAIC and NRSROs, respectively. Securities where a rating by an NRSRO was not available are considered investment grade if they have an NAIC designation of "1" or "2." The three largest asset categories in Global Atlantic's AFS fixed-maturity security portfolio as of June 30, 2024 were Corporate securities, residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS"), comprising 24%, 7% and 5% of Global Atlantic's investment portfolio, respectively. Within these categories, 92%, 97% and 95% of Global Atlantic's Corporate, RMBS and CMBS securities, respectively, were investment grade according to NAIC ratings and 92%, 73% and 57% of its Corporate, RMBS and CMBS securities, respectively, were investment grade according to NRSRO ratings as of June 30, 2024. The three largest asset categories in Global Atlantic's AFS fixed-maturity security portfolio as of December 31, 2023 were Corporate, RMBS and CMBS securities, comprising 28%, 6% and 5% of Global Atlantic's investment portfolio, respectively. Within these categories, 95%, 96% and 93% of Global Atlantic's Corporate, RMBS and CMBS securities, respectively, were investment grade according to NAIC ratings and 95%, 61% and 56% of its Corporate, RMBS and CMBS securities, respectively, were investment grade according to NRSRO ratings as of December 31, 2023. NRSRO and NAIC ratings have different methodologies. Global Atlantic believes the NAIC ratings methodology, which considers the likelihood of recovery of amortized cost as opposed to the recovery of all contractual payments including the principal at par, as the more appropriate way to view the ratings quality of its AFS fixed maturity portfolio since a large portion of its holdings were purchased at a significant discount to par value. The portion of Global Atlantic's investment portfolio consisting of floating rate assets was 26% and 27% as of June 30, 2024 and December 31, 2023, respectively.

Within the funds withheld receivable at interest portfolio, 96% and 97% of the fixed maturity securities were investment grade by NAIC designation as of both June 30, 2024 and December 31, 2023, respectively.

Trading fixed maturity securities back funds withheld payable at interest where the investment performance is ceded to reinsurers under the terms of the respective reinsurance agreements.

Credit quality of AFS fixed maturity securities

The Securities Valuation Office of the NAIC evaluates the AFS fixed maturity security investments of insurers for regulatory reporting and capital assessment purposes and assigns securities to one of six credit quality categories called "NAIC designations." Using an internally developed rating is permitted by the NAIC if no rating is available. These designations are generally similar to the credit quality designations of NRSROs for marketable fixed maturity securities, except for certain structured securities as described below. NAIC designations of "1," highest quality, and "2," high quality, include fixed maturity securities generally considered investment grade by NRSROs. NAIC designations "3" through "6" include fixed maturity securities generally considered below investment grade by NRSROs.

Consistent with the NAIC Process and Procedures Manual, an NRSRO rating was assigned based on the following criteria: (i) the equivalent S&P rating where the security is rated by one NRSRO; (ii) the equivalent S&P rating of the lowest NRSRO when the security is rated by two NRSROs; and (iii) the equivalent S&P rating of the second lowest NRSRO if the security is rated by three or more NRSROs. If the lowest two NRSROs' ratings are equal, then such rating will be the assigned rating. NRSROs' ratings available for the periods presented were S&P, Fitch, Moody's, DBRS, Inc. and Kroll Bond Rating Agency, Inc. If no rating is available from a rating agency, then an internally developed rating is used.

Substantially all of the AFS fixed maturity securities portfolio, 95% and 96% as of June 30, 2024 and December 31, 2023, respectively, was invested in investment grade assets with a NAIC rating of 1 or 2.

The portion of the AFS fixed maturity securities portfolio that was considered below investment grade by NAIC designation was 5% and 4% as of June 30, 2024 and December 31, 2023, respectively. Pursuant to Global Atlantic's investment guidelines, Global Atlantic actively monitors the percentage of its portfolio that is held in investments rated NAIC 3 or lower and must obtain an additional approval from Global Atlantic's management investment committee before making a significant investment in an asset rated NAIC 3 or lower.

Corporate fixed maturity securities

Global Atlantic maintains a diversified portfolio of corporate fixed maturity securities across industries and issuers. As of June 30, 2024 and December 31, 2023, 54% and 58% of the AFS fixed maturity securities portfolio was invested in corporate fixed maturity securities, respectively. As of June 30, 2024 and December 31, 2023, approximately 5% and 6% of the portfolio is denominated in foreign currency, respectively.

As of June 30, 2024 and December 31, 2023, 92% and 95% of the total fair value of corporate fixed maturity securities is rated NAIC investment grade, respectively, and 92% and 95% is rated NRSROs investment grade, respectively.

Residential mortgage-backed securities

As of June 30, 2024 and December 31, 2023, 15% and 11% of the AFS fixed maturity securities portfolio was invested in RMBS, respectively. RMBS are securities constructed from pools of residential mortgages and backed by payments from those pools. Excluding limitations on access to lending and other extraordinary economic conditions, Global Atlantic would expect prepayments of principal on the underlying loans to accelerate with decreases in market interest rates and diminish with increases in market interest rates.

The NAIC designations for RMBS, including prime, sub-prime, alt-A, and adjustable rate mortgages with variable payment options ("Option ARM"), are based upon a comparison of the bond's amortized cost to the NAIC's loss expectation for each security. Accordingly, an investment in the same security at a lower cost may result in a higher quality NAIC designation in recognition of the lower likelihood the investment would result in a realized loss. Prime residential mortgage lending includes loans to the most creditworthy borrowers with high quality credit profiles. Alt-A is a classification of mortgage loans where the risk profile of the borrower is between prime and sub-prime, which also includes certain non-qualified mortgages. Sub-prime mortgage lending is the practice of originating residential mortgage loans to borrowers with weaker credit profiles.

As of June 30, 2024 and December 31, 2023, 90% and 89% of RMBS securities that are below investment grade as rated by the NRSRO, carry an NAIC 1 ("highest quality") designation, respectively.

As of June 30, 2024, Alt-A, Agency, Option ARM, Sub-prime and Re-Performing represent 39%, 24%, 15%, 7% and 7% of the total RMBS portfolio (\$10.7 billion), respectively. As of December 31, 2023, Alt-A, Option ARM, Re-Performing and Sub-prime represent 45%, 21%, 10% and 10% of the total RMBS portfolio (\$7.9 billion), respectively.

Unrealized gains and losses for AFS fixed maturity securities

Global Atlantic's investments in AFS fixed maturity securities are reported at fair value with changes in fair value recorded in other comprehensive income as unrealized gains or losses, net of taxes and offsets. Unrealized gains and losses can be created by changes in interest rates or by changes in credit spreads.

As of June 30, 2024 and December 31, 2023, Global Atlantic had gross unrealized losses on below investment grade AFS fixed maturity securities of \$687.6 million and \$750.3 million based on NRSRO rating and \$213.6 million and \$267.2 million based on NAIC ratings, respectively. As of June 30, 2024, unrealized losses were not recognized in net income on these debt securities since Global Atlantic neither intends to sell the securities nor does it believe that it is more likely than not that it will be required to sell these securities before recovery of their cost or amortized cost basis.

Credit quality of mortgage and other loan receivables

Mortgage and other loan receivables consist of commercial and residential mortgage loans, consumer loans and other loan receivables. As of June 30, 2024 and December 31, 2023, 29% and 28% of Global Atlantic's total investments consisted of mortgage and other loan receivables, respectively.

Global Atlantic invests in U.S. mortgage loans, comprised of first lien and mezzanine commercial mortgage loans and first lien residential mortgage loans. For Global Atlantic's commercial mortgage loan portfolio, the most prevalent property type is multi-family residential buildings, which represents approximately half of the portfolio as of June 30, 2024 and over half of the portfolio as of December 31, 2023. Office and retail properties represent approximately 21% and 23% of the portfolio as of June 30, 2024 and December 31, 2023, respectively.

Global Atlantic's commercial mortgage loans are assigned NAIC designations, with designations "CM1" and "CM2" considered to be investment grade. As of June 30, 2024 and December 31, 2023, 91% and 89% of the commercial mortgage loan portfolio were rated investment grade based on NAIC designation, respectively. The payment status of over 99% and over 98% of the commercial mortgage loan portfolio is current as of June 30, 2024 and December 31, 2023, respectively.

The loan-to-value ratio is expressed as a percentage of the current amount of the loan relative to the value of the underlying collateral. As of June 30, 2024 and December 31, 2023, approximately 89% and 88%, respectively, of the commercial mortgage loans have a loan-to-value ratio of 70% or less and for both June 30, 2024 and December 31, 2023, 2% have loan-to-value ratio over 90%.

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

As of June 30, 2024, the payment status of 97% of the residential mortgage loan portfolio is current, and approximately \$208.1 million is 90 days or more past due or in process of foreclosure (representing 1% of the total residential mortgage portfolio). As of December 31, 2023, the payment status of 96% of the residential mortgage loan portfolio was current and approximately \$231.2 million were 90 days or more past due or in process of foreclosure (representing 2% of the total residential mortgage portfolio).

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

Global Atlantic's residential mortgage loan portfolio primarily includes mortgage loans backed by single family rental properties, prime loans and re-performing loans that were purchased at a discount after they were modified and returned to performing status. Global Atlantic has also extended financing to counterparties in the form of repurchase agreements secured by mortgage loans, including performing and non-performing mortgage loans.

Global Atlantic's consumer loan portfolio is primarily comprised of home improvement loans, residential solar loans, student loans and auto loans. As of June 30, 2024, 98% of the consumer loan portfolio is in current status and approximately \$27.6 million is 90 days or more past due or in process of foreclosure (representing 1% of the total consumer loan portfolio).

Additional Information

To provide supplemental information to stockholders about the net assets of KKR on a segment basis, KKR's book value was \$29.1 billion as of June 30, 2024, which included cash and short-term investments of \$4.5 billion. KKR's book value includes its net investment in Global Atlantic, investments in the Asset Management and Strategic Holdings segments, and the net impact of tax and other assets and liabilities, and it excludes the net assets allocable to investors in KKR's investment funds and other noncontrolling interest holders.

