

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): August 5, 2021



**ATHENE HOLDING LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**001-37963**  
(Commission file number)

**98-0630022**  
(I.R.S. Employer  
Identification Number)

**Second Floor, Washington House  
16 Church Street  
Hamilton, HM 11, Bermuda  
(441) 279-8400**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A common shares, par value \$0.001 per share	ATH	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 6.35% Fixed-to-Floating Rate Perpetual Non-Cumulative Preference Share, Series A	ATHPrA	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 6.625% Fixed Rate Perpetual Non-Cumulative Preference Share, Series B	ATHPrB	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 6.375% Fixed-Rate Reset Perpetual Non-Cumulative Preference Share, Series C	ATHPrC	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 4.875% Fixed-Rate Perpetual Non-Cumulative Preference Share, Series D	ATHPrD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

**Item 2.02 Results of Operations and Financial Condition**

On August 5, 2021, Athene Holding Ltd. (the “Company”) issued a press release to announce its financial results for the second quarter 2021. A copy of the press release containing this information is furnished as Exhibit 99.1 hereto and is incorporated by reference in this Item 2.02. The Company’s financial supplement for the second quarter 2021 is furnished as Exhibit 99.2 hereto and is incorporated by reference in this Item 2.02.

The foregoing information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

**99.1** [Press release of Athene Holding Ltd. dated August 5, 2021 \(furnished and not filed\).](#)

**99.2** [Quarterly Financial Supplement for Athene Holding Ltd. for the second quarter 2021 \(furnished and not filed\).](#)

**104** Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ATHENE HOLDING LTD.**

Date: August 5, 2021

/s/ Martin P. Klein

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Martin P. Klein

Executive Vice President and Chief Financial Officer

# ATHENE HOLDING LTD. REPORTS SECOND QUARTER 2021 RESULTS

HAMILTON, Bermuda – August 5, 2021 – Athene Holding Ltd. ("Athene") (NYSE: ATH), a leading financial services company specializing in retirement solutions, today announced financial results for second quarter 2021.

- Diluted EPS of \$6.97 and **record quarterly adjusted operating EPS** of \$5.04 or \$1.0 billion of adjusted operating income
- **Strong gross organic inflows** totaling \$7.6 billion underwritten to returns in excess of targets and driving annualized net organic growth of 5%
- **Strong profitability** during the second quarter with very strong ROA 2.62% and ROE 29.6%
- **Strong quarterly alternative investment performance** driven by broad based strength across the portfolio amid favorable market tailwinds
- **Robust capitalization** with \$4.0 billion of excess equity capital and \$8.3 billion of total deployable capital

"In the second quarter, we once again demonstrated excellent management of both sides of the balance sheet, with strong organic growth, asset outperformance, and a significant gain on our investment in Apollo combining to drive a second consecutive quarter of record adjusted operating income. This is a truly impressive outcome, which resulted in a 32% year-over-year increase in our adjusted book value per share.

"As we draw closer to the completion of our merger with Apollo, which remains on track for January, I am more confident than ever that Athene's best days are ahead. It is increasingly apparent that our track record of consistent excellence over the past 12 years is compounding to drive significant momentum at scale, and I believe that this will accelerate upon fully aligning our business through the merger."

- Jim Belardi, CEO

## Financial Results

(in millions, except percentages and per share data)	2Q'20	2Q'21
<b>GAAP:</b>		
Net income	\$ 824	\$ 1,382
Diluted EPS	\$ 4.19	\$ 6.97
Book value per common share	\$ 66.82	\$ 92.33
Return on equity (ROE)	26.8 %	29.6 %
Return on assets (ROA)	2.03 %	2.62 %
<b>Operating<sup>1</sup>:</b>		
Adj. op. income	\$ 490	\$ 1,000
Adj. op. EPS	\$ 2.49	\$ 5.04
Adj. op. EPS ex notables & AOG	\$ 0.50	\$ 2.88
Adj. book value per common share	\$ 51.15	\$ 67.46
Adj. op. ROE	19.4 %	30.8 %
Adj. op. ROE ex notables & AOG	3.9 %	18.1 %
Adj. op. ROA	1.54 %	2.53 %
Adj. op. ROA ex notables & AOG	0.31 %	1.46 %
Net inv. spread - Ret. Svcs	0.96 %	1.90 %

## Invested Assets & Flows

(in millions, except percentages)	2Q'20	2Q'21
<b>Invested Assets:</b>		
Gross invested assets <sup>2</sup>	\$ 161,965	\$ 188,751
Net invested assets <sup>2</sup>	\$ 137,269	\$ 160,814
Avg. net invested assets	\$ 127,591	\$ 158,259
<b>Flows:</b>		
Retail	\$ 1,791	\$ 1,749
Flow reinsurance	2,265	279
Funding agreements <sup>3</sup>	2,636	4,074
Pension risk transfer	229	1,474
Gross organic inflows	6,921	7,576
Gross inorganic inflows	28,792	—
Total gross inflows	35,713	7,576
Inflows attributable to ACRA NCI	(18,268)	(1,681)
Net outflows <sup>4</sup>	(3,282)	(3,941)
Total Net flows	\$ 14,163	\$ 1,954
Net organic flows <sup>5</sup>	\$ 3,639	\$ 1,954
Net organic growth rate <sup>6</sup>	11.4 %	4.9 %

1 See the non-GAAP measures section on pages 6 through 9 for further discussion of these measures. 2 Net invested assets include our economic ownership of ACRA investments but do not include the investments associated with the ACRA non-controlling interest (NCI). Gross invested assets includes all ACRA investments. 3 Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements.

4 Net outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and funding agreement maturities, net of the ACRA NCI. In Q1'21, we revised the net outflows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. 5 Net organic flows are calculated as organic inflows less total outflows, net of the ACRA NCI. 6 Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis. In Q1'21, we revised the net organic growth rate and average net invested asset metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business.

	Three months ended	
	June 30,	
	2020	2021
<i>(In millions, except per share data)</i>		
<b>Net income available to AHL common shareholders</b>	<b>\$ 824</b>	<b>\$ 1,382</b>
Non-operating adjustments		
Investment gains, net of offsets	775	517
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(405)	(68)
Integration, restructuring and other non-operating expenses	(9)	(11)
Stock compensation expense	—	(1)
Income tax expense - non-operating	(27)	(55)
Less: Total non-operating adjustments	334	382
<b>Adjusted operating income available to common shareholders</b>	<b>\$ 490</b>	<b>\$ 1,000</b>
<b>Adjusted operating income available to common shareholders by segment</b>		
Retirement Services	\$ 208	\$ 634
Corporate and Other	282	366
<b>Adjusted operating income available to common shareholders</b>	<b>\$ 490</b>	<b>\$ 1,000</b>
Earnings per common share – basic Class A	\$ 4.25	\$ 7.21
Earnings per common share – diluted Class A <sup>1</sup>	\$ 4.19	\$ 6.97
Adjusted operating earnings per common share <sup>2</sup>	\$ 2.49	\$ 5.04
Weighted average common shares outstanding – basic Class A	193.9	191.5
Weighted average common shares outstanding – diluted Class A <sup>1</sup>	196.9	198.2
Weighted average common shares outstanding – adjusted operating <sup>2</sup>	196.9	198.2

	Three months ended	
	June 30,	
	2020	2021
<i>(In millions)</i>		
<b>Notable items</b>		
Retirement Services adjusted operating income available to common shareholders	\$ 208	\$ 634
Actuarial experience and market impacts	(22)	(57)
Tax impact of notable items	2	2
Retirement Services notable items	(20)	(55)
Retirement Services adjusted operating income available to common shareholders excluding notable items	188	579
Corporate and Other adjusted operating income available to common shareholders	282	366
<b>Consolidated adjusted operating income available to common shareholders excluding notable items</b>	<b>\$ 470</b>	<b>\$ 945</b>
Adjusted operating earnings per common share excluding notables <sup>2</sup>	\$ 2.39	\$ 4.76

<sup>1</sup> Diluted earnings per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, for all stock-based awards.

<sup>2</sup> Weighted average common shares outstanding – adjusted operating assumes conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of any stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of Class A common shares on the applicable measurement date. We believe this non-GAAP measure is an appropriate economic representation of our share counts for use in an economic view of adjusted operating earnings per common share.

## Second Quarter 2021 Financial Results

**Net income available to AHL common shareholders** for the second quarter 2021 was \$1,382 million, or \$6.97 per diluted Class A common share ("diluted share"), compared to \$824 million, or \$4.19 per diluted share for the second quarter 2020. The increase from the prior year quarter was driven by higher adjusted operating income and a favorable change in the net fair value of fixed indexed annuity ("FIA") derivatives, partially offset by an unfavorable change in fair value of reinsurance assets driven by less favorable credit spread tightening compared to the prior year.

**Adjusted operating income available to common shareholders** for the second quarter 2021 was \$1,000 million, or \$5.04 per adjusted operating common share, compared to \$490 million, or \$2.49 per adjusted operating common share for the second quarter 2020. The increase from the prior year quarter was primarily driven by higher income from alternative investments.

**Adjusted operating income available to common shareholders excluding notables and AOG** for the second quarter 2021 was \$572 million, or \$2.88 per adjusted operating common share, compared to \$98 million, or \$0.50 per adjusted operating common share for the second quarter 2020. The increase from the prior year quarter was primarily driven by the aforementioned strength of income from alternative investments and strong growth in net invested assets.

## Growth Highlights

### Organic Growth

In the second quarter 2021, Athene generated gross organic inflows of \$7.6 billion, its third highest quarter of organic inflows, representing an increase of 9% year-over-year.

Strong organic inflows reflected the advantage of Athene's diversified funding channels, with particular strength on the institutional side of the business in funding agreements and pension risk transfer (PRT). Organic inflows for second quarter 2021 were underwritten in excess of target returns despite the low interest rate environment, reflecting Athene's ability to originate new business with low funding costs and generate alpha within its investment portfolio.

### Retail:

In the second quarter 2021, Athene generated retail inflows of \$1.7 billion, a slight decrease of only 2% year-over-year despite increasing competition for traditional fixed annuity / MYGA business. Second quarter inflows saw continued momentum from fixed indexed annuity (FIA) sales from 1Q'21.

### Flow Reinsurance:

In the second quarter 2021, Athene generated flow reinsurance inflows of \$279 million, reflecting the current competitive market environment issuing traditional fixed annuities at target returns. This represents a decrease of 88% year-over-year, from the near-record quarterly inflows in the prior year quarter amid the onset of unusual pandemic-driven market dynamics.

### Pension Risk Transfer:

In the second quarter 2021, Athene completed two PRT transactions totaling \$1.5 billion, representing a six fold increase from the prior year quarter and continuing a strong pace of year-to-date activity. Subsequent to June 30, 2021, Athene has closed two additional transactions totaling 5.9 billion.

### Funding Agreements<sup>1</sup>:

In the second quarter 2021, Athene generated \$4.1 billion of funding agreement activity, the strongest quarterly inflow result for this channel to date, representing a 55% increase year-over-year and 26% increase quarter-over-quarter. The strong issuance activity was driven by seven transactions across three different currencies, including an inaugural SOFR-linked issuance.

### Net Organic Flows

In the second quarter 2021, Athene generated net organic inflows of \$2.0 billion. This was driven by the aforementioned gross organic inflows of \$7.6 billion, less \$1.7 billion of inflows attributable to third party investors in Athene Co-Invest Reinsurance Affiliate (ACRA) related to PRT and funding agreement activity, as well as net outflows of \$3.9 billion, which were slightly elevated due to larger blocks of business lapsing upon reaching their five-year anniversary during the quarter. Athene's net annualized organic growth rate for the second quarter 2021 was 5% versus 11% in the prior year quarter.

<sup>1</sup> Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements.

## Segment Results

### *Retirement Services*

For the second quarter 2021, adjusted operating income available to common shareholders in Retirement Services was \$634 million, an increase of \$426 million, or 205%, from the second quarter 2020, resulting in an adjusted operating ROE of 27.6%. Excluding notable items, adjusted operating income available to common shareholders in Retirement Services was \$579 million, resulting in an adjusted operating ROE of 25.3%.

The increase in adjusted operating income available to common shareholders over the prior year quarter was primarily driven by strong growth in average net invested assets of \$30 billion or 24%, as well as above-average net investment earnings from alternative investments.

The net investment spread, which measures net investment earnings less cost of funds, was 1.90% of average net invested assets for the second quarter 2021, an increase of 94 basis points from the second quarter 2020. The increase from the prior year quarter was primarily driven by a higher net investment earned rate (NIER), which was mostly attributable to investment income from alternative investments, as well as a lower cost of funds.

The NIER was 4.30% for the second quarter 2021, compared to 3.44% in the prior year quarter. The annualized return on fixed income and other investments during the second quarter 2021 was 3.75%, compared to 3.78% in the prior year quarter. The year-over-year decline of 3 basis points was driven by lower on-the-margin asset deployment yields resulting from declining interest rates and lower income from floating rate investments partially offset by prepayments of Hertz/MidCap loans, higher RMBS returns and higher bond call income. The net annualized return on alternative investments during the second quarter 2021 was 16.27% compared to (4.38)% in the prior year quarter, primarily due to broad-based appreciation in the alternatives portfolio which benefited from favorable market tailwinds and particularly strong performance in Venerable, one of Athene's larger differentiated alternative investments.

Cost of funds, which is comprised of cost of crediting on deferred annuities and institutional products as well as other liability costs, was 2.40% for the second quarter 2021, a decrease of 8 basis points from the second quarter 2020, driven primarily by significant growth underwritten to a lower average cost of funds in a low interest rate environment.

Total cost of crediting was 1.76% for the second quarter 2021, a decrease of 3 basis points from the prior year quarter, driven by lower rates on both institutional business and deferred annuities. The cost of crediting on institutional business was 2.49%, a decrease of 38 basis points from the prior year quarter. The year-over-year decrease was driven by lower rates on funding agreement and pension risk transfer issuances due to declining interest rates and favorable mix shift toward lower cost funding agreements.

The cost of crediting on deferred annuities was 1.87%, a decrease of 7 basis points from the prior year quarter, driven by favorable crediting rate actions, lower option costs, and lower crediting rates on new deferred annuity issuances, partially offset by a full quarter of the Jackson block in 2021 compared to one month in 2020.

Other liability costs, which are primarily applicable to deferred annuities, were 0.64% for the second quarter 2021. The decrease of 5 basis points from the prior year quarter was driven by favorable changes in rider reserves and DAC amortization related to favorable equity market impacts over the last twelve months, partially offset by higher amortization resulting from higher profitability. Relative to the prior year quarter, other liability costs also benefited from a full quarter of the Jackson block, which carries a lower level of other liability costs.

### *Corporate & Other*

In the second quarter 2021, the adjusted operating income available to common shareholders was \$366 million in Corporate & Other, an increase of \$84 million from \$282 million in the second quarter 2020. The increase in adjusted operating income available to common shareholders from the prior year quarter was driven by higher alternative investment income, partially offset by higher preferred dividends and interest expense.

In the second quarter 2021, the change in fair value of Athene's AOG investment, net of tax, resulted in a \$373 million gain, or \$1.88 per common share, primarily reflecting a 32% increase in the common stock price of Apollo Global Management (NYSE: APO).

## Conference Call Information

Athene will host a conference call today, August 5, 2021 at 10:00 a.m. ET. During the call, members of Athene's senior management team will review Athene's financial results for the second quarter 2021 ended June 30, 2021. This press release, the second quarter 2021 earnings presentation, and quarterly financial supplement are posted to Athene's website at [ir.athene.com](http://ir.athene.com).

- Live conference call: Toll-free at (866) 901-0811 (domestic)  
or (346) 354-0810 (international)
- Conference call replay available through August 20, 2021 at (800) 585-8367 (domestic)  
or (404) 537-3406 (international)
- Conference ID number: 4460696
- Live and archived webcast available at [ir.athene.com](http://ir.athene.com)

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## About Athene

Athene, through its subsidiaries, is a leading retirement services company with total assets of \$215.5 billion as of June 30, 2021 and operations in the United States, Bermuda, and Canada. Athene specializes in helping its customers achieve financial security and is a solutions provider to institutions. Founded in 2009, Athene is *Driven to Do More* for our policyholders, business partners, shareholders, and the communities in which we work and live. For more information, please visit [www.athene.com](http://www.athene.com).



## Non-GAAP Measures

In addition to our results presented in accordance with GAAP, we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides information that may enhance an investor's understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers, as such items fluctuate from period to period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the corresponding GAAP measures.

Adjusted operating income (loss) available to common shareholders is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our adjusted operating income (loss) available to common shareholders equals net income (loss) available to AHL common shareholders adjusted to eliminate the impact of the following (collectively, the non-operating adjustments):

- Investment Gains (Losses), Net of Offsets
- Change in Fair Values of Derivatives and Embedded Derivatives – FIAs, Net of Offsets
- Integration, Restructuring and Other Non-Operating Expenses
- Stock Compensation Expense
- Income Tax (Expense) Benefit – Non-Operating

We consider these non-operating adjustments to be meaningful adjustments to net income (loss) available to AHL common shareholders for the reasons discussed in greater detail above. Accordingly, we believe using a measure which excludes the impact of these items is useful in analyzing our business performance and the trends in our results of operations. Together with net income (loss) available to AHL common shareholders, we believe adjusted operating income (loss) available to common shareholders provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income (loss) available to common shareholders should not be used as a substitute for net income (loss) available to AHL common shareholders.

Adjusted operating ROA is a non-GAAP measure used to evaluate our financial performance and profitability. Adjusted operating ROA is computed using our adjusted operating income (loss) available to common shareholders divided by average net invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for ROA presented under GAAP.

Adjusted operating ROE is a non-GAAP measure used to evaluate our financial performance excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted AHL common shareholders' equity is calculated as the ending AHL shareholders' equity excluding AOCI, the cumulative change in fair value of funds withheld and modco reinsurance assets and preferred stock. Adjusted operating ROE is calculated as the adjusted operating income (loss) available to common shareholders, divided by average adjusted AHL common shareholders' equity. These adjustments fluctuate period to period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Except with respect to reinvestment activity relating to acquired blocks of businesses, we typically buy and hold AFS investments to maturity throughout the duration of market fluctuations, therefore, the period-over-period impacts in unrealized gains and losses are not necessarily indicative of current operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets are useful in analyzing trends in our operating results. To enhance the ability to analyze these measures across periods, interim periods are annualized. Adjusted operating ROE should not be used as a substitute for ROE. However, we believe the adjustments to net income (loss) available to AHL common shareholders and AHL common shareholders' equity are significant to gaining an understanding of our overall financial performance.

Adjusted operating earnings (loss) per common share, weighted average common shares outstanding – adjusted operating and adjusted book value per common share are non-GAAP measures used to evaluate our financial performance and financial condition. The non-GAAP measures adjust the number of shares included in the

corresponding GAAP measures to reflect the conversion or settlement of all shares and other stock-based awards outstanding. We believe these measures represent an economic view of our share counts and provide a simplified and consistent view of our outstanding shares. Adjusted operating earnings (loss) per common share is calculated as the adjusted operating income (loss) available to common shareholders, over the weighted average common shares outstanding – adjusted operating. Adjusted book value per common share is calculated as the adjusted AHL common shareholders' equity divided by the adjusted operating common shares outstanding. Effective February 28, 2020, all Class B common shares were converted into Class A common shares and all Class M common shares were converted into warrants and Class A common shares. Our Class B common shares were economically equivalent to Class A common shares and were convertible to Class A common shares on a one-for-one basis at any time. Our Class M common shares were in the legal form of shares but economically functioned as options as they were convertible into Class A common shares after vesting and payment of the conversion price. In calculating Class A diluted earnings (loss) per share on a GAAP basis, we are required to apply sequencing rules to determine the dilutive impacts, if any, of our Class B common shares, Class M common shares and any other stock-based awards. To the extent our Class B common shares, Class M common shares and/or any other stock-based awards were not dilutive, after considering the dilutive effects of the more dilutive securities in the sequence, they were excluded. Weighted average common shares outstanding – adjusted operating and adjusted operating common shares outstanding assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Adjusted operating earnings (loss) per common share, weighted average common shares outstanding – adjusted operating and adjusted book value per common share should not be used as a substitute for basic earnings (loss) per share – Class A common shares, basic weighted average common shares outstanding – Class A or book value per common share. However, we believe the adjustments to the shares and equity are significant to gaining an understanding of our overall results of operations and financial condition.

Net investment spread is a key measure of the profitability of our Retirement Services segment. Net investment spread measures our investment performance less the total cost of our liabilities. Net investment earned rate is a key measure of our investment performance, while cost of funds is a key measure of the cost of our policyholder benefits and liabilities. Investment margin on our deferred annuities measures our investment performance less the cost of crediting for our deferred annuities, which make up a significant portion of our net reserve liabilities.

- Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our net invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our net invested assets divided by the average net invested assets, excluding the impacts of our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to net investment income to arrive at our net investment earned rate add (a) alternative investment gains and losses, (b) gains and losses related to trading securities for CLOs, (c) net VIE impacts (revenues, expenses and noncontrolling interest), (d) forward points gains and losses on foreign exchange derivative hedges and (e) the change in fair value of reinsurance assets, and removes the proportionate share of the ACRA net investment income associated with the ACRA noncontrolling interest as well as the gain or loss on our investment in Apollo. We include the income and assets supporting our change in fair value of reinsurance assets by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of change in fair value of reinsurance assets. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.
- Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products as well as other liability costs, but does not include the proportionate share of the ACRA cost of funds associated with the noncontrolling interest. Cost of funds is computed as the total liability costs divided by the average net invested assets, excluding our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
  - Cost of crediting includes the costs for both deferred annuities and institutional products. Cost of crediting on deferred annuities is the interest credited to the policyholders on our fixed strategies as well as the option costs on the indexed annuity strategies. With respect to FIAs, the cost of providing

index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. Cost of crediting on institutional products is comprised of (i) PRT costs, including interest credited, benefit payments and other reserve changes, net of premiums received when issued, and (ii) funding agreement costs, including the interest payments and other reserve changes. Cost of crediting is computed as the cost of crediting for deferred annuities and institutional products divided by the average net invested assets, excluding the investment in Apollo, for the relevant periods. Cost of crediting on deferred annuities is computed as the net interest credited on fixed strategies and option costs on indexed annuity strategies divided by the average net account value of our deferred annuities. Cost of crediting on institutional products is computed as the PRT and funding agreement costs divided by the average net institutional reserve liabilities. Our average net invested assets, excluding our investment in Apollo, net account values and net institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.

- Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.

Net investment earned rate, cost of funds, net investment spread and investment margin on deferred annuities are non-GAAP measures we use to evaluate the profitability of our business. We believe these metrics are useful in analyzing the trends of our business operations, profitability and pricing discipline. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for net investment income, interest sensitive contract benefits or total benefits and expenses presented under GAAP.

In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.

Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to inflows generated during a specific period of time. Our sales statistics include inflows for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers). While we believe sales is a meaningful metric and enhances our understanding of our business performance, it should not be used as a substitute for premiums presented under GAAP.

Net organic growth rate is calculated as the net organic flows divided by average net invested assets. Net organic flows are comprised of net organic inflows less net outflows. Organic inflows are the deposits generated from our organic channels, which include retail, flow reinsurance and institutional. Net outflows are total liability outflows, including full and partial withdrawals on our deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and maturities of our funding agreements, net of outflows attributable to the ACRA noncontrolling interest. To enhance the ability to analyze these measures across periods, interim periods are annualized. We believe net organic growth rate provides a meaningful financial metric that enables investors to assess our growth from the channels that provide recurring inflows. Management uses net organic growth rate to monitor our business performance and the underlying profitability drivers of our business.

### **Safe Harbor for Forward-Looking Statements**

This press release contains, and certain oral statements made by Athene's representatives from time to time may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of Athene's management and the management of Athene's subsidiaries. Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," "should," or "continues" or similar expressions. Forward-looking statements within this press release include, but are not limited to, statements regarding future growth prospects and financial performance. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of Athene's assumptions and estimates; Athene's ability to maintain or improve financial strength ratings; Athene's ability to manage its business in a highly regulated industry; regulatory changes or actions; the impact of Athene's reinsurers failing to meet their assumed obligations; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; the accuracy of Athene's interpretation of the Tax Cuts and Jobs Act; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; Athene's ability to protect its intellectual property; the ability to maintain or obtain approval of the Delaware Department of Insurance, the Iowa Insurance Division and other regulatory authorities as required for Athene's operations; the delay or failure to complete or realize the expected benefits from the proposed merger with Apollo Global Management; and other factors discussed from time to time in Athene's filings with the SEC, including its annual report on Form 10-K for the year ended December 31, 2020, and its other SEC filings, which can be found at the SEC's website [www.sec.gov](http://www.sec.gov).

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. Athene does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

Athene Holding Ltd.  
Condensed Consolidated Balance Sheets *(unaudited, in millions)*

	December 31, 2020	June 30, 2021
<b>Assets</b>		
Investments		
Available-for-sale securities, at fair value	\$ 82,853	\$ 92,838
Trading securities, at fair value	2,093	2,065
Equity securities	532	600
Mortgage loans, net of allowances	15,264	17,390
Investment funds	803	1,159
Policy loans	369	329
Funds withheld at interest	48,612	45,428
Derivative assets	3,523	4,151
Short-term investments	222	101
Other investments, net of allowances	572	1,680
Total investments	154,843	165,741
Cash and cash equivalents	7,704	8,057
Restricted cash	738	669
Investments in related parties		
Available-for-sale securities, at fair value	6,520	7,047
Trading securities, at fair value	1,529	1,740
Equity securities, at fair value	72	115
Mortgage loans, net of allowances	674	819
Investment funds	5,284	6,324
Funds withheld at interest	13,030	12,576
Other investments, net of allowances	469	147
Accrued investment income	905	1,010
Reinsurance recoverable	4,848	4,627
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	4,964
Other assets	1,249	1,713
<b>Total assets</b>	<b>\$ 202,771</b>	<b>\$ 215,549</b>

*(Continued)*

Condensed Consolidated Balance Sheets *(unaudited, in millions)*

	December 31, 2020	June 30, 2021
<b>Liabilities</b>		
Interest sensitive contract liabilities	\$ 144,566	\$ 150,337
Future policy benefits	29,258	33,293
Other policy claims and benefits	130	118
Dividends payable to policyholders	110	110
Long-term debt	1,976	2,468
Derivative liabilities	298	214
Payables for collateral on derivatives and securities to repurchase	3,801	4,488
Funds withheld liability	452	437
Other liabilities	2,040	2,413
<b>Total liabilities</b>	<b>182,631</b>	<b>193,878</b>
<b>Equity</b>		
Preferred stock	—	—
Common stock	—	—
Additional paid-in capital	6,613	6,640
Retained earnings	8,073	10,029
Accumulated other comprehensive income	3,971	3,337
<b>Total Athene Holding Ltd. shareholders' equity</b>	<b>18,657</b>	<b>20,006</b>
Noncontrolling interests	1,483	1,665
<b>Total equity</b>	<b>20,140</b>	<b>21,671</b>
<b>Total liabilities and equity</b>	<b>\$ 202,771</b>	<b>\$ 215,549</b>

*(Concluded)*

Condensed Consolidated Statements of Income *(unaudited, in millions)*

	Three months ended June 30,	
	2020	2021
<b>Revenue</b>		
Premiums	\$ 355	\$ 1,598
Product charges	141	157
Net investment income	1,336	2,038
Investment related gains	2,548	2,610
Other revenues	18	20
<b>Total revenues</b>	<b>4,398</b>	<b>6,423</b>
<b>Benefits and Expenses</b>		
Interest sensitive contract benefits	2,076	1,979
Amortization of DSI	(21)	22
Future policy and other policy benefits	674	1,950
Amortization of DAC and VOBA	361	230
Dividends to policyholders	9	10
Policy and other operating expenses	218	242
<b>Total benefits and expenses</b>	<b>3,317</b>	<b>4,433</b>
<b>Income before income taxes</b>	<b>1,081</b>	<b>1,990</b>
Income tax expense	150	184
<b>Net income</b>	<b>931</b>	<b>1,806</b>
Less: Net income attributable to noncontrolling interests	88	389
<b>Net income attributable to Athene Holding Ltd. shareholders</b>	<b>843</b>	<b>1,417</b>
Less: Preferred stock dividends	19	35
<b>Net income available to Athene Holding Ltd. common shareholders</b>	<b>\$ 824</b>	<b>\$ 1,382</b>