Reconciliations to GAAP Measures

The following tables reconcile the most directly comparable financial measures calculated and presented in accordance with GAAP to KKR's non-GAAP financial measures:

Revenues

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(\$ in thousands)			
Total GAAP Revenues	\$ 4,171,910	\$ 3,626,518	\$ 13,828,648	\$ 6,754,000
Impact of Consolidation and Other	308,598	184,775	592,421	394,553
<i>Asset Management Adjustments:</i>				
Capital Allocation-Based Income (Loss) (GAAP)	(738,125)	(696,897)	(2,001,067)	(1,145,915)
Realized Carried Interest - Asset Management	458,559	146,232	708,827	318,921
Realized Investment Income - Asset Management	138,546	118,022	273,299	312,856
Capstone Fees	(21,563)	(24,040)	(40,077)	(43,845)
Expense Reimbursements	(27,168)	(16,840)	(35,261)	(32,384)
<i>Strategic Holdings Adjustments:</i>				
Strategic Holdings Segment Management Fees	8,183	—	15,667	—
<i>Insurance Adjustments:</i>				
Net Premiums	(935,794)	(626,429)	(6,972,316)	(1,100,053)
Policy Fees	(333,900)	(315,382)	(662,847)	(629,184)
Other Income	(63,889)	(39,858)	(120,274)	(77,016)
(Gains) Losses from Investments ⁽¹⁾	308,517	193,770	567,000	454,277
Non-operating Changes in Policy Liabilities and Derivatives	33,189	(31,253)	52,992	(144,029)
Total Segment Revenues ⁽²⁾	\$ 3,307,063	\$ 2,518,618	\$ 6,207,012	\$ 5,062,181

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

(2) Total Segment Revenues is comprised of (i) Management Fees, (ii) Transaction and Monitoring Fees, Net, (iii) Fee Related Performance Revenues, (iv) Realized Performance Income, (v) Realized Investment Income, (vi) Net Investment Income, and (vii) Dividends, Net.

Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(\$ in thousands)			
Net Income (Loss) - KKR Common Stockholders (GAAP)	\$ 667,926	\$ 844,463	\$ 1,350,140	\$ 1,167,207
Preferred Stock Dividends	—	17,249	—	34,499
Net Income (Loss) Attributable to Noncontrolling Interests	325,310	264,346	736,946	184,040
Income Tax Expense (Benefit)	216,969	324,955	486,170	473,702
Income (Loss) Before Tax (GAAP)	\$ 1,210,205	\$ 1,451,013	\$ 2,573,256	\$ 1,859,448
Impact of Consolidation and Other	(151,775)	(257,366)	(343,294)	(163,855)
Income Taxes on Adjusted Earnings	(238,244)	(171,542)	(454,610)	(344,599)
<i>Asset Management Adjustments:</i>				
Unrealized (Gains) Losses	(76,175)	(235,521)	(475,253)	(115,587)
Unrealized Carried Interest	(190,143)	(435,495)	(1,136,959)	(638,154)
Unrealized Carried Interest Compensation	153,003	195,361	910,455	279,191
Transaction-related and Non-operating Items	1,308	7,192	62,983	13,999
Equity-based Compensation	66,535	45,261	140,312	104,278
Equity-based Compensation - Performance based	83,050	63,654	163,618	130,927
<i>Strategic Holdings Adjustments:</i>				
Unrealized (Gains) Losses	(344,709)	(222,790)	(417,966)	(243,397)
<i>Insurance Adjustments:⁽¹⁾</i>				
(Gains) Losses from Investments ⁽¹⁾⁽²⁾	312,614	125,483	559,531	256,597
Non-operating Changes in Policy Liabilities and Derivatives ⁽¹⁾	106,465	57,463	180,328	163,954
Transaction-related and Non-operating Items ⁽¹⁾	—	3,199	—	3,199
Equity-based and Other Compensation ⁽¹⁾	35,323	23,898	64,389	60,291
Amortization of Acquired Intangibles ⁽¹⁾	4,412	2,794	8,824	5,588
Adjusted Net Income	\$ 971,869	\$ 652,604	\$ 1,835,614	\$ 1,371,880
Interest Expense, Net	77,101	95,357	149,908	177,597
Net Income Attributable to Noncontrolling Interests	2,851	6,118	4,774	11,744
Income Taxes on Adjusted Earnings	238,244	171,542	454,610	344,599
Total Segment Earnings	\$ 1,290,065	\$ 925,621	\$ 2,444,906	\$ 1,905,820
Net Realized Performance Income	(122,839)	(52,249)	(200,837)	(113,638)
Net Realized Investment Income	(117,764)	(100,839)	(232,306)	(265,959)
Total Operating Earnings	\$ 1,049,462	\$ 772,533	\$ 2,011,763	\$ 1,526,223
Total Investing Earnings	240,603	153,088	433,143	379,597
Depreciation and Amortization	12,549	11,051	25,052	21,485
Adjusted EBITDA	\$ 1,302,614	\$ 936,672	\$ 2,469,958	\$ 1,927,305

(1) For the three and six months ended June 30, 2023, amounts represent the portion allocable to KKR & Co. Inc.

(2) Includes (gains) losses on funds withheld receivables and payables embedded derivatives.

KKR & Co. Inc. Stockholders' Equity - Common Stock

	As of
	June 30, 2024
	(\$ in thousands)
KKR & Co. Inc. Stockholders' Equity - Common Stock	\$ 21,673,103
Impact of Consolidation and Other ⁽¹⁾	544,900
Exchangeable Securities	243,891
Accumulated Other Comprehensive Income (AOCI) and Other (Insurance)	6,622,833
Book Value	\$ 29,084,727

Cash and Cash Equivalents - Asset Management and Strategic Holdings - GAAP

	As of
	June 30, 2024
	(\$ in thousands)
Cash and Cash Equivalents - Asset Management and Strategic Holdings - GAAP	\$ 7,829,321
Impact of Consolidation and Other ⁽¹⁾	(3,859,958)
Short-term Investments	502,393
Cash and Short-term Investments	\$ 4,471,756

Investments - Asset Management and Strategic Holdings - GAAP

	As of
	June 30, 2024
	(\$ in thousands)
Investments - Asset Management and Strategic Holdings - GAAP	\$ 102,046,987
Impact of Consolidation and Other ⁽¹⁾	(90,560,421)
Short-term Investments	(502,393)
Investments - Asset Management Segment	\$ 10,984,173

- (1) The purpose of this adjustment is to present these non-GAAP measures without giving effect to the consolidation of the investment vehicles and collateralized financing entities that KKR manages. We believe that providing these non-GAAP measures on a supplemental basis to our GAAP results is helpful to stockholders in assessing the overall financial condition of KKR.

Liquidity

We manage our liquidity and capital requirements by (a) focusing on our cash flows before the consolidation of our funds and CFEs and the effect of changes in short term assets and liabilities, which we anticipate will be settled for cash within one year, and (b) seeking to maintain access to sufficient liquidity through various sources. The overall liquidity framework and cash management approach of our insurance business are also based on seeking to build an investment portfolio that is cash flow matched, providing cash inflows from insurance assets that meet our insurance companies' expected cash outflows to pay their liabilities. Our primary cash flow activities typically involve: (i) generating cash flow from operations; (ii) generating income from investment activities, by investing in investments that generate yield (namely interest and dividends), as well as through the sale of investments and other assets; (iii) funding capital commitments that we have made to, and advancing capital to, our funds and CLOs; (iv) developing and funding new investment strategies, investment products, and other growth initiatives, including acquisitions of other investments, assets, and businesses; (v) underwriting and funding capital commitments in our capital markets business; (vi) distributing cash flow to our stockholders and any holders of our preferred stock, if any; and (vii) paying borrowings, interest payments, and repayments under credit agreements, our senior and subordinated notes, and other borrowing arrangements. See "—Liquidity," "—Liquidity Needs" and "—Dividends and Stock Repurchases."

See "Risk Factors" in our Annual Report and "—Business Environment" for more information on factors that may impact our business, financial performance, operating results and valuations.

Sources of Liquidity

Our primary sources of liquidity consist of amounts received from: (i) our operating activities, including the fees earned from our funds, portfolio companies, and capital markets transactions; (ii) realizations on carried interest from our investment funds; (iii) interest and dividends from investments that generate yield, including our investments in CLOs; (iv) in our insurance business, cash inflows in respect of new premiums, policyholder deposits, reinsurance transactions and funding agreements, including through memberships in FHLBs; (v) realizations on and sales of investments and other assets, including the transfers of investments or other assets for fund formations (including CLOs and other investment vehicles); and (vi) borrowings, including advances under our revolving credit facilities, debt offerings, repurchase agreements, and other borrowing arrangements. In addition, we may generate cash proceeds from issuances of our or our subsidiaries' equity securities.

Many of our investment funds like our private equity and real assets funds provide for carried interest. With respect to our carry-paying investment funds, carried interest is eligible to be distributed to the general partner of the fund only after all of the following are met: (i) a realization event has occurred (e.g., sale of a portfolio company, dividend, etc.); (ii) the vehicle has achieved positive overall investment returns since its inception, in excess of performance hurdles where applicable, and is accruing carried interest; and (iii) with respect to investments with a fair value below cost, cost has been returned to fund investors in an amount sufficient to reduce remaining cost to the investments' fair value. Even after all of the preceding conditions are met, the general partner of the fund may, in its sole discretion, decide to defer the distribution of carried interest to it to a later date. In addition, these funds generally include what is called a "clawback" provision, which provides that the general partner must return any carried interest that is paid in excess of what the general partner is entitled to receive at the end of the term of the fund, as discussed further below.