## Non-GAAP Measure Reconciliations

The reconciliation of net income available to Athene Holding Ltd. common shareholders to adjusted operating income available to common shareholders excluding notables and AOG is as follows:

<i>(In millions)</i>	Three months ended	
	June 30,	
	2020	2021
Net income available to Athene Holding Ltd. common shareholders	\$ 824	\$ 1,382
Less: Total non-operating adjustments	334	382
Adjusted operating income available to common shareholders	490	1,000
Notable items	(20)	(55)
Adjusted operating income available to common shareholders excluding notable items	\$ 470	\$ 945
Retirement Services adjusted operating income available to common shareholders	\$ 208	\$ 634
Actuarial experience and market impacts	(22)	(57)
Tax impact of notable items	2	2
Retirement Services notable items	(20)	(55)
Retirement Services adjusted operating income available to common shareholders excluding notable items	188	579
Corporate and Other adjusted operating income available to common shareholders	282	366
Consolidated adjusted operating income available to common shareholders excluding notable items	470	945
Less: Change in fair value of Apollo investment, net of tax	372	373
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 98	\$ 572

The reconciliation of basic earnings per Class A common share to adjusted operating earnings per common share is as follows:

	Three months ended	
	June 30,	
	2020	2021
Basic earnings per share – Class A common shares	\$ 4.25	\$ 7.21
Non-operating adjustments		
Investment gains (losses), net of offsets	3.93	2.61
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(2.06)	(0.34)
Integration, restructuring and other non-operating expenses	(0.04)	(0.06)
Income tax expense - non-operating	(0.14)	(0.28)
Less: Total non-operating adjustments	1.69	1.93
Less: Effect of items convertible to or settled in Class A common shares	0.07	0.24
Adjusted operating earnings per common share	\$ 2.49	\$ 5.04

The reconciliation of basic weighted average Class A common shares to weighted average common shares outstanding – adjusted operating, is as follows:

<i>(In millions)</i>	Three months ended	
	June 30,	
	2020	2021
Basic weighted average common shares outstanding – Class A	193.9	191.5
Effect of other stock compensation plans	3.0	6.7
Weighted average common shares outstanding – adjusted operating	196.9	198.2

The reconciliation of AHL shareholders' equity to adjusted AHL common shareholders' equity included in adjusted book value per common share and adjusted operating ROE is as follows:

<i>(In millions)</i>	June 30,	
	2020	2021
Total AHL shareholders' equity	\$ 14,711	\$ 20,006
Less: Preferred stock	1,755	2,312
Total AHL common shareholders' equity	12,956	17,694
Less: AOCI	2,184	3,337
Less: Accumulated change in fair value of reinsurance assets	615	886
Total adjusted AHL common shareholders' equity	\$ 10,157	\$ 13,471
Retirement Services	\$ 6,957	\$ 9,471
Corporate and Other	3,200	4,000
Total adjusted AHL common shareholders' equity	\$ 10,157	\$ 13,471

The reconciliation of average AHL shareholders' equity to average adjusted AHL common shareholders' equity included in adjusted operating ROE is as follows:

<i>(In millions)</i>	Three months ended June 30,	
	2020	2021
Average AHL shareholders' equity	\$ 12,326	\$ 18,649
Less: Average preferred stock	1,464	2,312
Less: Average AOCI	505	2,679
Less: Average accumulated change in fair value of reinsurance assets	230	687
Average adjusted AHL common shareholders' equity	\$ 10,127	\$ 12,971
Retirement Services	\$ 7,480	\$ 9,171
Corporate and Other	2,647	3,800
Average adjusted AHL common shareholders' equity	\$ 10,127	\$ 12,971

The reconciliation of basic Class A common shares outstanding to adjusted operating common shares outstanding is as follows:

<i>(In millions)</i>	June 30,	
	2020	2021
Class A common shares outstanding	193.9	191.6
Conversion of Class B common shares to Class A common shares	—	—
Effect of other stock compensation plans	4.7	8.1
Adjusted operating common shares outstanding	198.6	199.7

The reconciliation of book value per common share to adjusted book value per common share is as follows:

	June 30,	
	2020	2021
Book value per common share	\$ 66.82	\$ 92.33
AOCI	(11.26)	(17.41)
Accumulated change in fair value of reinsurance assets	(3.17)	(4.62)
Effect of items convertible to or settled in Class A common shares	(1.24)	(2.84)
Adjusted book value per common share	\$ 51.15	\$ 67.46



The reconciliation of net investment income to net investment earnings and earned rate is as follows:

(In millions)	Three months ended June 30,			
	2020		2021	
	Dollar	Rate	Dollar	Rate
GAAP net investment income	\$ 1,336	4.22 %	\$ 2,038	5.20 %
Change in fair value of reinsurance assets	218	0.69 %	388	0.99 %
Alternative gains (losses)	56	0.18 %	(18)	(0.05)%
ACRA noncontrolling interest	(81)	(0.26)%	(219)	(0.56)%
Apollo investment (gain) loss	(481)	(1.52)%	(472)	(1.20)%
Held for trading amortization and other	(8)	(0.02)%	9	0.02 %
Total adjustments to arrive at net investment earnings/earned rate	(296)	(0.93)%	(312)	(0.80)%
Total net investment earnings/earned rate	\$ 1,040	3.29 %	\$ 1,726	4.40 %
Retirement Services	\$ 1,075	3.44 %	\$ 1,659	4.30 %
Corporate and Other	(35)	(8.91)%	67	11.72 %
Total net investment earnings/earned rate	\$ 1,040	3.29 %	\$ 1,726	4.40 %
Retirement Services	\$ 124,943		\$ 154,459	
Corporate and Other ex. Apollo investment	1,567		2,294	
Consolidated average net invested assets ex. Apollo investment	\$ 126,510		\$ 156,753	

The reconciliation of interest sensitive contract benefits to Retirement Services' cost of crediting, and the respective rates, is as follows:

(In millions)	Three months ended June 30,			
	2020		2021	
	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 2,076	6.65 %	\$ 1,979	5.12 %
Interest credited other than deferred annuities and institutional products	75	0.24 %	94	0.25 %
FIA option costs	271	0.86 %	278	0.72 %
Product charges (strategy fees)	(34)	(0.11)%	(40)	(0.10)%
Reinsurance embedded derivative impacts	15	0.05 %	12	0.03 %
Change in fair values of embedded derivatives – FIAs	(1,734)	(5.55)%	(1,480)	(3.83)%
Negative VOBA amortization	5	0.02 %	5	0.01 %
ACRA noncontrolling interest	(113)	(0.37)%	(180)	(0.47)%
Other changes in interest sensitive contract liabilities	(1)	— %	10	0.03 %
Total adjustments to arrive at cost of crediting	(1,516)	(4.86)%	(1,301)	(3.36)%
Retirement Services cost of crediting	\$ 560	1.79 %	\$ 678	1.76 %
Retirement Services cost of crediting on deferred annuities	\$ 451	1.94 %	\$ 486	1.87 %
Retirement Services cost of crediting on institutional products	109	2.87 %	192	2.49 %
Retirement Services cost of crediting	\$ 560	1.79 %	\$ 678	1.76 %
Retirement Services average net invested assets	\$ 124,943		\$ 154,459	
Average net account value on deferred annuities	92,814		104,107	
Average institutional net reserve liabilities	15,233		30,863	

The reconciliation of benefits and expenses to other liability costs is as follows:

<i>(In millions)</i>	Three months ended	
	June 30,	
	2020	2021
GAAP benefits and expenses	\$ 3,317	\$ 4,433
Premiums	(355)	(1,598)
Product charges	(141)	(157)
Other revenues	(18)	(20)
Cost of crediting	(275)	(388)
Change in fair value of embedded derivatives – FIA, net of offsets	(1,445)	(1,450)
DAC, DSI and VOBA amortization related to investment gains and losses	(323)	(94)
Rider reserves	(46)	(20)
Policy and other operating expenses, excluding policy acquisition expenses	(145)	(168)
AmerUs closed block fair value liability	(100)	(54)
ACRA noncontrolling interest	(241)	(242)
Other changes in benefits and expenses	(13)	5
Total adjustments to arrive at other liability costs	(3,102)	(4,186)
Other liability costs	\$ 215	\$ 247
Retirement Services	\$ 215	\$ 247
Corporate and Other	—	—
Consolidated other liability costs	\$ 215	\$ 247

The reconciliation of total investments, including related parties, to net invested assets is as follows:

<i>(In millions)</i>	June 30,	
	2020	2021
Total investments, including related parties	\$ 163,039	\$ 194,509
Derivative assets	(2,379)	(4,151)
Cash and cash equivalents (including restricted cash)	7,521	8,726
Accrued investment income	836	1,010
Payables for collateral on derivatives	(2,117)	(3,890)
Reinsurance funds withheld and modified coinsurance	(203)	(1,699)
VIE and VOE assets, liabilities and noncontrolling interest	(18)	(281)
Unrealized (gains) losses	(3,782)	(5,960)
Ceded policy loans	(225)	(179)
Net investment receivables (payables)	(1,281)	328
Allowance for credit losses	574	338
Total adjustments to arrive at gross invested assets	(1,074)	(5,758)
Gross invested assets	161,965	188,751
ACRA noncontrolling interest	(24,696)	(27,937)
Net invested assets	\$ 137,269	\$ 160,814

#### Additional Information Regarding the Transaction and Where to Find It

This press release is being made in respect of the proposed transaction involving Tango Holdings, Inc. (“HoldCo”), Apollo Global Management, Inc. (“AGM”), and Athene Holding Ltd. (the “Company”). The proposed transaction will be submitted to the stockholders of AGM and the shareholders of the Company for their respective consideration. In connection therewith, the parties intend to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a definitive proxy statement, which will be mailed to the stockholders of AGM and the shareholders of the Company. However, such documents are not currently available. BEFORE MAKING ANY VOTING OR ANY INVESTMENT DECISION, AS APPLICABLE, INVESTORS AND SECURITY HOLDERS OF AGM AND THE COMPANY ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders

may obtain free copies of the definitive joint proxy statement/prospectus, any amendments or supplements thereto and other documents containing important information about AGM and the Company, once such documents are filed with the SEC, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

Copies of the documents filed with the SEC by AGM are available free of charge under the "Stockholders" section of AGM's website located at <http://www.apollo.com> or by contacting AGM's Investor Relations Department at (212) 822-0528 or [APOInvestorRelations@apollo.com](mailto:APOInvestorRelations@apollo.com). Copies of the documents filed with the SEC by the Company are available free of charge under the "Investors" section of the Company's website located at <http://www.athene.com> or by contacting the Company's Investor Relations Department at (441) 279-8531 or [ir@athene.com](mailto:ir@athene.com).

#### **Participants in the Solicitation**

AGM, the Company, and HoldCo and their respective directors, executive officers, members of management and employees may, under the rules of the SEC, be deemed to be participants in the solicitation of proxies in connection with the proposed transaction.

Information about the directors and executive officers of AGM and HoldCo is set forth in AGM's proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on August 20, 2020, its annual report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 19, 2021, and in subsequent documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above.

Information about the directors and executive officers of the Company is set forth in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 19, 2021, its amendment to its annual report on Form 10-K/A for the fiscal year ended December 31, 2020, which was filed with the SEC on April 20, 2021, and in subsequent documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above.

Other information regarding the participants in the proxy solicitations of the stockholders of AGM and the shareholders of the Company, and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the preliminary and definitive proxy statements and other relevant materials to be filed with the SEC when they become available.

#### **No Offer or Solicitation**

This press release is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell or an invitation to subscribe for, buy or sell any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.



Athene Holding Ltd.  
2Q'21 Financial Supplement

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## Financial Highlights

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>SELECTED INCOME STATEMENT DATA</b>										
Net income (loss) available to AHL common shareholders	\$ 824	\$ 622	\$ 1,065	\$ 578	\$ 1,382	139 %	68 %	\$ (241)	\$ 1,960	NM
Adjusted operating income available to common shareholders	490	302	558	748	1,000	34 %	104 %	382	1,748	NM
Adjusted operating income available to common shareholders ex. notables and AOG	98	356	404	759	572	(25)%	NM	274	1,332	NM
<b>FINANCIAL RATIOS</b>										
Return on assets (ROA)	2.03 %	1.33 %	2.16 %	1.13 %	2.62 %	149bps	59bps	(0.31)%	1.88 %	NM
Adjusted operating ROA	1.54 %	0.86 %	1.52 %	1.96 %	2.53 %	57bps	99bps	0.62 %	2.25 %	163bps
Adjusted operating ROA, excluding notables and AOG	0.31 %	1.03 %	1.11 %	2.00 %	1.46 %	(54)bps	115bps	0.45 %	1.73 %	128bps
Net investment spread – Retirement Services	0.96 %	1.41 %	1.75 %	2.48 %	1.90 %	(58)bps	94bps	1.00 %	2.18 %	118bps
Return on equity (ROE)	26.8 %	16.2 %	24.6 %	12.9 %	29.6 %	NM	280bps	(3.4)%	21.0 %	NM
Adjusted operating ROE	19.4 %	11.7 %	20.5 %	25.3 %	30.8 %	NM	NM	7.8 %	28.2 %	NM
Adjusted operating ROE, excluding notables and AOG	3.9 %	13.9 %	15.0 %	26.0 %	18.1 %	NM	NM	5.6 %	22.0 %	NM
Adjusted operating ROE – Retirement Services	11.1 %	20.2 %	26.2 %	37.8 %	27.6 %	NM	NM	11.4 %	32.6 %	NM
<b>EARNINGS AND BOOK VALUE PER COMMON SHARE</b>										
Earnings (loss) per common share – basic class A	\$ 4.25	\$ 3.22	\$ 5.57	\$ 3.02	\$ 7.21	139 %	70 %	\$ (0.64)	\$ 10.24	NM
Earnings (loss) per common share – diluted class A <sup>1</sup>	4.19	3.16	5.44	2.94	6.97	137 %	66 %	(0.64)	9.92	NM
Adjusted operating earnings per common share <sup>2</sup>	2.49	1.53	2.85	3.80	5.04	33 %	102 %	2.01	8.84	NM
Adjusted operating earnings per common share ex. notables and AOG	0.50	1.81	2.06	3.86	2.88	(25)%	NM	1.44	6.74	NM
Book value per common share	66.82	74.21	85.51	78.25	92.33	18 %	38 %	66.82	92.33	38 %
Adjusted book value per common share <sup>2</sup>	51.15	53.61	56.95	62.88	67.46	7 %	32 %	51.15	67.46	32 %
<b>SELECTED BALANCE SHEET DATA</b>										
Total assets	183,241	\$ 191,088	\$ 202,771	\$ 205,670	\$ 215,549	5 %	18 %	\$ 183,241	\$ 215,549	18 %
Gross invested assets	161,965	167,136	175,424	182,296	188,751	4 %	17 %	161,965	188,751	17 %
Invested assets – ACRA noncontrolling interests	(24,696)	(24,301)	(25,234)	(26,593)	(27,937)	(5)%	(13)	(24,696)	(27,937)	(13)
Net invested assets	137,269	142,835	150,190	155,703	160,814	3 %	17 %	137,269	160,814	17 %
Total liabilities	167,602	173,971	182,631	187,334	193,878	3 %	16 %	167,602	193,878	16 %
Net reserve liabilities	131,333	137,767	144,989	148,339	152,772	3 %	16 %	131,333	152,772	16 %
Debt	1,486	1,487	1,976	1,977	2,468	25 %	66 %	1,486	2,468	66 %
Total AHL shareholders' equity	14,711	15,943	18,657	17,291	20,006	16 %	36 %	14,711	20,006	36 %
Adjusted AHL common shareholders' equity	10,157	10,522	11,232	12,470	13,471	8 %	33 %	10,157	13,471	33 %
<b>FLOWS DATA</b>										
Net organic flows <sup>3</sup>	\$ 3,639	\$ 4,706	\$ 4,866	\$ 3,224	\$ 1,954	(39)%	(46)%	\$ 4,846	\$ 5,178	7 %
Average net invested assets	127,591	140,052	146,512	152,947	158,259	3 %	24 %	123,646	155,570	26 %
Net organic growth rate <sup>4</sup>	11.4 %	13.4 %	13.3 %	8.4 %	4.9 %	NM	NM	7.8 %	6.7 %	NM
Net organic growth rate – LTM	6.7 %	7.9 %	10.8 %	11.6 %	9.9 %	NM	NM	6.7 %	9.9 %	NM

Note: "NM" represents changes that are not meaningful. Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion of non-GAAP metrics. 1 Diluted earnings (loss) per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, for all stock-based awards, and for the six months ended June 30, 2020, the dilutive impacts, if any, of Class B and Class M common shares. 2 Represents Class A common shares outstanding or weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of any stock-based awards, and for the six months ended June 30, 2020, the impacts of Class B and Class M common shares, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. 3 Net organic flows are calculated as organic inflows less total outflows, net of the ACRA noncontrolling interest. In Q1'21 we revised the net organic flows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. 4 Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis. In Q1'21, we revised the net organic growth rate and average net invested assets metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business.

## Condensed Consolidated Statements of Income (GAAP view)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>REVENUE</b>										
Premiums	\$ 355	\$ 112	\$ 4,356	\$ 3,011	\$ 1,598	(47)%	NM	\$ 1,495	\$ 4,609	208 %
Product charges	141	144	146	150	157	5 %	11 %	281	307	9 %
Net investment income	1,336	1,209	1,595	1,704	2,038	20 %	53 %	2,081	3,742	80 %
Investment related gains (losses)	2,548	1,797	2,536	(488)	2,610	NM	2 %	(1,024)	2,122	NM
Other revenues	18	13	7	14	20	43 %	11 %	16	34	113 %
Total revenues	\$ 4,398	\$ 3,275	\$ 8,640	\$ 4,391	\$ 6,423	46 %	46 %	\$ 2,849	\$ 10,814	280 %
<b>BENEFITS AND EXPENSES</b>										
Interest sensitive contract benefits	\$ 2,076	\$ 1,225	\$ 1,909	\$ 394	\$ 1,979	NM	(5)%	\$ 757	\$ 2,373	213 %
Amortization of deferred sales inducements	(21)	48	29	84	22	(74)%	NM	(11)	106	NM
Future policy and other policy benefits	674	439	4,718	3,317	1,950	(41)%	189 %	2,030	5,267	159 %
Amortization of deferred acquisition costs and value of business acquired	361	299	274	164	230	40 %	(36)%	(52)	394	NM
Dividends to policyholders	9	9	9	10	10	— %	11 %	20	20	— %
Policy and other operating expenses	218	231	218	283	242	(14)%	11 %	406	525	29 %
Total benefits and expenses	3,317	2,251	7,157	4,252	4,433	4 %	34 %	3,150	8,685	176 %
Income (loss) before income taxes	1,081	1,024	1,483	139	1,990	NM	84 %	(301)	2,129	NM
Income tax expense (benefit)	150	140	161	62	184	197 %	23 %	(16)	246	NM
Net income (loss)	931	884	1,322	77	1,806	NM	94 %	(285)	1,883	NM
Less: Net income (loss) attributable to noncontrolling interests	88	232	229	(537)	389	NM	NM	(81)	(148)	(83)
Net income (loss) attributable to Athene Holding Ltd. shareholders	843	652	1,093	614	1,417	131 %	68 %	(204)	2,031	NM
Less: Preferred stock dividends	19	30	28	36	35	(3)%	84 %	37	71	92 %
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 824	\$ 622	\$ 1,065	\$ 578	\$ 1,382	139 %	68 %	\$ (241)	\$ 1,960	NM

## Segment Results of Operations (Management view)

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>CONSOLIDATED</b>										
Fixed income and other investment income	\$ 1,140	\$ 1,225	\$ 1,283	\$ 1,286	\$ 1,395	8 %	22 %	\$ 2,328	\$ 2,681	15 %
Alternative investment income (loss)	(100)	305	324	712	331	(54)%	NM	(137)	1,043	NM
Net investment earnings	1,040	1,530	1,607	1,998	1,726	(14)%	66 %	2,191	3,724	70 %
Cost of crediting	(560)	(640)	(677)	(668)	(678)	(1)%	(21)%	(1,100)	(1,346)	(22)%
Other liability costs <sup>1</sup>	(215)	(320)	(281)	(342)	(247)	28 %	(15)%	(557)	(589)	(6)%
Cost of funds	(775)	(960)	(958)	(1,010)	(925)	8 %	(19)%	(1,657)	(1,935)	(17)%
Operating expenses	(88)	(78)	(93)	(98)	(95)	3 %	(8)%	(167)	(193)	(16)%
Interest expense	(28)	(27)	(27)	(26)	(27)	(4)%	4 %	(47)	(53)	(13)%
Management fees from ACRA	3	9	8	9	8	(11)%	167 %	5	17	240 %
Pre-tax adjusted operating income	152	474	537	873	687	(21)%	NM	325	1,560	NM
Income tax expense – operating <sup>2</sup>	(15)	(61)	(64)	(70)	(25)	64 %	(67)%	(39)	(95)	NM
Adjusted operating income	137	413	473	803	662	(18)%	NM	286	1,465	NM
Preferred stock dividends	(19)	(30)	(28)	(36)	(35)	3 %	(84)%	(37)	(71)	(92)%
Adjusted operating income available to common shareholders excluding Apollo	118	383	445	767	627	(18)%	NM	249	1,394	NM
Change in fair value of Apollo investment, net of tax <sup>3</sup>	372	(81)	113	(19)	373	NM	— %	133	354	166 %
Adjusted operating income available to common shareholders	\$ 490	\$ 302	\$ 558	\$ 748	\$ 1,000	34 %	104 %	\$ 382	\$ 1,748	NM
Adjusted operating earnings per common share	\$ 2.49	\$ 1.53	\$ 2.85	\$ 3.80	\$ 5.04	33 %	102 %	\$ 2.01	\$ 8.84	NM
<b>RETIREMENT SERVICES</b>										
Fixed income and other investment income	\$ 1,132	\$ 1,216	\$ 1,274	\$ 1,276	\$ 1,385	9 %	22 %	\$ 2,309	\$ 2,661	15 %
Alternative investment income (loss)	(57)	228	310	659	274	(58)%	NM	(50)	933	NM
Net investment earnings	1,075	1,444	1,584	1,935	1,659	(14)%	54 %	2,259	3,594	59 %
Cost of crediting	(560)	(640)	(677)	(668)	(678)	(1)%	(21)%	(1,100)	(1,346)	(22)%
Other liability costs <sup>1</sup>	(215)	(320)	(281)	(342)	(247)	28 %	(15)%	(557)	(589)	(6)%
Cost of funds	(775)	(960)	(958)	(1,010)	(925)	8 %	(19)%	(1,657)	(1,935)	(17)%
Operating expenses	(71)	(63)	(73)	(78)	(81)	(4)%	(14)%	(139)	(159)	(14)%
Interest expense	(9)	(8)	(4)	(2)	(2)	— %	78 %	(17)	(4)	76 %
Management fees from ACRA	3	9	8	9	8	(11)%	167 %	5	17	240 %
Pre-tax adjusted operating income	223	422	557	854	659	(23)%	196 %	451	1,513	235 %
Income tax expense – operating	(15)	(61)	(64)	(70)	(25)	64 %	(67)%	(39)	(95)	NM
Adjusted operating income available to common shareholders	\$ 208	\$ 361	\$ 493	\$ 784	\$ 634	(19)%	205 %	\$ 412	\$ 1,418	244 %
<b>CORPORATE &amp; OTHER</b>										
Fixed income and other investment income	\$ 8	\$ 9	\$ 9	\$ 10	\$ 10	— %	25 %	\$ 19	\$ 20	5 %
Alternative investment income (loss)	(43)	77	14	53	57	8 %	NM	(87)	110	NM
Net investment earnings (loss)	(35)	86	23	63	67	6 %	NM	(68)	130	NM
Operating expenses	(17)	(15)	(20)	(20)	(14)	30 %	18 %	(28)	(34)	(21)%
Interest expense	(19)	(19)	(23)	(24)	(25)	(4)%	(32)%	(30)	(49)	(63)%
Adjusted operating income (loss)	(71)	52	(20)	19	28	47 %	NM	(126)	47	NM
Preferred stock dividends	(19)	(30)	(28)	(36)	(35)	3 %	(84)%	(37)	(71)	(92)%
Adjusted operating income (loss) available to common shareholders excluding Apollo	(90)	22	(48)	(17)	(7)	59 %	92 %	(163)	(24)	85 %
Change in fair value of Apollo investment, net of tax <sup>3</sup>	372	(81)	113	(19)	373	NM	— %	133	354	166 %
Adjusted operating income (loss) available to common shareholders	\$ 282	\$ (59)	\$ 65	\$ (36)	\$ 366	NM	30 %	\$ (30)	\$ 330	NM

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on adjusted operating income available to common shareholders and adjusted operating earnings per common share. 1 Other liability costs primarily includes DAC, DSI and VOBA amortization and rider reserve changes for all products, the cost of liabilities on products other than deferred annuities and institutional costs including offsets for premiums, product charges and other revenues. 2 Income tax expense - operating excludes the income tax expense/benefit on the earnings from our investment in Apollo. 3 Change in fair value of Apollo investment, net of tax, includes both the change in our investment in Apollo and the tax expense or benefit associated with the income or loss.