As of June 30, 2024, certain of our investment funds had met the first and second criteria, as described above, but did not meet the third criteria. In these cases, carried interest accrues on the consolidated statement of operations, but will not be distributed in cash to us as the general partner of an investment fund upon a realization event. For a fund that has a fair value above cost, overall, and is otherwise accruing carried interest, but has one or more investments where fair value is below cost, the shortfall between cost and fair value for such investments is referred to as a "netting hole." When netting holes are present, realized gains on individual investments that would otherwise allow the general partner to receive carried interest distributions are instead used to return invested capital to our funds' limited partners in an amount equal to the netting hole. Once netting holes have been filled with either (a) return of capital equal to the netting hole for those investments where fair value is below cost or (b) increases in the fair value of those investments where fair value is below cost, then realized carried interest will be distributed to the general partner upon a realization event. A fund that is in a position to pay cash carry refers to a fund for which carried interest is expected to be paid to the general partner upon the next material realization event, which includes funds with no netting holes as well as funds with a netting hole that is sufficiently small in size such that the next material realization event would be expected to result in the payment of carried interest. Strategic investor partnerships with fund investors may require netting across the various funds in which they invest, which may reduce the carried interest we otherwise would have earned if such fund investors were to have invested in our funds without the existence of the strategic investor partnership.

As of June 30, 2024, netting holes in excess of \$50 million existed at Health Care Strategic Growth Fund and North America Fund XI in the amounts of \$117 million, and \$64 million, respectively. In accordance with the criteria set forth above, other funds currently have and may in the future develop netting holes, and netting holes for those and other funds may otherwise increase or decrease in the future. There are also investment funds that are not accruing carried interest and do not have a netting hole although they may be in a clawback position. If the investment fund has distributed carried interest, but subsequently does not have sufficient value to provide for the distribution of carried interest at the end of the life of the investment fund, the general partner is typically required to return previously distributed carried interest to the fund investors. Although our current and former employees who received distributions of carried interest subject to clawback are required to return them to KKR, it is KKR's obligation to return carried interest subject to clawback to the fund investors. As of June 30, 2024, approximately \$564 million of carried interest was subject to this clawback obligation, assuming that all applicable carry-paying funds and their alternative investment vehicles were liquidated at their June 30, 2024 fair values. As of June 30, 2024, Asian Fund II is the only investment fund with a clawback obligation in excess of \$50 million. See Note 24 "Commitments and Contingencies—Contingent Repayment Guarantees" in our financial statements included elsewhere in this report for further information. See also the negative amounts included in the Carried Interest column in the table included in this Item 2 in "Asset Management—Private Equity" for further information on clawback obligations.

We have access to funding under various credit facilities, other borrowing arrangements and other sources of liquidity that we have entered into with major financial institutions or which we receive from the capital markets.

For a discussion of our debt obligations, including our debt securities, revolving credit agreements and loans, see Note 16 "Debt Obligations" in our financial statements.

Liquidity Needs

We expect that our primary liquidity needs will consist of cash required to meet various obligations, including, without limitation, to:

- continue to support and grow our asset management business, including seeding new investment strategies, supporting capital commitments made by our vehicles to existing and future funds, co-investments and any net capital requirements of our capital markets companies and otherwise supporting the investment vehicles that we sponsor;
- continue to support and grow our insurance business;
- grow and expand our businesses generally, including by acquiring or launching new, complementary or adjacent businesses;
- warehouse investments in portfolio companies or other investments for the benefit of one or more of our funds, accounts or CLOs or other investment vehicles pending the contribution of committed capital by the fund investors in such vehicles, and advancing capital to them for operational or other needs, including funding loans at KKR's sole discretion;
- service debt obligations including the payment of obligations at maturity, on interest payment dates or upon redemption, as well as any contingent liabilities, including from litigation, that may give rise to future cash payments, including funding requirements to levered investment vehicles or structured transactions;
- fund cash operating expenses and contingencies, including for litigation matters and guarantees;
- pay corporate income taxes and other taxes;
- pay policyholders and amounts in our insurance business related to investment, reinvestment, reinsurance or funding agreement activity;
- pay amounts that may become due under our tax receivable agreement;
- pay cash dividends in accordance with our dividend policy for our common stock or the terms of our preferred stock, if any;
- underwrite commitments, advance loan proceeds and fund syndication commitments within our capital markets business;

- post or return collateral in respect of derivative contracts;
- acquire other assets (including businesses, investments and other assets) for our businesses, some of which may be required to satisfy regulatory requirements for our capital markets business or risk retention requirements for CLOs (to the extent they may apply);
- address capital needs of regulated subsidiaries as well as non-regulated subsidiaries; and
- repurchase shares of our common stock or retire equity awards pursuant to the share repurchase program or repurchase or redeem other securities issued by us.

For a discussion of KKR's share repurchase program, see Note 22 "Equity" in our financial statements.

Capital Commitments

The agreements governing our active investment funds generally require the general partners of the funds to make minimum capital commitments to such funds, which generally range from 2% to 8% of a fund's total capital commitments at final closing, but may be greater for certain funds (i) where we are pursuing newer strategies, (ii) where third party investor demand is limited, and (iii) where a larger commitment is consistent with the asset allocation strategy in our Principal Activities business line, and in our Strategic Holdings segment.

The following table presents our uncalled commitments to our active investment funds and other vehicles as of June 30, 2024:

	Uncalled Commitments
	(\$ in millions)
Private Equity	
Core Investment Vehicles	\$ 3,045
Ascendant Fund	312
European Fund VI	124
Health Care Strategic Growth Fund II	79
Asian Fund IV	69
North America Fund XIII	61
Next Generation Technology Growth Fund III	7
Other Private Equity Vehicles	906
Total Private Equity Commitments	4,603
Real Assets	
Global Infrastructure Investors V	600
Asia Pacific Infrastructure Investors II	222
Real Estate Partners Americas III	78
Asia Real Estate Partners	54
Real Estate Partners Europe II	44
Other Real Assets Vehicles	1,889
Total Real Assets Commitments	2,887
Credit and Liquid Strategies	
Asia Credit	93
Opportunities Fund II	78
Asset-Based Finance Partners	60
Dislocation Opportunities Fund	57
Lending Partners IV	16
Lending Partners Europe II	16
Private Credit Opportunities Partners II	6
Other Credit and Liquid Strategies Vehicles	877
Total Credit and Liquid Strategies Commitments	1,203
Total Uncalled Commitments	\$ 8,693

Other Commitments

In addition to the uncalled commitments to our investment funds as shown above, KKR has entered into contractual commitments primarily with respect to underwriting transactions, debt financing, revolving credit facilities, and equity syndications in our Capital Markets business line. As of June 30, 2024, these commitments amounted to \$0.5 billion. Whether these amounts are actually funded, in whole or in part, depends on the contractual terms of such commitments, including the satisfaction or waiver of any conditions to closing or funding. From time to time, we fund these various commitments noted above in our capital markets business by drawing all or substantially all of our availability for borrowings under our available credit facilities. We generally expect these borrowings by our capital markets business to be repaid promptly as these commitments are syndicated to third parties or otherwise fulfilled or terminated, although we may in some instances elect to retain a portion of the commitments for our own investment. These arrangements with third parties reduce our risk under certain circumstances when underwriting certain debt transactions. As a result, our unfunded commitments as of June 30, 2024 have been reduced to reflect the amount to be funded by such third parties. For more information about our Capital Markets business line's risks, see "Risk Factors—Risks Related to Our Business—Our capital markets activities expose us to material risks" in our Annual Report.

Tax Receivable Agreement

On May 30, 2022, KKR terminated the tax receivable agreement with KKR Holdings other than with respect to exchanges of KKR Holdings Units completed prior to such date. As of June 30, 2024, an undiscounted payable of \$381.1 million has been recorded in due to affiliates in the financial statements representing management's best estimate of the amounts currently expected to be owed for certain exchanges of KKR Holdings Units that took place prior to the termination of the tax receivable agreement. As of June 30, 2024, approximately \$103.9 million of cumulative cash payments have been made under the tax receivable agreement since inception.

Dividends and Stock Repurchases

A dividend of \$0.175 per share of our common stock has been declared and will be paid on August 27, 2024 to holders of record of our common stock as of the close of business on August 12, 2024.

When KKR & Co. Inc. receives distributions from KKR Group Partnership, holders of exchangeable securities receive their pro rata share of such distributions from KKR Group Partnership.

The declaration and payment of dividends to our common stockholders will be at the sole discretion of our Board of Directors, and our dividend policy may be changed at any time. We announced on February 6, 2024 that our current dividend policy will be to pay dividends to holders of our common stock in an annual aggregate amount of \$0.70 per share (or a quarterly dividend of \$0.175 per share) beginning with the dividend announced with the results of the quarter ended March 31, 2024. The declaration of dividends is subject to the discretion of our Board of Directors based on a number of factors, including KKR's future financial performance and other considerations that the Board of Directors deems relevant, and compliance with the terms of KKR & Co. Inc.'s certificate of incorporation and applicable law. For U.S. federal income tax purposes, any dividends we pay (including dividends on our preferred stock) generally will be treated as qualified dividend income for U.S. individual stockholders to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. There can be no assurance that future dividends will be made as intended or at all or that any particular dividend policy for our common stock will be maintained. Furthermore, the declaration and payment of distributions by KKR Group Partnership and our other subsidiaries may also be subject to legal, contractual and regulatory restrictions, including restrictions contained in our debt agreements.

Since 2015, KKR has repurchased, or retired equity awards representing, a total of 92.8 million shares of common stock for \$2.6 billion, which equates to an average price of \$28.05 per share. For further information, see "Part II—Item 2—Unregistered Sales of Equity Securities and Use of Proceeds."