## Components of Adjusted Operating Return on Assets (Management View)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>CONSOLIDATED</b>										
Fixed income and other investment income	3.78 %	3.70 %	3.70 %	3.57 %	3.75 %	18bps	(3)bps	3.97 %	3.66 %	(31)bps
Alternative investment income (loss)	(6.75)%	19.44 %	19.56 %	38.51 %	16.73 %	NM	NM	(4.70)%	27.67 %	NM
Net investment earnings	3.29 %	4.41 %	4.43 %	5.27 %	4.40 %	(87)bps	111bps	3.56 %	4.83 %	127bps
Cost of crediting	(1.77)%	(1.84)%	(1.86)%	(1.76)%	(1.73)%	3bps	4bps	(1.79)%	(1.75)%	4bps
Other liability costs	(0.68)%	(0.93)%	(0.78)%	(0.90)%	(0.63)%	27bps	5bps	(0.91)%	(0.76)%	15bps
Cost of funds	(2.45)%	(2.77)%	(2.64)%	(2.66)%	(2.36)%	30bps	9bps	(2.70)%	(2.51)%	19bps
Net investment spread	0.84 %	1.64 %	1.79 %	2.61 %	2.04 %	(57)bps	120bps	0.86 %	2.32 %	146bps
Operating expenses	(0.28)%	(0.22)%	(0.26)%	(0.26)%	(0.24)%	2bps	4bps	(0.27)%	(0.25)%	2bps
Interest expense	(0.09)%	(0.08)%	(0.07)%	(0.07)%	(0.07)%	0bps	2bps	(0.08)%	(0.07)%	1bps
Management fees from ACRA	0.01 %	0.03 %	0.02 %	0.02 %	0.02 %	0bps	1bps	0.01 %	0.02 %	1bps
Pre-tax adjusted operating income	0.48 %	1.37 %	1.48 %	2.30 %	1.75 %	(55)bps	127bps	0.52 %	2.02 %	150bps
Income tax expense – operating	(0.05)%	(0.18)%	(0.18)%	(0.18)%	(0.06)%	12bps	(1)bps	(0.05)%	(0.12)%	(7)bps
Adjusted operating income	0.43 %	1.19 %	1.30 %	2.12 %	1.69 %	(43)bps	126bps	0.47 %	1.90 %	143bps
Preferred stock dividends	(0.06)%	(0.09)%	(0.07)%	(0.10)%	(0.09)%	1bps	(3)bps	(0.06)%	(0.09)%	(3)bps
Adjusted operating income available to common shareholders excluding Apollo	0.37 %	1.10 %	1.23 %	2.02 %	1.60 %	(42)bps	123bps	0.41 %	1.81 %	140bps
Change in fair value of Apollo investment, net of tax	1.17 %	(0.24)%	0.29 %	(0.06)%	0.93 %	NM	(24)bps	0.21 %	0.44 %	23bps
Adjusted operating income available to common shareholders	1.54 %	0.86 %	1.52 %	1.96 %	2.53 %	57bps	99bps	0.62 %	2.25 %	163bps
Consolidated average net invested assets ex. Apollo investment	\$ 126,510	\$ 138,797	\$ 145,251	\$ 151,644	\$ 156,753	3 %	24 %	\$ 122,925	\$ 154,125	25 %
Consolidated average net invested assets	127,591	140,052	146,512	152,947	158,259	3 %	24 %	123,646	155,570	26 %
<b>RETIREMENT SERVICES</b>										
Fixed income and other investment income	3.78 %	3.70 %	3.70 %	3.57 %	3.75 %	18bps	(3)bps	3.98 %	3.66 %	(32)bps
Alternative investment income (loss)	(4.38)%	17.24 %	22.59 %	42.33 %	16.27 %	NM	NM	(1.95)%	29.30 %	NM
Net investment earnings	3.44 %	4.22 %	4.43 %	5.18 %	4.30 %	(88)bps	86bps	3.73 %	4.73 %	100bps
Cost of crediting	(1.79)%	(1.87)%	(1.89)%	(1.79)%	(1.76)%	3bps	3bps	(1.81)%	(1.77)%	4bps
Other liability costs	(0.69)%	(0.94)%	(0.79)%	(0.91)%	(0.64)%	27bps	5bps	(0.92)%	(0.78)%	14bps
Cost of funds	(2.48)%	(2.81)%	(2.68)%	(2.70)%	(2.40)%	30bps	8bps	(2.73)%	(2.55)%	18bps
Net investment spread	0.96 %	1.41 %	1.75 %	2.48 %	1.90 %	(58)bps	94bps	1.00 %	2.18 %	118bps
Operating expenses	(0.23)%	(0.18)%	(0.20)%	(0.21)%	(0.21)%	0bps	2bps	(0.23)%	(0.21)%	2bps
Interest expense	(0.03)%	(0.02)%	(0.01)%	(0.01)%	(0.01)%	0bps	2bps	(0.03)%	(0.01)%	2bps
Management fees from ACRA	0.01 %	0.03 %	0.02 %	0.02 %	0.02 %	0bps	1bps	0.01 %	0.02 %	1bps
Pre-tax adjusted operating income	0.71 %	1.24 %	1.56 %	2.28 %	1.70 %	(58)bps	99bps	0.75 %	1.98 %	123bps
Income tax expense – operating	(0.04)%	(0.18)%	(0.18)%	(0.18)%	(0.06)%	12bps	(2)bps	(0.07)%	(0.11)%	(4)bps
Adjusted operating income available to common shareholders	0.67 %	1.06 %	1.38 %	2.10 %	1.64 %	(46)bps	97bps	0.68 %	1.87 %	119bps
Retirement Services average net invested assets	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 154,459	3 %	24 %	\$ 121,213	\$ 151,870	25 %

## Reconciliation of Earnings Measures

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO ATHENE HOLDING LTD. COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS</b>										
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 824	\$ 622	\$ 1,065	\$ 578	\$ 1,382	139 %	68 %	\$ (241)	\$ 1,960	NM
Non-operating adjustments										
Realized gains (losses) on sale of AFS securities	(11)	(11)	37	19	57	200 %	NM	1	76	NM
Unrealized, allowances and other investment gains (losses)	52	49	116	100	32	(68)%	(38)%	(317)	132	NM
Change in fair value of reinsurance assets	1,113	434	522	(865)	554	NM	(50)%	(164)	(311)	(90)%
Offsets to investment gains (losses)	(379)	(126)	(149)	141	(126)	NM	67 %	116	15	(87)%
Investment gains (losses), net of offsets	775	346	526	(605)	517	NM	(33)%	(364)	(88)	76 %
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(405)	72	33	488	(68)	NM	83 %	(340)	420	NM
Integration, restructuring and other non-operating expenses	(9)	—	3	(45)	(11)	76 %	(22)%	(13)	(56)	NM
Stock compensation expense	—	(1)	—	—	(1)	NM	NM	(10)	(1)	90 %
Income tax (expense) benefit – non-operating	(27)	(97)	(55)	(8)	(55)	NM	NM	104	(63)	NM
Less: Total non-operating adjustments	334	320	507	(170)	382	NM	14 %	(623)	212	NM
Adjusted operating income available to common shareholders	\$ 490	\$ 302	\$ 558	\$ 748	\$ 1,000	34 %	104 %	\$ 382	\$ 1,748	NM
<b>RECONCILIATION OF BASIC EARNINGS (LOSS) PER CLASS A COMMON SHARES TO ADJUSTED OPERATING EARNINGS PER COMMON SHARE</b>										
Basic earnings (loss) per share – Class A common shares	\$ 4.25	\$ 3.22	\$ 5.57	\$ 3.02	\$ 7.21	139 %	70 %	\$ (0.64)	\$ 10.24	NM
Non-operating adjustments										
Realized gains (losses) on sale of AFS securities	(0.06)	(0.06)	0.19	0.10	0.28	180 %	NM	—	0.38	NM
Unrealized, allowances and other investment gains (losses)	0.26	0.24	0.59	0.50	0.17	(66)%	(35)%	(1.67)	0.67	NM
Change in fair value of reinsurance assets	5.66	2.20	2.66	(4.40)	2.80	NM	(51)%	(0.86)	(1.57)	(83)%
Offsets to investment gains (losses)	(1.93)	(0.64)	(0.76)	0.72	(0.64)	NM	67 %	0.61	0.08	(87)%
Investment gains (losses), net of offsets	3.93	1.74	2.68	(3.08)	2.61	NM	(34)%	(1.92)	(0.44)	77 %
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(2.06)	0.37	0.17	2.48	(0.34)	NM	83 %	(1.79)	2.12	NM
Integration, restructuring and other non-operating expenses	(0.04)	—	0.01	(0.22)	(0.06)	73 %	(50)%	(0.06)	(0.28)	NM
Stock compensation expense	—	—	—	—	—	NM	NM	(0.05)	(0.01)	80 %
Income tax (expense) benefit – non-operating	(0.14)	(0.49)	(0.28)	(0.04)	(0.28)	NM	(100)%	0.55	(0.32)	NM
Less: Total non-operating adjustments	1.69	1.62	2.58	(0.86)	1.93	NM	14 %	(3.27)	1.07	NM
Less: Effect of items convertible to or settled in Class A common shares	0.07	0.07	0.14	0.08	0.24	200 %	243 %	0.62	0.33	(47)%
Adjusted operating earnings per common share	\$ 2.49	\$ 1.53	\$ 2.85	\$ 3.80	\$ 5.04	33 %	102 %	\$ 2.01	\$ 8.84	NM

Note: Please refer to Notes to the Financial Supplement section for discussion on adjusted operating income available to common shareholders.

## Retirement Services Segment Highlights

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>NET INVESTMENT SPREAD – RETIREMENT SERVICES</b>										
Net investment earned rate	3.44 %	4.22 %	4.43 %	5.18 %	4.30 %	(88)bps	86bps	3.73 %	4.73 %	100bps
Cost of crediting	1.79 %	1.87 %	1.89 %	1.79 %	1.76 %	(3)bps	(3)bps	1.81 %	1.77 %	(4)bps
Other liability costs	0.69 %	0.94 %	0.79 %	0.91 %	0.64 %	(27)bps	(5)bps	0.92 %	0.78 %	(14)bps
Cost of funds	2.48 %	2.81 %	2.68 %	2.70 %	2.40 %	(30)bps	(8)bps	2.73 %	2.55 %	(18)bps
Net investment spread	0.96 %	1.41 %	1.75 %	2.48 %	1.90 %	(58)bps	94bps	1.00 %	2.18 %	118bps
Average net invested assets	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 154,459	3 %	24 %	\$ 121,213	\$ 151,870	25 %
<b>COST OF CREDITING – RETIREMENT SERVICES</b>										
FIA option costs	\$ 252	\$ 264	\$ 258	\$ 255	\$ 250	(2)%	(1)%	\$ 500	\$ 505	1 %
Fixed interest credited to policyholders	199	242	247	238	236	(1)%	19 %	373	474	27 %
Cost of crediting on deferred annuities	451	506	505	493	486	(1)%	8 %	873	979	12 %
Average account value on deferred annuities	92,814	102,144	103,990	104,310	104,107	— %	12 %	90,654	104,200	15 %
Cost of crediting on deferred annuities rate	1.94 %	1.98 %	1.94 %	1.89 %	1.87 %	(2)bps	(7)bps	1.92 %	1.88 %	(4)bps
Cost of crediting on institutional products	\$ 109	\$ 134	\$ 172	\$ 175	\$ 192	10 %	76 %	\$ 227	\$ 367	62 %
Average institutional reserve liabilities	15,233	18,162	22,375	27,028	30,863	14 %	103 %	14,742	28,946	96 %
Cost of crediting on institutional products rate	2.87 %	2.95 %	3.08 %	2.59 %	2.49 %	(10)bps	(38)bps	3.08 %	2.54 %	(54)bps
Cost of crediting	\$ 560	\$ 640	\$ 677	\$ 668	\$ 678	1 %	21 %	\$ 1,100	\$ 1,346	22 %
<b>OTHER LIABILITY COSTS – RETIREMENT SERVICES</b>										
Change in rider reserve	\$ 128	\$ 119	\$ 121	\$ 138	\$ 86	(38)%	(33)%	\$ 311	\$ 224	(28)%
DAC, DSI and VOBA amortization	84	178	154	194	153	(21)%	82 %	211	347	64 %
Other <sup>1</sup>	3	23	6	10	8	(20)%	167 %	35	18	(49)%
Other liability costs	\$ 215	\$ 320	\$ 281	\$ 342	\$ 247	(28)%	15 %	\$ 557	\$ 589	6 %
<b>INVESTMENT MARGIN ON DEFERRED ANNUITIES – RETIREMENT SERVICES</b>										
Net investment earned rate	3.44 %	4.22 %	4.43 %	5.18 %	4.30 %	(88)bps	86bps	3.73 %	4.73 %	100bps
Cost of crediting on deferred annuities	1.94 %	1.98 %	1.94 %	1.89 %	1.87 %	(2)bps	(7)bps	1.92 %	1.88 %	(4)bps
Investment margin on deferred annuities	1.50 %	2.24 %	2.49 %	3.29 %	2.43 %	(86)bps	93bps	1.81 %	2.85 %	104bps

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Reconciliations for discussion on net investment spread, investment margin on deferred annuities, net investment earned rate, cost of crediting on deferred annuities and other liability costs. <sup>1</sup> Other primarily includes payout annuities, policy maintenance costs, reinsurance expense allowances and non-deferred acquisition costs, net of product charges.

## Condensed Consolidated Balance Sheets

Unaudited (in millions, except percentages)



	December 31, 2020	June 30, 2021	Δ
<b>ASSETS</b>			
Investments			
Available-for-sale securities, at fair value	\$ 82,853	\$ 92,838	12 %
Trading securities, at fair value	2,093	2,065	(1)%
Equity securities	532	600	13 %
Mortgage loans, net of allowances	15,264	17,390	14 %
Investment funds	803	1,159	44 %
Policy loans	369	329	(11)%
Funds withheld at interest	48,612	45,428	(7)%
Derivative assets	3,523	4,151	18 %
Short-term investments	222	101	(55)%
Other investments, net of allowances	572	1,680	194 %
<b>Total investments</b>	<b>154,843</b>	<b>165,741</b>	<b>7 %</b>
Cash and cash equivalents	7,704	8,057	5 %
Restricted cash	738	669	(9)%
Investments in related parties			
Available-for-sale securities, at fair value	6,520	7,047	8 %
Trading securities, at fair value	1,529	1,740	14 %
Equity securities, at fair value	72	115	60 %
Mortgage loans, net of allowances	674	819	22 %
Investment funds	5,284	6,324	20 %
Funds withheld at interest	13,030	12,576	(3)%
Other investments, net of allowances	469	147	(69)%
Accrued investment income	905	1,010	12 %
Reinsurance recoverable	4,848	4,627	(5)%
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	4,964	1 %
Other assets	1,249	1,713	37 %
<b>Total assets</b>	<b>\$ 202,771</b>	<b>\$ 215,549</b>	<b>6 %</b>

## Condensed Consolidated Balance Sheets, continued

Unaudited (in millions, except percentages)



	December 31, 2020	June 30, 2021	Δ
<b>LIABILITIES</b>			
Interest sensitive contract liabilities	\$ 144,566	\$ 150,337	4 %
Future policy benefits	29,258	33,293	14 %
Other policy claims and benefits	130	118	(9)%
Dividends payable to policyholders	110	110	— %
Long-term debt	1,976	2,468	25 %
Derivative liabilities	298	214	(28)%
Payables for collateral on derivatives and securities to repurchase	3,801	4,488	18 %
Funds withheld liability	452	437	(3)%
Other liabilities	2,040	2,413	18 %
Total liabilities	<u>182,631</u>	<u>193,878</u>	6 %
<b>EQUITY</b>			
Preferred stock	—	—	NM
Common stock	—	—	NM
Additional paid-in-capital	6,613	6,640	— %
Retained earnings	8,073	10,029	24 %
Accumulated other comprehensive income	3,971	3,337	(16)%
Total Athene Holding Ltd. shareholders' equity	<u>18,657</u>	<u>20,006</u>	7 %
Noncontrolling interests	1,483	1,665	12 %
Total equity	<u>20,140</u>	<u>21,671</u>	8 %
Total liabilities and equity	<u>\$ 202,771</u>	<u>\$ 215,549</u>	6 %

## Investments (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
<b>INVESTMENTS AND INVESTMENTS IN RELATED PARTIES SUMMARY</b>				
<b>Investments</b>				
Available-for-sale securities, at fair value				
U.S. government and agencies	\$ 351	0.2 %	\$ 334	0.2 %
U.S. state, municipal and political subdivisions	1,033	0.6 %	1,016	0.5 %
Foreign governments	368	0.2 %	416	0.2 %
Corporate	58,180	31.9 %	63,674	32.7 %
CLO	9,569	5.2 %	13,183	6.8 %
ABS	4,270	2.3 %	5,299	2.7 %
CMBS	2,169	1.2 %	2,454	1.3 %
RMBS	6,913	3.8 %	6,462	3.3 %
Total available-for-sale securities, at fair value	82,853	45.4 %	92,838	47.7 %
Trading securities, at fair value				
Equity securities	2,093	1.2 %	2,065	1.1 %
Mortgage loans, net of allowances	532	0.3 %	600	0.3 %
Investment funds	15,264	8.4 %	17,390	8.9 %
Policy loans	803	0.4 %	1,159	0.6 %
Funds withheld at interest	369	0.2 %	329	0.2 %
Derivative assets	48,612	26.7 %	45,428	23.4 %
Short-term investments	3,523	1.9 %	4,151	2.1 %
Other investments	222	0.1 %	101	0.1 %
Total investments	154,843	84.9 %	165,741	85.2 %
<b>Investments in related parties</b>				
Available-for-sale securities, at fair value				
Corporate	215	0.1 %	177	0.1 %
CLO	1,520	0.9 %	2,039	1.0 %
ABS	4,785	2.6 %	4,831	2.5 %
Total available-for-sale securities, at fair value	6,520	3.6 %	7,047	3.6 %
Trading securities, at fair value				
Equity securities, at fair value	1,529	0.8 %	1,740	0.9 %
Mortgage loans	72	— %	115	0.1 %
Investment funds	674	0.4 %	819	0.4 %
Funds withheld at interest	5,284	2.9 %	6,324	3.2 %
Other investments	13,030	7.1 %	12,576	6.5 %
Total investments in related parties	469	0.3 %	147	0.1 %
Total investments including related parties	\$ 182,421	100.0 %	\$ 194,509	100.0 %

# Net Invested Assets (Management view) and Flows

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	Percent of Total	Invested Asset Value <sup>1</sup>	Percent of Total
<b>NET INVESTED ASSETS</b>				
Corporate	\$ 71,040	47.3 %	\$ 75,413	46.9 %
CLO	14,609	9.7 %	17,245	10.7 %
Credit	85,649	57.0 %	92,658	57.6 %
RMBS	8,337	5.6 %	7,585	4.7 %
CML	16,778	11.2 %	18,898	11.8 %
RML	4,774	3.2 %	5,510	3.4 %
CMBS	3,227	2.1 %	3,452	2.1 %
Real estate	33,116	22.1 %	35,445	22.0 %
ABS	13,137	8.7 %	14,542	9.0 %
Alternative investments	6,793	4.5 %	7,831	4.9 %
State, municipal, political subdivisions and foreign government	2,136	1.4 %	2,054	1.3 %
Equity securities	478	0.3 %	525	0.3 %
Short-term investments	479	0.3 %	52	— %
U.S. government and agencies	206	0.2 %	241	0.2 %
Other investments	23,229	15.4 %	25,245	15.7 %
Cash and equivalents	5,417	3.6 %	4,342	2.7 %
Policy loans and other	1,455	1.0 %	1,394	0.9 %
Net invested assets excluding investment in Apollo	148,866	99.1 %	159,084	98.9 %
Investment in Apollo	1,324	0.9 %	1,730	1.1 %
Net invested assets	\$ 150,190	100.0 %	\$ 160,814	100.0 %

	Quarterly Trends					Δ		Year-to-Date		
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Δ
<b>NET FLOWS</b>										
Retail	\$ 1,791	\$ 2,465	\$ 2,299	\$ 1,757	\$ 1,749	— %	(2)%	\$ 3,037	\$ 3,506	15 %
Flow reinsurance	2,265	2,317	559	299	279	(7)%	(88)%	3,126	578	(82)%
Funding agreements <sup>2</sup>	2,636	2,619	2,199	3,226	4,074	26 %	55 %	3,459	7,300	111
Pension risk transfer	229	—	4,221	2,893	1,474	(49)%	NM	1,246	4,367	250 %
Gross organic inflows	6,921	7,401	9,278	8,175	7,576	(7)%	9 %	10,868	15,751	45 %
Gross inorganic inflows	28,792	—	—	—	—	NM	NM	28,792	—	NM
Total gross inflows	35,713	7,401	9,278	8,175	7,576	(7)%	(79)%	39,660	15,751	(60)%
Inflows attributable to ACRA noncontrolling interest	(18,268)	—	(1,180)	(1,470)	(1,681)	(14)%	91 %	(18,268)	(3,151)	83 %
Net outflows <sup>3</sup>	(3,282)	(2,695)	(3,232)	(3,481)	(3,941)	(13)%	(20)%	(6,022)	(7,422)	(23)%
Net flows	\$ 14,163	\$ 4,706	\$ 4,866	\$ 3,224	\$ 1,954	(39)%	(86)%	\$ 15,370	\$ 5,178	(66)%
Gross organic inflows	\$ 6,921	\$ 7,401	\$ 9,278	\$ 8,175	\$ 7,576	(7)%	9 %	\$ 10,868	\$ 15,751	45 %
Organic inflows attributable to ACRA noncontrolling interest	—	—	(1,180)	(1,470)	(1,681)	(14)%	NM	—	(3,151)	NM
Net organic inflows	6,921	7,401	8,098	6,705	5,895	(12)%	(15)%	10,868	12,600	16 %
Net outflows <sup>3</sup>	(3,282)	(2,695)	(3,232)	(3,481)	(3,941)	(13)%	(20)%	(6,022)	(7,422)	(23)%
Net organic flows	\$ 3,639	\$ 4,706	\$ 4,866	\$ 3,224	\$ 1,954	(39)%	(46)%	\$ 4,846	\$ 5,178	7 %
Net organic growth rate <sup>4</sup>	11.4 %	13.4 %	13.3 %	8.4 %	4.9 %	NM	NM	7.8 %	6.7 %	NM

<sup>1</sup> Please refer to Notes to the Financial Supplement for discussion on net invested assets including net alternative investments and Non-GAAP Measure Reconciliations for the reconciliation of investments including related parties to net invested assets. Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. <sup>2</sup> Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements. <sup>3</sup> Net outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and funding agreement maturities, net of the ACRA noncontrolling interest. In Q1'21, we revised the net outflows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. <sup>4</sup> Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis. In Q1'21, we revised the net organic growth rate and average net invested assets metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business.

## Investment Funds (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
<b>INVESTMENT FUNDS INCLUDING RELATED PARTIES<sup>1</sup></b>				
Investment funds				
Real estate	\$ 348	5.7 %	\$ 510	6.8 %
Credit funds	107	1.8 %	96	1.3 %
Private equity	267	4.4 %	281	3.8 %
Real assets	81	1.3 %	272	3.6 %
<b>Total investment funds</b>	<b>803</b>	<b>13.2 %</b>	<b>1,159</b>	<b>15.5 %</b>
Investment funds – related parties				
Differentiated investments				
A-A Mortgage <sup>2</sup>	444	7.3 %	77	1.0 %
Catalina	334	5.5 %	348	4.7 %
Athora	709	11.6 %	723	9.7 %
Venerable	123	2.0 %	329	4.4 %
Other	279	4.6 %	346	4.6 %
<b>Total differentiated investments</b>	<b>1,889</b>	<b>31.0 %</b>	<b>1,823</b>	<b>24.4 %</b>
Real estate	828	13.5 %	1,269	17.0 %
Credit funds	375	6.2 %	417	5.5 %
Private equity	473	7.8 %	531	7.1 %
Real assets	172	2.8 %	344	4.6 %
Natural resources	113	1.9 %	122	1.6 %
Public equities	110	1.8 %	88	1.2 %
Investment in Apollo	1,324	21.8 %	1,730	23.1 %
<b>Total investment funds – related parties</b>	<b>5,284</b>	<b>86.8 %</b>	<b>6,324</b>	<b>84.5 %</b>
<b>Total investment funds including related parties</b>	<b>\$ 6,087</b>	<b>100.0 %</b>	<b>\$ 7,483</b>	<b>100.0 %</b>

Note: The investment funds balances include the entire investment fund balance attributable to ACRA as ACRA is 100% consolidated. 1 Investment funds, including related parties, is the GAAP measure which does not include investments that we view as alternative investments. Alternative investments include CLO and ABS equity tranche securities that are included in trading securities in the GAAP view, a nonredeemable preferred stock viewed as an alternative investment for management view but included in equity securities for GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, royalties and other investments. Please refer to Notes to the Financial Supplement section for discussion on net invested assets including net alternative investments and the Non-GAAP Measure Reconciliations section for the reconciliation of investment funds, including related parties, to net alternative investments. 2 In April of 2021, we sold our investment in AmeriHome, which is held by A-A Mortgage. Following the sale of AmeriHome, A-A Mortgage distributed the majority of the proceeds, with the remaining residual investment expected to be distributed within the next year.



## Net Alternative Investments (Management view)

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	Percent of Total	Invested Asset Value <sup>1</sup>	Percent of Total
<b>NET ALTERNATIVE INVESTMENTS</b>				
<b>Retirement Services</b>				
Differentiated investments				
A-A Mortgage <sup>2</sup>	\$ 546	8.0 %	\$ 96	1.2 %
MidCap	611	9.0 %	639	8.2 %
Catalina	334	4.9 %	347	4.4 %
Venerable	123	1.8 %	329	4.2 %
Other	339	5.0 %	395	5.0 %
Total differentiated investments	1,953	28.7 %	1,806	23.0 %
Real estate	1,537	22.6 %	1,997	25.5 %
Credit	941	13.9 %	1,100	14.0 %
Private equity	831	12.2 %	1,352	17.3 %
Real assets	296	4.4 %	325	4.2 %
Natural resources	60	0.9 %	73	0.9 %
Total Retirement Services	5,618	82.7 %	6,661	85.0 %
<b>Corporate &amp; Other</b>				
Athora	661	9.7 %	695	8.9 %
Credit	93	1.4 %	85	1.1 %
Natural resources	238	3.5 %	228	2.9 %
Equities <sup>3</sup>	183	2.7 %	162	2.1 %
Total Corporate & Other	1,175	17.3 %	1,170	15.0 %
Net alternative investments <sup>4</sup>	\$ 6,793	100.0 %	\$ 7,831	100.0 %

<sup>1</sup> Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. <sup>2</sup> In April of 2021, we sold our investment in AmeriHome, which is held by A-A Mortgage. Following the sale of AmeriHome, A-A Mortgage distributed the majority of the proceeds, with the remaining residual investment expected to be distributed within the next year. <sup>3</sup> Equities includes our private equity investment in Jackson and a public equity position of 1.9 million and 2.9 million shares in OneMain Holdings, Inc. (ticker: OMF) as of June 30, 2021 and December 31, 2020, respectively. <sup>4</sup> Net alternative investments does not correspond to the total investment funds, including related parties, on our condensed consolidated balance sheets. Net alternative investments adjusts the GAAP presentation to include CLO and ABS equity tranche securities that are included in trading securities in the GAAP view, a nonredeemable preferred stock viewed as an alternative investment for management view but included in equity securities for GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, royalties and other investments. Please refer to Notes to the Financial Supplement section for discussion on net invested assets including net alternative investments and the Non-GAAP Measure Reconciliations section for the reconciliation of investment funds, including related parties, to net alternative investments.

## Funds Withheld at Interest (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
<b>FUNDS WITHHELD AT INTEREST INCLUDING RELATED PARTIES</b>				
Fixed maturity securities				
U.S. state, municipal and political subdivisions	\$ 513	0.8 %	\$ 381	0.6 %
Foreign governments	301	0.5 %	271	0.5 %
Corporate	34,057	55.2 %	29,621	51.1 %
CLO	5,912	9.6 %	5,148	8.9 %
ABS	5,212	8.5 %	6,257	10.8 %
CMBS	2,374	3.8 %	2,319	4.0 %
RMBS	2,270	3.7 %	1,900	3.3 %
Total fixed maturity securities	50,639	82.1 %	45,897	79.2 %
Equity securities	119	0.2 %	146	0.3 %
Mortgage loans	8,201	13.3 %	9,446	16.3 %
Investment funds	1,155	1.9 %	1,586	2.6 %
Derivative assets	200	0.3 %	209	0.4 %
Short-term investments	608	1.0 %	11	— %
Other investments	15	— %	—	— %
Cash and cash equivalents	906	1.5 %	1,016	1.7 %
Other assets and liabilities	(201)	(0.3)%	(307)	(0.5)%
Total funds withheld at interest including related parties <sup>1</sup>	\$ 61,642	100.0 %	\$ 58,004	100.0 %

<sup>1</sup> Funds withheld at interest represents a receivable for amounts contractually withheld by ceding companies in accordance with modco and funds withheld reinsurance agreements in which we act as the reinsurer. In managing our business we utilize invested assets, where we adjust the presentation for funds withheld and modco transactions to include or exclude the underlying investments based upon the contractual transfer of economic exposure to such underlying investments.