Contractual Obligations, Commitments and Contingencies

In the ordinary course of business, we and our consolidated funds and CFEs enter into contractual arrangements that may require future cash payments. Contractual arrangements include (1) commitments to fund the purchase of investments or other assets (including obligations to fund capital commitments as the general partner of our investment funds) or to fund collateral for derivative transactions or otherwise, (2) obligations arising under our senior notes, subordinated notes, and other indebtedness, (3) commitments by our capital markets business to underwrite transactions or to lend capital, (4) obligations arising under insurance policies written, (5) other contractual obligations, including servicing agreements with third-party administrators for insurance policy administration, and (6) commitments to fund the business, operations or investments of our subsidiaries. In addition, we may incur contingent liabilities for claims that may be made against us in the future. For more information about these contingent liabilities, please see Note 24 "Commitments and Contingencies" in our financial statements.

Off Balance Sheet Arrangements

We do not have any off-balance sheet financings or liabilities other than contractual commitments and other legal contingencies incurred in the normal course of our business.

Critical Accounting Policies and Estimates

The preparation of our financial statements in accordance with GAAP requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of fees, capital allocation-based income (loss), expenses, investment income, and income taxes. Our management bases these estimates and judgments on available information, historical experience and other assumptions that we believe are reasonable under the circumstances. However, these estimates, judgments and assumptions are often subjective and may be impacted negatively based on changing circumstances or changes in our analyses. If actual amounts are ultimately different from those estimated, judged or assumed, revisions are included in the financial statements in the period in which the actual amounts become known. We believe our critical accounting policies could potentially produce materially different results if we were to change underlying estimates, judgments or assumptions.

For a further discussion about our critical accounting policies, see Note 2 "Summary of Significant Accounting Policies" in our financial statements included in this report.

Basis of Accounting

We consolidate the financial results of KKR Group Partnership and its consolidated entities, which include the accounts of our investment advisers, broker-dealers, Global Atlantic's insurance companies, the general partners of certain unconsolidated investment funds, general partners of consolidated investment funds and their respective consolidated investment funds and certain other entities including CFEs.

When an entity is consolidated, we reflect the accounts of the consolidated entity, including its assets, liabilities, revenues, expenses, investment income, cash flows and other amounts, on a gross basis. While the consolidation of an investment fund or entity does not have an effect on the amounts of Net Income Attributable to KKR or KKR's stockholders' equity that KKR reports, the consolidation does significantly impact the financial statement presentation under GAAP. This is due to the fact that the accounts of the consolidated entities are reflected on a gross basis while the allocable share of those amounts that are attributable to third parties are reflected as single line items. The single line items in which the accounts attributable to third parties are recorded are presented as noncontrolling interests on the consolidated statements of financial condition and net income (loss) attributable to noncontrolling interests on the consolidated statements of operations.

The presentations in the consolidated statement of financial condition and consolidated statement of operations reflect the significant industry diversification of KKR by its acquisition of Global Atlantic. Global Atlantic operates an insurance business, and KKR operates an asset management business, which manages the operations of the newly-formed Strategic Holdings segment (see Note 21 - "Segment Reporting"), each of which possess distinct characteristics. As a result, KKR developed a two-tiered approach for the financial statements presentation, where Global Atlantic's insurance operations are presented separately from KKR's asset management business. KKR believes that these separate presentations provide a more informative view of the consolidated financial position and results of operations than traditional aggregated presentations and that reporting Global Atlantic's insurance operations separately is appropriate given, among other factors, the relative significance of Global Atlantic's policy liabilities, which are not obligations of KKR (other than the insurance companies that issued them). If a traditional aggregate presentation were to be used, KKR would expect to eliminate or combine several identical or similar captions, which would condense the presentations, but would also reduce the level of information presented. KKR also believes that using a traditional aggregate presentation would result in no new line items compared to the two-tier presentation included in the financial statements in this report.

In the ordinary course of business, KKR's Asset Management business, Strategic Holdings segment and Global Atlantic enter into transactions with each other, which may include transactions pursuant to their investment management agreements and financing arrangements. The borrowings from these financing arrangements are non-recourse to KKR beyond the assets pledged to support such borrowings. All the investment management and financing arrangements amongst KKR segments are eliminated in consolidation.

All intercompany transactions and balances have been eliminated.

Consolidation

KKR consolidates all entities that it controls either through a majority voting interest or as the primary beneficiary of variable interest entities ("VIEs"). The following discussion is intended to provide supplemental information about how the application of consolidation principles impact our financial results, and management's process for implementing those principles including areas of significant judgment. For a detailed description of our accounting policy on consolidation, see Note 2 "Summary of Significant Accounting Policies" in our financial statements included in this report.

As part of its consolidation procedures, KKR evaluates: (1) whether it holds a variable interest in an entity, (2) whether the entity is a VIE, and (3) whether the KKR's involvement would make it the primary beneficiary. The determination that KKR holds a controlling financial interest in an investment vehicle significantly changes the presentation of our consolidated financial statements.

The assessment of whether we consolidate an investment vehicle we manage requires the application of significant judgment. These judgments are applied both at the time we become involved with an investment vehicle and on an ongoing basis and include, but are not limited to:

- Determining whether our management fees, carried interests or incentive fees represent variable interests - We make judgments as to whether the fees we earn are commensurate with the level of effort required for those fees and at market rates. In making this judgment, we consider, among other things, the extent of third party investment in the entity and the terms of any other interests we hold in the VIE.
- Determining whether a legal entity qualifies as a VIE - For those entities where KKR holds a variable interest, management determines whether each of these entities qualifies as a VIE and, if so, whether or not KKR is the primary beneficiary. The assessment of whether the entity is a VIE is generally performed qualitatively, which requires judgment. These judgments include: (a) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the economic performance of the entity, (c) determining whether two or more parties' equity interests should be aggregated, and (d) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity. Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities. Under the voting interest entity model, KKR consolidates those entities it controls through a majority voting interest.
- Concluding whether KKR has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE - As there is no explicit threshold in GAAP to define "potentially significant," we must apply judgment and evaluate both quantitative and qualitative factors to conclude whether this threshold is met.

Changes to these judgments could result in a change in the consolidation conclusion for a legal entity.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Investments and other financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

Level I

Pricing inputs are unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.

Level II

Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level III

Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. The valuation of our Level III investments at June 30, 2024 represents management's best estimate of the amounts that we would anticipate realizing on the sale of these investments in an orderly transaction at such date.

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 has been determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Level III Valuation Methodologies

Our investments and financial instruments are impacted by various economic conditions and events outside of our control that are difficult to quantify or predict, which may have a significant impact on the valuation of our investments and, therefore, on the carried interest and investment income we realize. Additionally, a change in interest rates could have a significant impact on valuations.

Across the total Level III private equity investment portfolio (including core private equity investments), and including investments in both consolidated and unconsolidated investment funds, approximately 60% of the fair value is derived from investments that are valued based exactly 50% on market comparables and 50% on a discounted cash flow analysis. Less than 2% of the fair value of this Level III private equity investment portfolio (including core private equity investments) is derived from investments that are valued either based 100% on market comparables or 100% on a discounted cash flow analysis. As of June 30, 2024, the overall weights ascribed to the market comparables methodology, the discounted cash flow methodology, and a methodology based on pending sales for this portfolio of Level III private equity investments were 38%, 55%, and 7%, respectively.

There is inherent uncertainty involved in the valuation of Level III investments, and there is no assurance that, upon liquidation, KKR will realize the values reflected in our valuations. Our valuations may differ significantly from the values that would have been used had an active market for the investments existed, and it is reasonably possible that the difference could be material. See "Risk Factors" in our Annual Report and "—Business Environment" for more information on factors that may impact our business, financial performance, operating results and valuations.

Key unobservable inputs that have a significant impact on our Level III valuations as described above are included in Note 9 "Fair Value Measurements" in our financial statements.

Level III Valuation Process

The valuation process involved for Level III measurements is completed on a quarterly basis and is designed to subject the valuation of Level III investments to an appropriate level of consistency, oversight, and review.

For private equity and real asset investments classified as Level III, investment professionals prepare preliminary valuations based on their evaluation of financial and operating data, company specific developments, market valuations of comparable companies and other factors. KKR begins its procedures to determine the fair values of its Level III assets approximately one month prior to the end of a reporting period, and KKR follows additional procedures to ensure that its determinations of fair value for its Level III assets are appropriate as of the relevant reporting date. These preliminary valuations are reviewed by an independent valuation firm engaged by KKR to perform certain procedures in order to assess the reasonableness of KKR's valuations annually for all Level III private equity and real asset investments and quarterly for investments other than certain investments, which have values less than preset value thresholds and which in the aggregate comprise less than 1% of the total value of KKR's Level III private equity and real asset investments. The valuations of certain real asset investments are determined solely by independent valuation firms without the preparation of preliminary valuations by our investment professionals, and instead such independent valuation firms rely on valuation information available to it as a broker or valuation firm. For credit investments, an independent valuation firm is generally engaged by KKR to assist with the valuations of most investments classified as Level III. The valuation firm either provides a value, provides a valuation range from which KKR's investment professionals select a point in the range to determine the valuation, or performs certain procedures in order to assess the reasonableness of KKR's valuations. After reflecting any input from the independent valuation firm, the valuation proposals are submitted for review and approval by KKR's valuation committees. As of June 30, 2024, less than 6% of the total value of our Level III credit investments were not valued with the engagement of an independent valuation firm.

For Level III investments in Asset Management, KKR has a global valuation committee that is responsible for coordinating and implementing the firm's valuation process to ensure consistency in the application of valuation principles across portfolio investments and between periods. The global valuation committee is assisted by the asset class-specific valuation committees that exist for private equity (including core equity investments and certain impact investments), growth equity (including certain impact investments), real estate, energy, infrastructure and credit. The asset class-specific valuation committees are responsible for the review and approval of all preliminary Level III valuations in their respective asset classes on a quarterly basis. The members of these valuation committees are comprised of investment professionals, including the heads of each respective strategy, and professionals from business operations functions such as legal, compliance and finance, who are not primarily responsible for the management of the investments. All Level III valuations for investments in Asset Management are also subject to approval by the global valuation committee, which is comprised of senior employees including investment professionals and professionals from business operations functions, and includes KKR's Chief Financial Officer, Chief Legal Officer and General Counsel, and Chief Compliance Officer. When valuations are approved by the global valuation committee after reflecting any input from it, the valuations of Level III investments, as well as the valuations of Level I and Level II investments, are presented to the Audit Committee of the Board of Directors of KKR & Co. Inc. and are then reported to the Board of Directors.

Level III investments held by Global Atlantic are valued using either pricing services, broker-dealers, third-party asset managers, or internal models. Global Atlantic's valuation committee performs a quantitative and qualitative analysis over all pricing sources used to verify that it represents a reasonable estimate of fair value. As of June 30, 2024, less than 5% of the total value of Global Atlantic's Level III investments were not valued with the engagement of an independent valuation firm. Once valuations are approved by Global Atlantic's valuation committee, the valuations of its Level III investments, as well as the valuations of its Level I and Level II investments, are presented to the Audit Committee of the Board of Directors of KKR & Co. Inc. and are then reported to the Board of Directors.

As of June 30, 2024, upon completion by, where applicable, independent valuation firms of certain limited procedures requested to be performed by them on certain Level III investments, the independent valuation firms concluded that the fair values, as determined by KKR (including Global Atlantic), of those investments reviewed by them were reasonable. The limited procedures did not involve an audit, review, compilation or any other form of examination or attestation under generally accepted auditing standards and were not conducted on all Level III investments. We are responsible for determining the fair value of investments in good faith, and the limited procedures performed by an independent valuation firm are supplementary to the inquiries and procedures that we are required to undertake to determine the fair value of the commensurate investments.

As described above, Level II and Level III investments were valued using internal models with significant unobservable inputs, and our determinations of the fair values of these investments may differ materially from the values that would have resulted if readily observable inputs had existed. Additional external factors may cause those values, and the values of investments for which readily observable inputs exist, to increase or decrease over time, which may create volatility in our earnings and the amounts of assets and stockholders' equity that we report from time to time.

Changes in the fair value of investments impacts the amount of carried interest that is recognized as well as the amount of investment income that is recognized for investments held directly in Asset Management and through our consolidated funds as described below. We estimate that an immediate 10% decrease in the fair value of investments held directly and through consolidated investment funds generally would result in a commensurate change in the amount of net gains (losses) from investment activities for investments held directly and through investment funds and a more significant impact to the amount of carried interest recognized, regardless of whether the investment was valued using observable market prices or management estimates with significant unobservable pricing inputs. With respect to consolidated investment funds, the impact that the consequential decrease in investment income would have on net income attributable to KKR would generally be significantly less than the amount described above, given that a majority of the change in fair value of our consolidated funds would be attributable to noncontrolling interests and therefore we are only impacted to the extent of our carried interest and our balance sheet investments. With respect to Insurance, a decrease in investment income for certain assets where investment gains and losses are recognized through the statement of operations would impact KKR only to the extent of our economic ownership interest in Global Atlantic.

As of June 30, 2024, there were no investments (including in our new Strategic Holdings segment) which represented greater than 5% of total investments on a GAAP basis. Our investment income on a GAAP basis and our asset management segment assets can be impacted by volatility in the public markets related to our holdings of publicly traded securities, including our holdings of equity securities of Crescent and BridgeBio Pharma, Inc. See "Risk Factors" in our Annual Report and "—Business Environment" for a discussion of factors that may impact the valuations of our investments, financial results, operating results and valuations, and "—Segment Balance Sheet Measures" for additional information regarding our largest holdings on a segment basis.

Business Combinations

KKR accounts for business combinations using the acquisition method of accounting, under which the purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date.

Management's determination of fair value of assets acquired and liabilities assumed at the acquisition date is based on the best information available in the circumstances and may incorporate management's own assumptions and involve a significant degree of judgment. We use our best estimates and assumptions to accurately assign fair value to the tangible and identifiable intangible assets acquired and liabilities assumed at the acquisition date as well as the useful lives of those acquired intangible assets. Examples of critical estimates in valuing certain of the intangible assets we have acquired include, but are not limited to, future expected cash inflows and outflows, future fundraising assumptions, expected useful life, discount rates and income tax rates. Our estimates for future cash flows are based on historical data, various internal estimates and certain external sources, and are based on assumptions that are consistent with the plans and estimates we are using to manage the underlying assets acquired. We estimate the useful lives of the intangible assets based on the expected period over which we anticipate generating economic benefit from the asset. We base our estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual result.

Income Taxes

Significant judgment is required in estimating the provision for (benefit from) income taxes, current and deferred tax balances (including valuation allowance), accrued interest or penalties and uncertain tax positions. In evaluating these judgments, we consider, among other items, projections of taxable income (including the character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that KKR uses to manage its business. A portion of the deferred tax assets are not considered to be more likely than not to be realized. For that portion of the deferred tax assets for Global Atlantic, a valuation allowance has been recorded. Revisions in estimates or actual costs of a tax assessment may ultimately be materially different from the recorded accruals and unrecognized tax benefits, if any. Please see Note 18 "Income Taxes" in our financial statements in this report for further details.

Critical Accounting Policies and Estimates - Asset Management and Strategic Holdings

Revenues

Fees and Other

Fees and other consist primarily of (i) management and incentive fees from providing investment management services to unconsolidated funds, CLOs, other vehicles, and separately managed accounts; (ii) transaction fees earned in connection with successful investment transactions and from capital markets activities; (iii) monitoring fees from providing services to portfolio companies; (iv) expense reimbursements from certain investment funds and portfolio companies; and (v) consulting fees. These fees are based on the contractual terms of the governing agreements and are recognized when earned, which coincides with the period during which the related services are performed and in the case of transaction fees, upon closing of the transaction. Monitoring fees may provide for a termination payment following an initial public offering or change of control. These termination payments are recognized in the period when the related transaction closes.

Transaction fee calculations and management fee calculations based on committed capital or invested capital typically do not require discretion and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value depend on the fair value of the underlying investments within the investment vehicles. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used as well as economic conditions.

Capital Allocation-Based Income (Loss)

Capital allocation-based income (loss) is earned from those arrangements whereby KKR serves as general partner and includes income or loss from KKR's capital interest as well as "carried interest" which entitles KKR to a disproportionate allocation of investment income or loss from an investment fund's limited partners.

Carried interest is recognized upon appreciation of the funds' investment values above certain return hurdles set forth in their partnership agreement. KKR recognizes revenues attributable to capital allocation-based income based upon the amount that would be due pursuant to the fund partnership agreement at each period end as if the funds were terminated at that date. Accordingly, the amount recognized reflects KKR's share of the gains and losses of the associated funds' underlying investments measured at their then-current fair values relative to the fair values as of the end of the prior period. Because of the inherent uncertainty in measuring the fair value of investments in the absence of observable market prices as previously discussed, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

Expenses

Compensation and Benefits

Compensation and Benefits expense includes (i) base cash compensation consisting of salaries and wages, (ii) benefits, (iii) carry pool allocations, (iv) equity-based compensation and (v) discretionary cash bonuses.

To supplement base cash compensation, benefits, carry pool allocations, and equity-based compensation, we typically pay discretionary cash bonuses, which are included in Compensation and Benefits expense in the consolidated statements of operations, based principally on the level of (i) management fees and other fee revenues (including incentive fees), (ii) realized carried interest and (iii) realized investment income earned during the year. The amounts paid as discretionary cash bonuses, if any, are at our sole discretion and vary from individual to individual and from period to period, including having no cash bonus. We accrue discretionary cash bonuses when payment becomes probable and reasonably estimable which is generally in the period when we make the decision to pay discretionary cash bonuses and is based upon a number of factors, including the recognition of fee revenues, realized carried interest, realized investment income and other factors determined during the year.

Beginning in 2021, we expect to pay our employees by assigning a percentage range to each component of asset management segment revenues. Prior to January 1, 2024, based on the current components and blend of our asset management segment revenues on an annual basis, we expected to use approximately: (i) 20-25% of fee related revenues, (ii) 60-70% of realized carried interest and incentive fees not included in fee related performance revenues or earned from our hedge fund partnerships, and (iii) 10-20% of realized investment income and hedge fund partnership incentive fees, to pay our asset management employees. Beginning in January 2024, we expect to use approximately: (i) 15%-20% of fee related revenues, (ii) 70%-80% of realized carried interest and incentive fees not included in fee related performance revenues or earned from our hedge fund partnerships, and (iii) 10%-20% of realized investment income and hedge fund partnership incentive fees, to pay our asset management employees. Because these ranges are applied to applicable asset management segment revenue components independently, and on an annual basis, the amount paid as a percentage of total asset management segment revenue will vary and will, for example, likely be higher in a period with relatively higher realized carried interest and lower in a period with relatively lower realized carried interest. We decide whether to pay a discretionary cash bonus and determine the percentage of applicable revenue components to pay compensation only upon the occurrence of the realization event. There is no contractual or other binding obligation that requires us to pay a discretionary cash bonus to the asset management employees, except in limited circumstances.

Carry Pool Allocation

With respect to our funds that provide for carried interest, we allocate a portion of the realized and unrealized carried interest that we earn to Associates Holdings, which we refer to as the carry pool, from which our asset management employees and certain other carry pool participants are eligible to receive a carried interest allocation. The allocation is determined based upon a fixed arrangement between Associates Holdings and us, and we do not exercise discretion on whether to make an allocation to the carry pool upon a realization event. We refer to the portion of carried interest that we allocate to the carry pool as the carry pool percentage.

As of December 31, 2023, the carry pool percentage was fixed at 40%, 43% or 65% by investment fund, depending on the fund's vintage. For funds that closed after December 31, 2020 but before December 31, 2023, the carry pool percentage was fixed at 65%. For funds that closed after June 30, 2017 but before December 31, 2020, the carry pool percentage was fixed at 43%, and the carry pool percentage was fixed at 40% for older funds that contributed to KKR's carry pool. Effective January 2, 2024, KKR is authorized to apply a carry pool percentage in excess of these fixed percentages of up to 80% for all funds.