## Segment Net Investment Earned Rates (NIER)

Unaudited (In millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>NIER – CONSOLIDATED</b>										
Fixed income and other investments	3.78 %	3.70 %	3.70 %	3.57 %	3.75 %	18bps	(3)bps	3.97 %	3.66 %	(31)bps
Alternative investments	(6.75)%	19.44 %	19.56 %	38.51 %	16.73 %	NM	NM	(4.70)%	27.67 %	NM
Total net investment earned rate	3.29 %	4.41 %	4.43 %	5.27 %	4.40 %	(87)bps	111bps	3.56 %	4.83 %	127bps
<b>NIER SUMMARY – RETIREMENT SERVICES</b>										
Fixed income and other investments	3.78 %	3.70 %	3.70 %	3.57 %	3.75 %	18bps	(3)bps	3.98 %	3.66 %	(32)bps
Alternative investments	(4.38)%	17.24 %	22.59 %	42.33 %	16.27 %	NM	NM	(1.95)%	29.30 %	NM
Total net investment earned rate	3.44 %	4.22 %	4.43 %	5.18 %	4.30 %	(88)bps	86bps	3.73 %	4.73 %	100bps
Fixed income and other investment income	\$ 1,132	\$ 1,216	\$ 1,274	\$ 1,276	\$ 1,385	9 %	22 %	\$ 2,309	\$ 2,661	15 %
Alternatives investment income (loss)	(57)	228	310	659	274	(58)%	NM	(50)	933	NM
Total net investment earnings	\$ 1,075	\$ 1,444	\$ 1,584	\$ 1,935	\$ 1,659	(14)%	54 %	\$ 2,259	\$ 3,594	59 %
Fixed income and other investments	\$ 119,720	\$ 131,565	\$ 137,678	\$ 143,173	\$ 147,713	3 %	23 %	\$ 116,080	\$ 145,500	25 %
Alternatives investments	5,223	5,287	5,484	6,224	6,746	8 %	29 %	5,133	6,370	24 %
Total average net invested assets	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 154,459	3 %	24 %	\$ 121,213	\$ 151,870	25 %
<b>NIER SUMMARY – CORPORATE &amp; OTHER</b>										
Fixed income and other investments	3.78 %	3.68 %	3.70 %	3.57 %	3.75 %	18bps	(3)bps	3.67 %	3.71 %	4bps
Alternative investments	(24.20)%	31.35 %	4.94 %	18.24 %	19.40 %	116bps	NM	(25.34)%	18.81 %	NM
Total net investment earned rate	(8.91)%	17.59 %	4.38 %	11.22 %	11.72 %	50bps	NM	(7.94)%	11.56 %	NM
Fixed income and other investment income	\$ 8	\$ 9	\$ 9	\$ 10	\$ 10	— %	25 %	\$ 19	\$ 20	5 %
Alternatives investment income (loss)	(43)	77	14	53	57	8 %	NM	(87)	110	NM
Total net investment earnings (loss)	\$ (35)	\$ 86	\$ 23	\$ 63	\$ 67	6 %	NM	\$ (68)	\$ 130	NM
Fixed income and other investments	\$ 856	\$ 967	\$ 953	\$ 1,075	\$ 1,125	5 %	31 %	\$ 1,027	\$ 1,084	6 %
Alternatives investments	711	978	1,136	1,172	1,169	— %	64 %	685	1,171	71 %
Total average net invested assets ex. Apollo investment	\$ 1,567	\$ 1,945	\$ 2,089	\$ 2,247	\$ 2,294	2 %	46 %	\$ 1,712	\$ 2,255	32 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net investment earned rate and net invested assets. The investment results above are presented net of investment management fees as well as the proportionate share of income/(loss) and investments associated with the ACRA noncontrolling interest. Consolidated and Corporate & Other average net invested assets exclude the assets related to our investment in Apollo when used in the calculation of our net investment earned rate.

**NIERs by Asset Class and Apollo Investment**  
Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>NIER BY ASSET CLASS</b>										
Corporate securities	3.80 %	3.77 %	3.70 %	3.54 %	3.66 %	12bps	(14)bps	3.89 %	3.61 %	(28)bps
Structured securities										
RMBS	4.61 %	4.72 %	5.08 %	5.19 %	5.34 %	15bps	73bps	5.04 %	5.26 %	22bps
CLO	3.74 %	2.88 %	3.12 %	3.03 %	2.92 %	(11)bps	(82)bps	4.05 %	2.97 %	NM
ABS	3.85 %	3.78 %	3.91 %	3.72 %	4.83 %	111bps	98bps	4.16 %	4.30 %	14bps
CMBS	4.39 %	4.23 %	4.26 %	3.93 %	4.12 %	19bps	(27)bps	4.31 %	4.01 %	(30)bps
Total structured securities	4.05 %	3.73 %	3.91 %	3.77 %	4.12 %	35bps	7bps	4.36 %	3.95 %	(41)bps
State, municipal, political subdivisions and U.S. and foreign government	3.38 %	3.56 %	3.35 %	3.20 %	3.40 %	20bps	2bps	3.93 %	3.32 %	(61)bps
Mortgage loans	4.29 %	4.17 %	4.37 %	3.97 %	3.92 %	(5)bps	(37)bps	4.32 %	3.96 %	(36)bps
Alternative investments	(6.75)%	19.44 %	19.56 %	38.51 %	16.73 %	NM	NM	(4.70)%	27.67 %	NM
Other U.S. and Bermuda net invested assets	1.17 %	2.13 %	1.28 %	1.29 %	1.61 %	32bps	44bps	1.71 %	1.37 %	(34)bps
Consolidated net investment earned rate	3.29 %	4.41 %	4.43 %	5.27 %	4.40 %	(87)bps	111bps	3.56 %	4.83 %	127bps

**APOLLO INVESTMENT DETAILS**

Change in fair value of Apollo investment	\$ 481	\$ (101)	\$ 142	\$ (25)	\$ 472	NM	NM	\$ 184	\$ 447	NM
Income tax (expense) benefit on Apollo investment	(109)	20	(29)	6	(99)	NM	NM	(51)	(93)	NM
Change in fair value of Apollo investment, net of tax	\$ 372	\$ (81)	\$ 113	\$ (19)	\$ 373	NM	NM	\$ 133	\$ 354	NM

Annualized return on Apollo investment, net of tax	137.7 %	(25.8)%	35.8 %	(6.0)%	99.0 %	NM	NM	36.9 %	48.9 %	NM
Change in fair value of Apollo investment impact on adjusted operating EPS <sup>1</sup>	\$ 1.89	\$ (0.41)	\$ 0.58	\$ (0.10)	\$ 1.88	NM	(100)bps	\$ 0.70	\$ 1.78	NM
Adjusted operating EPS, excluding AOG <sup>1</sup>	\$ 0.60	\$ 1.94	\$ 2.27	\$ 3.90	\$ 3.16	NM	NM	\$ 1.31	\$ 7.06	NM

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net investment earned rate. The investment results above are presented net of investment management fees as well as the proportionate share of income/(loss) and investments associated with the ACRA noncontrolling interest. <sup>1</sup> The impact of the Apollo investment on adjusted operating EPS includes removing the income/(loss) on the investment, net of tax.

## Credit Quality of Securities

Unaudited (in millions, except percentages)



CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)	December 31, 2020		June 30, 2021	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NAIC designation</b>				
1	\$ 41,532	46.5 %	\$ 45,430	45.5 %
2	41,704	46.7 %	47,979	48.0 %
<b>Total investment grade</b>	<b>83,236</b>	<b>93.2 %</b>	<b>93,409</b>	<b>93.5 %</b>
3	4,853	5.4 %	5,033	5.0 %
4	1,145	1.3 %	1,257	1.3 %
5	114	0.1 %	118	0.1 %
6	25	— %	68	0.1 %
<b>Total below investment grade</b>	<b>6,137</b>	<b>6.8 %</b>	<b>6,476</b>	<b>6.5 %</b>
<b>Total AFS securities including related parties</b>	<b>\$ 89,373</b>	<b>100.0 %</b>	<b>\$ 99,885</b>	<b>100.0 %</b>
<b>NRSRO designation</b>				
AAA/AA/A	\$ 33,553	37.5 %	\$ 38,530	38.5 %
BBB	34,404	38.5 %	41,725	41.8 %
Non-rated <sup>1</sup>	12,732	14.3 %	11,353	11.4 %
<b>Total investment grade<sup>2</sup></b>	<b>80,689</b>	<b>90.3 %</b>	<b>91,608</b>	<b>91.7 %</b>
BB	4,020	4.5 %	4,114	4.1 %
B	1,030	1.2 %	1,183	1.2 %
CCC	1,557	1.7 %	1,448	1.4 %
CC and lower	973	1.1 %	881	0.9 %
Non-rated <sup>1</sup>	1,104	1.2 %	651	0.7 %
<b>Total below investment grade</b>	<b>8,684</b>	<b>9.7 %</b>	<b>8,277</b>	<b>8.3 %</b>
<b>Total AFS securities including related parties</b>	<b>\$ 89,373</b>	<b>100.0 %</b>	<b>\$ 99,885</b>	<b>100.0 %</b>

SUMMARY OF NAIC 1 & 2 DESIGNATIONS BY ASSET CLASS (MANAGEMENT VIEW)	Invested Asset Value <sup>3</sup>	% NAIC 1 or 2	Invested Asset Value <sup>3</sup>	% NAIC 1 or 2
<b>Corporate securities</b>	<b>\$ 65,887</b>	<b>92.7 %</b>	<b>\$ 70,509</b>	<b>93.5 %</b>
RMBS	7,721	92.6 %	7,049	92.9 %
CLO	14,139	96.8 %	16,955	98.3 %
ABS	11,722	89.2 %	12,985	89.3 %
CMBS	2,459	76.2 %	2,643	76.6 %
<b>Total structured securities</b>	<b>36,041</b>	<b>91.7 %</b>	<b>39,632</b>	<b>92.5 %</b>
State, municipal, political subdivisions and U.S. and foreign government	2,221	94.9 %	2,270	98.9 %
Short-term investments	429	89.4 %	42	81.8 %
<b>Total NAIC 1 &amp; 2 Designations</b>	<b>\$ 104,578</b>		<b>\$ 112,453</b>	

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaaS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. <sup>2</sup> We view the NAIC designation methodology as the most appropriate way to view our AFS portfolio when evaluating credit risk since a large portion of our holdings were purchased at a significant discount to par. With respect to loan-backed and structured securities, the NAIC designation methodology differs in significant respects from the NRSRO rating methodology. NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par regardless of entry price, while the NAIC designation methodology considers our investment at amortized cost, and the likelihood of recovery of that book value as opposed to the likelihood of the recovery of all contractual payments. <sup>3</sup> Please refer to Notes to the Financial Supplement section for discussion on net invested assets and the Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets.

## Credit Quality of Net Invested Assets (Management view)

Unaudited (In millions, except percentages)



	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NAIC designation</b>				
1	\$ 52,883	46.7 %	\$ 55,905	46.4 %
2	51,695	45.7 %	56,548	46.9 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	104,578	92.4 %	112,453	93.3 %
3	6,256	5.5 %	6,116	5.0 %
4	1,957	1.7 %	1,602	1.3 %
5	335	0.4 %	337	0.3 %
6	45	— %	76	0.1 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	8,593	7.6 %	8,131	6.7 %
Total NAIC designated assets <sup>3</sup>	113,171	100.0 %	120,584	100.0 %
Assets without NAIC designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,884	25.9 %
CM2	7,794	46.5 %	9,018	47.7 %
CM3	3,906	23.3 %	4,577	24.2 %
CM4	366	2.2 %	419	2.2 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,898	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	5,112	92.8 %
90 days late	65	1.4 %	363	6.6 %
In foreclosure	43	0.9 %	35	0.6 %
Total RMLs	4,774	100.0 %	5,510	100.0 %
Alternative investments	6,793		7,831	
Investment in Apollo	1,324		1,730	
Cash and equivalents	5,417		4,342	
Equity securities	478		525	
Other <sup>4</sup>	1,455		1,394	
Net invested assets	\$ 150,190		\$ 160,814	

	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NRSRO designation</b>				
AAA/AA/A	\$ 42,492	37.6 %	\$ 45,868	38.0 %
BBB	42,478	37.5 %	48,412	40.1 %
Non-rated <sup>2</sup>	16,494	14.6 %	15,983	13.3 %
Total investment grade	101,464	89.7 %	110,263	91.4 %
BB	5,317	4.7 %	5,030	4.2 %
B	1,784	1.5 %	1,514	1.3 %
CCC	1,899	1.7 %	1,736	1.4 %
CC and lower	1,145	1.0 %	1,009	0.8 %
Non-rated <sup>2</sup>	1,562	1.4 %	1,032	0.9 %
Total below investment grade	11,707	10.3 %	10,321	8.6 %
Total NRSRO designated assets <sup>3</sup>	113,171	100.0 %	120,584	100.0 %
Assets without NRSRO designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,884	25.9 %
CM2	7,794	46.5 %	9,018	47.7 %
CM3	3,906	23.3 %	4,577	24.2 %
CM4	366	2.2 %	419	2.2 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,898	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	5,112	92.8 %
90 days late	65	1.4 %	363	6.6 %
In foreclosure	43	0.9 %	35	0.6 %
Total RMLs	4,774	100.0 %	5,510	100.0 %
Alternative investments	6,793		7,831	
Investment in Apollo	1,324		1,730	
Cash and equivalents	5,417		4,342	
Equity securities	478		525	
Other <sup>4</sup>	1,455		1,394	
Net invested assets	\$ 150,190		\$ 160,814	

<sup>1</sup> Please refer to Notes to the Financial Supplement section for discussion on net invested assets and Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets. <sup>2</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. <sup>3</sup> NAIC and NRSRO designations include corporates, CLO, RMBS, CMBS, ABS, state, municipal, political subdivisions and foreign government securities, short-term investments and U.S. government and agencies securities. <sup>4</sup> Other includes policy loans, accrued interest, and other net invested assets.