This increase to the carry pool percentage was approved by a majority of KKR's independent directors, and the carry pool percentage may not be increased above 80% without the further approval of a majority of KKR's independent directors. For funds that closed after December 31, 2023, the carry pool percentage is fixed at 80%. For funds that closed prior to December 31, 2023, the carry pool percentage is calculated at a fixed percentage of 40%, 43% or 65% (depending on the fund's vintage) for carried interest realized up to a high water mark, which was established based on the unrealized carried interest balance that existed on January 2, 2024, plus an additional percentage amount up to 80% based on a formulaic allocation, only if the unrealized carried interest balance at any period end exceeds the high water mark. This imposes a limitation of the carry pool allocation for such funds based on the amount of cumulative unrealized carried interest income earned subsequent to December 31, 2023.

For funds that closed before December 31, 2023, if the cumulative carried interest subsequent to December 31, 2023 is not sufficient to fund this formulaic allocation, the allocation of earnings reverts to the carry pool percentage in effect before this modification. As such, upon modification of the carry pool percentage effective on January 2, 2024, the cumulative unrealized carried interest was not sufficient to fund the additional formulaic allocation percentage in excess of the pre-existing 40%, 43% and 65% carry pool percentages, and therefore no incremental expense was recognized as of such date. The carry pool percentage applicable for all funds that closed prior to December 31, 2023 will not be less than their applicable carry pool percentages of 40%, 43% or 65% prior to December 31, 2023, and will not be more than 80%. The intent of this modification is that for all funds that closed prior to January 2, 2024, upon the final liquidation of each fund, realized carried interest distributed will equal the historical fund carry pool allocations up to the high water mark and only distributions of realized carried interest in excess of the high water mark will be distributed at 80 percent if and only if the unrealized carried interest balance at any period end exceeds the high water mark. Under no circumstance would a distribution of carried interest exceed 80% of the total allocable carried interest at any time.

KKR accounts for the carry pool as a compensatory profit-sharing arrangement in Accrued Expenses and Other Liabilities within the accompanying consolidated statements of financial condition in conjunction with the related carried interest income and it is recorded as compensation expense. The liability that is recorded in each period reflects the legal entitlement of Associates Holdings at each point in time should the total unrealized carried interest be realized at the value recorded at each reporting date. Upon a reversal of carried interest income, the related carry pool allocation, if any, is also reversed. Accordingly, such compensation expense is subject to both positive and negative adjustments.

On the Sunset Date (which will not be later than December 31, 2026), KKR will acquire control of Associates Holdings and will commence making decisions regarding the allocation of the carry proceeds pursuant to the limited partnership agreement of Associates Holdings. Until the Sunset Date, our Co-Founders will continue to make decisions regarding the allocation of the carry proceeds to themselves and others, pursuant to the limited partnership agreement of Associates Holdings, provided that any allocation of carry proceeds to the Co-Founders will be on a percentage basis consistent with past practice. For additional information about the Sunset Date and the Reorganization Agreement, see Note 1 "Organization" in our financial statements included in this report.

Equity-based Compensation

In addition to the cash-based compensation and carry pool allocations as described above, employees receive equity awards under our Equity Incentive Plans, most of which are subject to service-based vesting typically over a three to five-year period from the date of grant, and some of which are also subject to the achievement of market-based conditions. Certain of these awards are subject to post-vesting transfer restrictions and minimum retained ownership requirements.

Compensation expense relating to the issuance of equity-based awards is measured at fair value on the grant date. In determining the aggregate fair value of any award grants, we make judgments as to the grant-date fair value, particularly for certain restricted units with a vesting condition based upon market conditions, whose grant date fair values are based on a probability distributed Monte-Carlo simulation. See Note 19 "Equity Based Compensation," in our financial statements included in this report for further discussion and activity of these awards.

Investment Income (Loss) -Net Gains (Losses) from Investment Activities

Net gains (losses) from investment activities consist of realized and unrealized gains and losses arising from our investment activities as well as income earned from certain equity method investments. Fluctuations in net gains (losses) from investment activities between reporting periods is driven primarily by changes in the fair value of our investment portfolio as well as the realization of investments. The fair value of, as well as the ability to recognize gains from, our investments is significantly impacted by the global financial markets, which, in turn, affects the net gains (losses) from investment activities recognized in any given period. Upon the disposition of an investment, previously recognized unrealized gains and losses are reversed and an offsetting realized gain or loss is recognized in the current period. Since our investments are carried at fair value, fluctuations between periods could be significant due to changes to the inputs to our valuation process over time. For a further discussion of our fair value measurements and fair value of investments, see above "—Critical Accounting Policies and Estimates—Fair Value Measurements."

Critical Accounting Policies and Estimates – Insurance

Policy liabilities

Policy liabilities, or collectively, "reserves," are the portion of past premiums or assessments received that are set aside to meet future policy and contract obligations as they become due. Interest accrues on the reserves and on future premiums, which may also be available to pay for future obligations. Global Atlantic establishes reserves to pay future policy benefits, claims, and certain expenses for its life policies and annuity contracts.

Global Atlantic's reserves are estimated based on models that include many actuarial assumptions and projections. These assumptions and projections, which are inherently uncertain, involve significant judgment, including assumptions as to the levels and/or timing of premiums, benefits, claims, expenses, interest credits, investment results (including equity market returns), mortality, longevity, and persistency.

The assumptions on which reserves are based are intended to represent an estimation of experience for the period that policy benefits are payable. Global Atlantic reviews the adequacy of its reserves and the assumptions underlying those reserves at least annually. Global Atlantic cannot, however, determine with precision the amount or the timing of actual benefit payments. If actual experience is better than or equal to the assumptions, then reserves would be adequate to provide for future benefits and expenses. If experience is worse than the assumptions, additional reserves may be required to meet future policy and contract obligations. This would result in a charge to Global Atlantic's net income during the period in which excess benefits are paid or an increase in reserves occurs.

For a majority of Global Atlantic's in-force policies, including its interest-sensitive life policies and most annuity contracts, the base policy reserve is equal to the account value. For these products, the account value represents Global Atlantic's obligation to repay to the policyholder the amounts held with Global Atlantic on deposit. However, there are several significant blocks of business where policy reserves, in addition to the account value, are explicitly calculated, including variable annuities, fixed-indexed annuities, interest-sensitive life products (including those with secondary guarantees), and preneed policies.

Market risk benefits

Market risk benefits are contracts or contract features that both provide protection to the policyholder from other-than-nominal capital market risk and expose Global Atlantic to other-than-nominal capital market risk. Market risk benefits include certain contract features on fixed annuity and variable annuity products, including minimum guarantees to policyholders, such as guaranteed minimum death benefits (GMDBs), guaranteed minimum withdrawal benefits (GMWBs), and long-term care benefits (which are capped at the return of account value plus one or two times the account value).

Some of Global Atlantic's variable annuity and fixed-indexed annuity contracts contain a GMDB feature that provides a guarantee that the benefit received at death will be no less than a prescribed minimum amount, even if the account balance is reduced to zero. This amount is based on either the net deposits paid into the contract, the net deposits accumulated at a specified rate, the highest historical account value on a contract anniversary, or sometimes a combination of these values. If the GMDB is higher than the current account value at the time of death, Global Atlantic incurs a cost equal to the difference.

Global Atlantic issues fixed-indexed annuity and variable annuity contracts with a guaranteed minimum withdrawal feature. GMWB are an optional benefit where the contract owner is entitled to withdraw a maximum amount of their benefit base each year.

Once exercised, living benefit features provide annuity policyholders with a minimum guaranteed stream of income for life. A policyholder's annual income benefit is generally based on an annual withdrawal percentage multiplied by the benefit base. The benefit base is defined in the policy and is generally the initial premium, reduced by any partial withdrawals and increased by a defined percentage, formula or index credits. Any living benefit payments are first deducted from the account value. Global Atlantic is responsible for paying any excess guaranteed living benefits still owed after the account value has reached zero.

The ultimate cost of these benefits will depend on the level of market returns and the level of contractual guarantees, as well as policyholder behavior, including surrenders, withdrawals, and benefit utilization. For Global Atlantic's fixed-indexed annuity products, costs also include certain non-guaranteed terms that impact the ultimate cost, such as caps on crediting rates that Global Atlantic can, in its discretion, reset annually.

See Note 17 — "Policy liabilities" in our financial statements for additional information.

As of June 30, 2024, the net market risk liability balance totaled \$1.0 billion. As of June 30, 2024, the liability balances for market risk benefits were \$837.4 million for fixed-indexed annuities and \$170.1 million for variable and other annuities. The increase (decrease) to the net market risk benefit liability balance as a result of hypothetical changes in interest rates, instrument-specific credit risk, equity market prices, expected mortality, and expected surrenders are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of such balances.

	As of June 30, 2024	
	Fixed-indexed Annuity	Other
<i>(\$ in thousands)</i>		
Balance	\$ 837,424	\$ 170,060
Hypothetical Change:		
+50 bps Interest Rates	(126,707)	(43,807)
-50 bps Interest Rates	141,621	48,416
+50 bps Instrument-specific Credit Risk	(121,682)	(22,288)
-50 bps Instrument-specific Credit Risk	135,512	24,519
+10% Equity Market Prices	(49,192)	(47,026)
-10% Equity Market Prices	32,414	53,565
95% of Expected Mortality	39,990	5,108
105% of Expected Mortality	(37,718)	(4,489)
90% of Expected Surrenders	22,458	2,248
110% of Expected Surrenders	(21,384)	(2,177)

Note: Hypothetical changes to the market risk benefits liability balance do not reflect the impact of related hedges.

Policy liabilities accounted for under a fair value option

Variable annuity contracts offered and assumed by Global Atlantic provide the contractholder with a GMDB. The liabilities for these benefits are included in policy liabilities. Global Atlantic elected the fair value option to measure the liability for certain of these variable annuity contracts valued at \$300.7 million as of June 30, 2024. Fair value is calculated as the present value of the estimated death benefits less the present value of the GMDB fees, using 1,000 risk neutral scenarios. Global Atlantic discounts the cash flows using the U.S. Treasury rates plus an adjustment for instrument-specific credit risk in the consolidated statement of financial condition. The change in the liabilities for these benefits is included in policy benefits and claims in the consolidated statement of operations.

As of June 30, 2024, variable annuities accounted for using the fair value option totaled \$300.7 million. The increase (decrease) in the reserves for variable annuities accounted for using the fair value option as a result of hypothetical changes in interest rates, instrument-specific credit risk, equity market prices, expected mortality, and expected surrenders are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of such balances.

	As of June 30, 2024	
	Variable Annuities	
<i>(\$ in thousands)</i>		
Balance	\$	300,735
Hypothetical Change:		
+50 bps Interest Rates		(19,585)
-50 bps Interest Rates		21,221
+50 bps Instrument-specific Credit Risk		(12,505)
-50 bps Instrument-specific Credit Risk		12,965
+10% Equity Market Prices		(15,734)
-10% Equity Market Prices		18,382
95% of Expected Mortality		(5,119)
105% of Expected Mortality		4,892
90% of Expected Surrenders		458
110% of Expected Surrenders		(464)

Note: Hypothetical changes to the liability balances do not reflect the impact of related hedges.

Liability for future policyholder benefits

A liability for future policy benefits, which is the present value of estimated future policy benefits to be paid to or on behalf of policyholders and certain related expenses less the present value of estimated future net premiums to be collected from policyholders, is accrued as premium revenue is recognized. The liability is estimated using current assumptions that include mortality, morbidity, lapses, and expenses. These current assumptions are based on judgments that consider Global Atlantic's historical experience, industry data, and other factors, and are updated quarterly and the current period change in the liability is recognized as a separate component of benefit expense in the consolidated income statement.

As of June 30, 2024, the liability for future policy benefits totaled \$10.5 billion, net of reinsurance, split between \$8.9 billion associated with payout annuity products, and \$1.6 billion of life and other insurance products (including assumed long-term care insurance where we retroceded mortality and morbidity risks to a third-party reinsurer.) The increase (decrease) as a result of hypothetical changes in interest rates, credit spreads, expected mortality, and expected surrenders and lapses are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of such balances.

	As of June 30, 2024			
	Payout Annuities		Other	
<i>(\$ in thousands)</i>				
Balance	\$	8,869,737	\$	1,615,095
Hypothetical Change:				
+50 bps Interest Rates		(166,597)		(325,881)
-50 bps Interest Rates		179,414		357,176
+50 bps Credit Spreads		(130,220)		(328,553)
-50 bps Credit Spreads		135,268		354,222
95% of Expected Mortality ⁽¹⁾		59,723		32,795
105% of Expected Mortality ⁽¹⁾		(56,647)		(31,163)
90% of Expected Surrenders/Lapses		—		(2,092)
110% of Expected Surrenders/Lapses		—		1,674

Note: Hypothetical changes to the liability for future policy benefits balance do not reflect the impact of related hedges.

(1) Includes decrements for terminations of disability insurance

Additional liability for annuitization, death, or other insurance benefits: no-lapse guarantees

Global Atlantic has in-force interest-sensitive life contracts where it provides a secondary guarantee to the policyholder. The policy can remain in-force, even if the base policy account value is zero, as long as contractual secondary guarantee requirements have been met. The primary risk to Global Atlantic is that the premium collected under these policies, together with the investment return Global Atlantic earns on that premium, is ultimately insufficient to pay the policyholder's benefits and the expenses associated with issuing and administering these policies. Global Atlantic holds an additional reserve in connection with these guarantees.

The additional reserves related to interest-sensitive life products with secondary guarantees are calculated using methods similar to those described above under “Critical Accounting Policies and Estimates - Insurance—Policy liabilities—Market risk benefits.” The costs related to these secondary guarantees are recognized over the life of the contracts through the accrual and subsequent release of a reserve which is revalued each period. The reserve is calculated based on assessments, over a range of economic scenarios to incorporate the variability in the obligation that may occur under different environments. The change in the reserve is included in policy benefits and claims in the consolidated statements of operations.

As of June 30, 2024, the additional liability balance of primarily interest-sensitive life totaled \$5.8 billion, net of reinsurance. The increase (decrease) to the additional liability balance, as a result of hypothetical changes in interest rates, equity market prices, annual equity growth, expected mortality, and expected surrenders are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of the interest-sensitive life no-lapse guarantee liability balance.

	As of June 30, 2024	
	Interest-sensitive Life	
<i>(\$ in thousands)</i>		
Balance	\$	5,802,920
Hypothetical Change:		
+50 bps Interest Rates		567
-50 bps Interest Rates		(501)
+10% Equity Market Prices		(526)
-10% Equity Market Prices		(604)
1% Lower Annual Equity Growth		(3,899)
95% of Expected Mortality		(35,558)
105% of Expected Mortality		35,095
90% of Expected Surrenders		25,432
110% of Expected Surrenders		(24,205)

Note: Hypothetical changes to the interest-sensitive life additional liability for annuitization, death, or other insurance benefits balance do not reflect the impact of related hedges.

Embedded derivatives in policy liabilities and funds withheld

Global Atlantic's fixed-indexed annuity, variable annuity and indexed universal life products contain equity-indexed features, which are considered embedded derivatives and are required to be measured at fair value.

Global Atlantic calculates the embedded derivative as the present value of future projected benefits in excess of the projected guaranteed benefits, using an option budget as the indexed account value growth rate. In addition, the fair value of the embedded derivative is reduced to reflect instrument specific credit risk on Global Atlantic's obligation (that is, Global Atlantic's own credit risk).

Changes in interest rates, future index credits, instrument-specific credit risk, projected withdrawal and surrender activity, and mortality on fixed-indexed annuity and interest-sensitive life products can have a significant impact on the value of the embedded derivative.

Valuation of embedded derivatives – Fixed-indexed annuities

Fixed-indexed annuity contracts allow the policyholder to elect a fixed interest rate of return or a market indexed strategy where interest credited is based on the performance of an index, such as the S&P 500 Index, or other indexes. The market indexed strategy is an embedded derivative, similar to a call option. The fair value of the embedded derivative is computed as the present value of benefits attributable to the excess of the projected policy contract values over the projected minimum guaranteed contract values. The projections of policy contract values are based on assumptions for future policy growth, which include assumptions for expected index credits, future equity option costs, volatility, interest rates, and policyholder behavior. The projections of minimum guaranteed contract values include the same assumptions for policyholder behavior as are used to project policy contract values. The embedded derivative cash flows are discounted using a risk-free interest rate increased by instrument-specific credit risk tied to Global Atlantic's own credit rating.

Valuation of embedded derivatives – Interest-sensitive life products

Interest-sensitive life products allow a policyholder's account value to grow based on the performance of certain equity indexes, which results in an embedded derivative similar to a call option. The embedded derivative related to the index is bifurcated from the host contract and measured at fair value. The valuation of the embedded derivative is the present value of future projected benefits in excess of the projected guaranteed benefits, using the option budget as the indexed account value growth rate and the guaranteed interest rate as the guaranteed account value growth rate. Present values are based on discount rate curves determined at the valuation date or issue date as well as assumed lapse and mortality rates. The discount rate equals the forecast treasury rate increased by instrument-specific credit risk tied to Global Atlantic's own credit rating. Changes in discount rates and other assumptions such as spreads and/or option budgets can have a substantial impact on the embedded derivative.

Valuation of embedded derivatives in modified coinsurance or funds withheld

Global Atlantic's reinsurance agreements include modified coinsurance and coinsurance with funds withheld arrangements that include terms that require payment by the ceding company of a principal amount plus a return that is based on a proportion of the ceding company's return on a designated portfolio of assets. Because the return on the funds withheld receivable or payable is not clearly and closely related to the host insurance contract, these contracts are deemed to contain embedded derivatives, which are measured at fair value. Global Atlantic is exposed to both the interest rate and credit risk of the assets. Changes in discount rates and other assumptions can have a significant impact on this embedded derivative. The fair value of the embedded derivatives is included in the funds withheld receivable at interest and funds withheld payable at interest line items on our consolidated statement of financial condition. The change in the fair value of the embedded derivatives is recorded in net investment-related gains (losses) in the consolidated statement of operations.

As of June 30, 2024, the embedded derivative liability balance totaled \$4.5 billion for fixed-indexed annuities, and \$495.3 million for interest-sensitive life. The increase (decrease) to the embedded derivatives on fixed-indexed annuity and indexed universal life as a result of hypothetical changes in interest rates, credit spreads, and equity market prices are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of such balances.

	As of June 30, 2024	
	Fixed-indexed Annuities	Interest Sensitive Life
<i>(\$ in thousands)</i>		
Balance	\$ 4,478,104	\$ 495,342
Hypothetical Change:		
+50 bps Interest Rates	(82,426)	(4,465)
-50 bps Interest Rates	85,426	4,653
+50 bps Credit Spreads	(104,261)	(4,465)
-50 bps Credit Spreads	107,384	4,653
+10% Equity Market Prices	458,378	26,733
-10% Equity Market Prices	(392,295)	(65,811)

Note: Hypothetical changes to the market risk benefits liability balance do not reflect the impact of related hedges.

As of June 30, 2024, the embedded derivative balance for modified coinsurance or funds withheld arrangements was a \$3.0 billion net asset (\$114.3 million in funds withheld receivables at interest, and \$(2.9) billion in funds withheld payable at interest). The increase (decrease) to the embedded derivatives on fixed-indexed annuity and interest-sensitive life products as a result of hypothetical changes in interest rates and investment credit spreads are summarized in the table below. This sensitivity considers the direct effect of such changes only and not changes in any other assumptions used in or items considered in the measurement of such balances.

	As of June 30, 2024	
	Embedded Derivative on Funds Withheld Receivable	Embedded Derivative on Funds Withheld Payable
<i>(\$ in thousands)</i>		
Balance	\$ 114,265	\$ (2,900,476)
Hypothetical Change:		
+50 bps Interest Rates	(12,382)	(1,288,169)
-50 bps Interest Rates	17,333	1,384,405
+50 bps Investment Credit Spreads	(35,678)	(1,154,468)
-50 bps Investment Credit Spreads	35,678	1,250,705

Note: Hypothetical changes to the funds withheld receivable and payable embedded derivative balances do not reflect the impact of related hedges or trading assets which back the funds withheld at interest.

Recently Issued Accounting Pronouncements

For a full discussion of recently issued accounting pronouncements, see Note 2 "Summary of Significant Accounting Policies" in our financial statements included in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There was no material change to our market risks during the three months ended June 30, 2024. For a discussion of our market risks in general, please refer to our Annual Report on Form 10-K for the year ended December 31, 2023. In addition, for a discussion of current market conditions and uncertainties, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Environment."

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that the information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to management, including the Co-Chief Executive Officers and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives.

We carried out an evaluation, under the supervision and with the participation of our management, including the Co-Chief Executive Officers and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2024. Based upon that evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) occurred during the quarter ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS.**

For a discussion of KKR's legal proceedings, see the section entitled "Legal Proceedings" appearing in Note 24 "Commitments and Contingencies" in our financial statements included elsewhere in this report, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS.

Other than as set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Environment" in this report, there were no material changes to the risk factors disclosed in our Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Share Repurchases in the Second Quarter of 2024**

Under our current share repurchase program, KKR is authorized to repurchase its common stock from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any common stock repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. KKR expects that the program, which has no expiration date, will continue to be in effect until the maximum approved dollar amount has been used. The program does not require KKR to repurchase any specific number of shares of common stock, and the program may be suspended, extended, modified or discontinued at any time. In addition to the repurchases of common stock described above, the repurchase program is used for the retirement (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to our Equity Incentive Plans representing the right to receive shares of common stock.

As of July 26, 2024, there is approximately \$101 million remaining under KKR's share repurchase program.

The table below sets forth the information with respect to repurchases made by or on behalf of KKR & Co. Inc. or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of our common stock for the periods presented. During the second quarter of 2024, no shares of common stock were repurchased, and 923,863 equity awards were retired.

Issuer Purchases of Common Stock
(amounts in thousands, except share and per share amounts)

	Total Number of Shares Purchased	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 ⁽¹⁾
Month #1 (April 1, 2024 to April 30, 2024)	—	\$ —	—	\$ 101,134
Month #2 (May 1, 2024 to May 31, 2024)	—	\$ —	—	\$ 101,118
Month #3 (June 1, 2024 to June 30, 2024)	—	\$ —	—	\$ 101,077
Total through June 30, 2024	—		—	\$ 101,077

(1) In April 2024, the share repurchase program was amended such that when the remaining available amount under the share repurchase program becomes \$50 million or less, the total available amount under the share repurchase program will automatically add an additional \$500 million to the then remaining available amount of \$50 million or less.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On August 5, 2024, KKR & Co. Inc. (the "Company") amended and restated its certificate of incorporation (as amended and restated, the "Second Amended and Restated Certificate of Incorporation"). The certificate of incorporation was amended to, among other things, (i) exculpate the Company's officers for monetary damages for breach of fiduciary duty, (ii) remove the right of affiliates that are not subsidiaries of the Company to be indemnified, (iii) eliminate the Company's previously outstanding 6.00% Series C Mandatory Convertible Preferred Stock ("Series C Preferred Stock"), and (iv) restore the number of shares previously reserved for the issuance of Series C Preferred Stock to the total current number of authorized shares of preferred stock. The amendment to exculpate officers of the Company for monetary damages for breach of fiduciary duty was approved by the Conflicts Committee of the Board of Directors, and the directors who are also officers of the Company recused themselves from the adoption of the Second Amended and Restated Certificate of Incorporation by the Board of Directors. KKR Management, as the holder of the sole outstanding share of our Series I preferred stock of the Company, approved the adoption of the Second Amended and Restated Certificate of Incorporation. Because the amendments to the certificate of incorporation of the Company did not adversely affect the stockholders of the Company considered as a whole (or adversely affect any particular class or series of stock as compared to another class of series of stock, treating the common stock as a separate class) in any material respect, no separate vote of the common stockholders of the Company was required.

On August 5, 2024, the Company also amended and restated its bylaws (as amended and restated, the "Second Amended and Restated Bylaws"). The bylaws were amended to, among other things, update the scope of responsibilities of the Conflicts Committee of the Board of Directors, which amendment was approved by a majority of the independent directors of the Board of Directors. KKR Management, as the holder of the sole outstanding share of Series I preferred stock of the Company, also approved the adoption of the Second Amended and Restated Bylaws.

The foregoing description of the Second Amended and Restated Certificate of Incorporation and the Second Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amended and Restated Certificate of Incorporation and the Second Amended and Restated Bylaws, respectively, which are filed as Exhibits 3.1 and 3.2 to this report, respectively, and are incorporated by reference herein.

ITEM 6. EXHIBITS.

The following is a list of all exhibits filed or furnished as part of this report:

Exhibit No.	Description of Exhibit
3.1	Second Amended and Restated Certificate of Incorporation of KKR & Co. Inc.
3.2	Second Amended and Restated Bylaws of KKR & Co. Inc.
4.1	Fourth Supplemental Indenture, dated as of May 30, 2024, among KKR Group Finance Co. XI LLC, KKR & Co. Inc., KKR Group Partnership L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024).
4.2	Fifth Supplemental Indenture, dated as of June 10, 2024, among KKR Group Finance Co. XI LLC, KKR & Co. Inc., KKR Group Partnership L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee.
4.3	Form of 1.559% Senior Note due 2029 (included within Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024 and incorporated by reference).
4.4	Form of 1.762% Senior Note due 2031 (included within Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024 and incorporated by reference).
4.5	Form of 2.083% Senior Note due 2034 (included within Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024 and incorporated by reference).
4.6	Form of 2.719% Senior Note due 2044 (included within Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024 and incorporated by reference).
4.7	Form of 3.008% Senior Note due 2054 (included within Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 30, 2024 and incorporated by reference).
10.1 †	Fourth Amended and Restated 5-Year Revolving Credit Agreement, dated as of April 4, 2024, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings L.P., Mizuho Bank, Ltd., as administrative agent, and the one or more lenders party thereto (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 9, 2024).

Exhibit No.	Description of Exhibit
10.2 †	364-Day Revolving Credit Agreement, dated as of April 4, 2024, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings, L.P., Mizuho Bank Ltd., as administrative agent, and the one or more lenders party thereto (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 9, 2024).
10.3 †	Credit Agreement, dated as of May 7, 2024, among Global Atlantic Limited (Delaware), Global Atlantic (Fin) Company, the Guarantors party thereto from time to time, the Lenders from time to time party thereto, Wells Fargo Bank, N.A., as Administrative Agent, and the other agents and arrangers party thereto (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 9, 2024).
10.4	Third Amended and Restated Credit Agreement, dated as of July 3, 2024, among Kohlberg Kravis Roberts & Co. L.P., KKR Group Partnership L.P., the Guarantors party thereto from time to time, the Lenders party thereto from time to time, and HSBC Bank USA, National Association, as Administrative Agent.
10.5	Fourth Amended and Restated Limited Partnership Agreement of KKR Group Partnership L.P., dated August 6, 2024.
31.1	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive data files pursuant to Rule 405 of Regulation S-T, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Financial Condition as of June 30, 2024 and December 31, 2023, (ii) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024 and June 30, 2023, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2024 and June 30, 2023; (iv) the Condensed Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2024 and June 30, 2023, (v) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and June 30, 2023, and (vi) the Notes to the Condensed Consolidated Financial Statements.
104	Cover page interactive data file, formatted in Inline XBRL and contained in Exhibit 101.

† Certain information contained in this agreement has been omitted because it is not material and is the type that the registrant treats as private or confidential.

The registrant hereby agrees to furnish to the SEC at its request copies of long-term debt instruments defining the rights of holders of outstanding long-term debt that are not required to be filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to 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.

KKR & CO. INC.

By:

/s/ ROBERT H. LEWIN

Robert H. Lewin

Chief Financial Officer

(principal financial and accounting officer)

DATE: August 9, 2024

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Joseph Y. Bae, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2024 of KKR & Co. 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 officers 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) 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
 - (d) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2024

/s/ Joseph Y. Bae

Joseph Y. Bae

Co-Chief Executive Officer

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Scott C. Nuttall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2024 of KKR & Co. 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 officers 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) 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
 - (d) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2024

/s/ Scott C. Nuttall

Scott C. Nuttall

Co-Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Robert H. Lewin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2024 of KKR & Co. 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 officers 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) 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
 - (d) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2024

/s/ Robert H. Lewin

Robert H. Lewin
Chief Financial Officer

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

**Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of KKR & Co. Inc. (the "Corporation") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Joseph Y. Bae, Co-Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) 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 Corporation.

Date: August 9, 2024

/s/ Joseph Y. Bae

Joseph Y. Bae

Co-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 OF CO-CHIEF EXECUTIVE OFFICER

**Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of KKR & Co. Inc. (the "Corporation") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Scott C. Nuttall, Co-Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) 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 Corporation.

Date: August 9, 2024

/s/ Scott C. Nuttall

Scott C. Nuttall

Co-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 OF CHIEF FINANCIAL OFFICER

**Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of KKR & Co. Inc. (the "Corporation") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Robert H. Lewin, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) 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 Corporation.

Date: August 9, 2024

/s/ Robert H. Lewin

Robert H. Lewin

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.