## Credit Quality of Net Invested Assets – RMBS, CLOs, ABS (Management view)

Unaudited (In millions, except percentages)



	December 31, 2020		June 30, 2021			December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total		Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF RMBS – NAIC DESIGNATION</b>									
1	\$ 7,449	89.3 %	\$ 6,668	87.9 %	AAA/AA/A	\$ 1,286	15.4 %	\$ 1,297	17.1 %
2	272	3.3 %	381	5.0 %	BBB	670	8.0 %	673	8.9 %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	2,548	30.6 %	2,338	30.8 %
Total investment grade	7,721	92.6 %	7,049	92.9 %	Total investment grade	4,504	54.0 %	4,308	56.8 %
3	378	4.5 %	306	4.1 %	BB	276	3.3 %	149	2.0 %
4	171	2.1 %	144	1.9 %	B	309	3.7 %	268	3.5 %
5	49	0.6 %	39	0.5 %	CCC	1,795	21.6 %	1,568	20.7 %
6	18	0.2 %	47	0.6 %	CC and lower	1,141	13.7 %	1,009	13.3 %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	312	3.7 %	283	3.7 %
Total below investment grade	616	7.4 %	536	7.1 %	Total below investment grade	3,833	46.0 %	3,277	43.2 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,585	100.0 %	RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,585	100.0 %
<b>CREDIT QUALITY OF CLOs – NAIC DESIGNATION</b>									
1	\$ 9,130	62.5 %	\$ 11,195	64.9 %	AAA/AA/A	\$ 9,113	62.4 %	\$ 10,948	63.5 %
2	5,009	34.3 %	5,760	33.4 %	BBB	4,995	34.2 %	5,723	33.2 %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	31	0.2 %	286	1.7 %
Total investment grade	14,139	96.8 %	16,955	98.3 %	Total investment grade	14,139	96.8 %	16,957	98.4 %
3	457	3.1 %	283	1.7 %	BB	457	3.1 %	281	1.6 %
4	9	0.1 %	7	— %	B	9	0.1 %	7	— %
5	4	— %	—	— %	CCC	4	— %	—	— %
6	—	— %	—	— %	CC and lower	—	— %	—	— %
Total below investment grade	470	3.2 %	290	1.7 %	Total below investment grade	470	3.2 %	288	1.6 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,245	100.0 %	CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,245	100.0 %
<b>CREDIT QUALITY OF ABS – NAIC DESIGNATION</b>									
1	\$ 6,789	51.6 %	\$ 7,415	51.0 %	AAA/AA/A	\$ 5,691	43.3 %	\$ 7,020	48.3 %
2	4,933	37.6 %	5,570	38.3 %	BBB	2,156	16.4 %	4,072	28.0 %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	3,794	28.9 %	2,145	14.7 %
Total investment grade	11,722	89.2 %	12,985	89.3 %	Total investment grade	11,641	88.6 %	13,237	91.0 %
3	862	6.6 %	1,009	6.9 %	BB	545	4.2 %	749	5.2 %
4	389	3.0 %	392	2.7 %	B	281	2.1 %	390	2.7 %
5	164	1.2 %	156	1.1 %	CCC	13	0.1 %	33	0.2 %
6	—	— %	—	— %	CC and lower	—	— %	—	— %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	657	5.0 %	133	0.9 %
Total below investment grade	1,415	10.8 %	1,557	10.7 %	Total below investment grade	1,496	11.4 %	1,305	9.0 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %	ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %
<b>CREDIT QUALITY OF ABS – NRSRO DESIGNATION</b>									
1	\$ 6,789	51.6 %	\$ 7,415	51.0 %	AAA/AA/A	\$ 5,691	43.3 %	\$ 7,020	48.3 %
2	4,933	37.6 %	5,570	38.3 %	BBB	2,156	16.4 %	4,072	28.0 %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	3,794	28.9 %	2,145	14.7 %
Total investment grade	11,722	89.2 %	12,985	89.3 %	Total investment grade	11,641	88.6 %	13,237	91.0 %
3	862	6.6 %	1,009	6.9 %	BB	545	4.2 %	749	5.2 %
4	389	3.0 %	392	2.7 %	B	281	2.1 %	390	2.7 %
5	164	1.2 %	156	1.1 %	CCC	13	0.1 %	33	0.2 %
6	—	— %	—	— %	CC and lower	—	— %	—	— %
Non-rated <sup>2</sup>	—	— %	—	— %	Non-rated <sup>2</sup>	657	5.0 %	133	0.9 %
Total below investment grade	1,415	10.8 %	1,557	10.7 %	Total below investment grade	1,496	11.4 %	1,305	9.0 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %	ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %

<sup>1</sup> Please refer to Notes to the Financial Supplement section for discussion on net invested assets and Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets. <sup>2</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology.

## Net Reserve Liabilities & Rollforwards

Unaudited (in millions, except percentages)



	December 31, 2020		June 30, 2021	
	Dollars	Percent of Total	Dollars	Percent of Total
<b>NET RESERVE LIABILITIES</b>				
Indexed annuities	\$ 81,084	55.9 %	\$ 82,132	53.7 %
Fixed rate annuities	30,315	20.9 %	28,812	18.9 %
Total deferred annuities	111,399	76.8 %	110,944	72.6 %
Pension risk transfer annuities	12,262	8.5 %	14,052	9.2 %
Payout annuities	6,859	4.7 %	7,075	4.6 %
Funding agreements <sup>1</sup>	12,591	8.7 %	18,885	12.4 %
Life and other	1,878	1.3 %	1,816	1.2 %
Total net reserve liabilities	\$ 144,989	100.0 %	\$ 152,772	100.0 %

	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>NET RESERVE LIABILITY ROLLFORWARD</b>										
Net reserve liabilities – beginning	\$ 114,273	\$ 131,333	\$ 137,767	\$ 144,989	\$ 148,339	2 %	30 %	\$ 114,652	\$ 144,989	26 %
Gross inflows <sup>2</sup>	7,031	7,487	9,471	8,360	7,769	(7)%	10 %	11,115	16,129	45 %
Acquisition and block reinsurance <sup>3</sup>	28,792	—	—	—	—	NM	NM	28,792	—	NM
Inflows attributable to ACRA noncontrolling interest	(18,288)	(53)	(1,230)	(1,507)	(1,725)	(14)%	91	(18,288)	(3,232)	82
Net inflows	17,535	7,434	8,241	6,853	6,044	(12)%	(66)%	21,619	12,897	(40)%
Net withdrawals	(3,282)	(2,695)	(3,232)	(3,481)	(3,941)	(13)%	(20)%	(6,022)	(7,422)	(23)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes <sup>4</sup>	335	—	—	—	—	NM	NM	335	—	NM
Other reserve changes	2,472	1,695	2,213	(22)	2,330	NM	(6)%	749	2,308	208 %
Net reserve liabilities – ending	\$ 131,333	\$ 137,767	\$ 144,989	\$ 148,339	\$ 152,772	3 %	16 %	\$ 131,333	\$ 152,772	16 %

<b>ACRA NONCONTROLLING INTEREST RESERVE LIABILITY ROLLFORWARD<sup>5</sup></b>										
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
Reserve liabilities – beginning	\$ 6,322	\$ 24,094	\$ 23,762	\$ 24,618	\$ 25,625	4 %	NM	\$ 6,574	\$ 24,618	274 %
Inflows	20	53	1,230	1,507	1,725	14 %	NM	20	3,232	NM
Acquisition and block reinsurance <sup>3</sup>	18,268	—	—	—	—	NM	NM	18,268	—	NM
Withdrawals	(317)	(574)	(619)	(641)	(694)	(8)%	NM	(514)	(1,335)	NM
Sale of ACRA noncontrolling interest to ADIP and ownership changes <sup>4</sup>	(335)	—	—	—	—	NM	NM	(335)	—	NM
Other reserve changes	136	189	245	141	215	52 %	58 %	81	356	NM
Reserve liabilities – ending	\$ 24,094	\$ 23,762	\$ 24,618	\$ 25,625	\$ 26,871	5 %	12 %	\$ 24,094	\$ 26,871	12 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net reserve liabilities. Net reserve liabilities include our economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interest. 1 Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements. 2 Gross inflows equal inflows from our retail, flow reinsurance and institutional channels as well as inflows for life and products other than deferred annuities or our institutional products, renewal inflows on older blocks of business, annuitizations and foreign currency translation adjustments on large transactions between the transaction date and the transition period. Gross inflows include all inflows sourced by Athene, including all of the inflows reinsured to ACRA. 3 Acquisition and block reinsurance transactions include the reserve liabilities acquired in our inorganic channel at inception. On June 1, 2020, we entered into an agreement with Jackson National Life pursuant to which we agreed to reinsure a block of fixed and fixed indexed annuities on a funds withheld coinsurance basis providing \$28.8 billion of gross inflows. 4 Effective April 1, 2020, ALRe purchased 14,000 newly issued shares in ACRA increasing our ownership from 33% to 36.55% of the economic interests. 5 The ACRA reserve liability rollforward is a rollforward of the GAAP reserve liabilities associated with the noncontrolling interest.



## Net Reserve Liabilities & Rollforwards, continued

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>NET DEFERRED ANNUITY ACCOUNT VALUE ROLLFORWARD<sup>1</sup></b>										
Net account value – beginning	\$ 88,238	\$ 100,694	\$ 103,594	\$ 104,385	\$ 104,234	— %	18 %	\$ 88,000	\$ 104,385	19 %
Gross inflows <sup>2</sup>	3,913	4,604	2,756	1,965	1,970	— %	(50)%	5,926	3,935	(34)%
Acquisition and block reinsurance <sup>3</sup>	27,404	—	—	—	—	NM	NM	27,404	—	NM
Inflows attributable to ACRA noncontrolling interest	(17,398)	(30)	(29)	(25)	(27)	(8)%	100 %	(17,398)	(52)	100 %
Net inflows	13,919	4,574	2,727	1,940	1,943	— %	(86)%	15,932	3,883	(76)%
Premium and interest bonuses	45	40	53	52	61	17 %	36 %	82	113	38 %
Fixed and index credits to policyholders	443	656	821	929	1,200	29 %	171 %	1,032	2,129	106 %
Surrenders and benefits paid	(2,054)	(2,248)	(2,688)	(2,947)	(3,326)	(13)%	(62)%	(4,342)	(6,273)	(44)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes <sup>4</sup>	221	—	—	—	—	NM	NM	221	—	NM
Fee and product charges	(118)	(122)	(122)	(125)	(131)	(5)%	(11)%	(231)	(256)	(11)%
Net account value – ending	\$ 100,694	\$ 103,594	\$ 104,385	\$ 104,234	\$ 103,981	— %	3 %	\$ 100,694	\$ 103,981	3 %
<b>NET INSTITUTIONAL RESERVE LIABILITY ROLLFORWARD (PENSION RISK TRANSFER AND FUNDING AGREEMENTS)</b>										
Net reserve liabilities – beginning	\$ 15,036	\$ 17,103	\$ 19,647	\$ 24,853	\$ 29,247	18 %	95 %	\$ 13,337	\$ 24,853	86 %
Gross inflows <sup>2</sup>	2,865	2,619	6,420	6,119	5,548	(9)%	94 %	4,705	11,667	148 %
Inflows attributable to ACRA noncontrolling interest	—	—	(1,177)	(1,465)	(1,683)	(15)%	NM	—	(3,148)	NM
Net inflows	2,865	2,619	5,243	4,654	3,865	(17)%	35 %	4,705	8,519	81 %
Net withdrawals	(1,024)	(239)	(337)	(316)	(404)	(28)%	61 %	(1,264)	(720)	43 %
Sale of ACRA noncontrolling interest to ADIP and ownership changes <sup>4</sup>	117	—	—	—	—	NM	NM	117	—	NM
Other reserve changes	109	164	300	56	229	NM	110 %	208	285	37 %
Net reserve liabilities – ending	\$ 17,103	\$ 19,647	\$ 24,853	\$ 29,247	\$ 32,937	13 %	93 %	\$ 17,103	\$ 32,937	93 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net reserve liabilities. Net reserve liabilities include our economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interest. 1 The account value rollforward on deferred annuities includes our fixed rate and indexed annuities and are net of ceded reinsurance activity. 2 Gross inflows equal inflows from our retail, flow reinsurance and institutional channels as well as inflows for life and products other than deferred annuities or our institutional products, renewal inflows on older blocks of business, annuitizations and foreign currency translation adjustments on large transactions between the transaction date and the translation period. Gross inflows include all inflows sourced by Athene, including all of the inflows reinsured to ACRA. 3 Acquisition and block reinsurance transactions include the reserve liabilities acquired in our inorganic channel at inception. On June 1, 2020, we entered into an agreement with Jackson National Life pursuant to which we agreed to reinsure a block of fixed and fixed indexed annuities on a funds withheld coinsurance basis providing \$28.8 billion of gross inflows. 4 Effective April 1, 2020, ALRe purchased 14,000 newly issued shares in ACRA increasing our ownership from 33% to 36.55% of the economic interests.

## Deferred Annuity Liability Characteristics

Unaudited (in millions, except percentages)



	Surrender charge (gross)	Percent of total	Surrender charge (net of MVA)	Percent of total
<b>SURRENDER CHARGE PERCENTAGES ON DEFERRED ANNUITIES NET ACCOUNT VALUE</b>				
No Surrender Charge	\$ 26,904	25.9 %	\$ 26,904	25.9 %
0.0% < 2.0%	1,100	1.1 %	4,894	4.7 %
2.0% < 4.0%	4,492	4.3 %	11,475	11.0 %
4.0% < 6.0%	11,335	10.9 %	14,742	14.2 %
6.0% or greater	60,150	57.8 %	45,966	44.2 %
	<u>\$ 103,981</u>	<u>100.0 %</u>	<u>\$ 103,981</u>	<u>100.0 %</u>

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	5.7 %	(0.7)%	5.0 %

	Deferred annuities	Percent of total	Average surrender charge (gross)
<b>YEARS OF SURRENDER CHARGE REMAINING ON DEFERRED ANNUITIES NET ACCOUNT VALUE</b>			
No Surrender Charge	\$ 26,904	25.9 %	— %
Less than 2	19,835	19.1 %	5.3 %
2 to less than 4	17,330	16.7 %	6.5 %
4 to less than 6	15,432	14.8 %	7.8 %
6 to less than 8	12,360	11.9 %	9.1 %
8 to less than 10	8,981	8.6 %	10.6 %
10 or greater	3,139	3.0 %	14.2 %
	<u>\$ 103,981</u>	<u>100.0 %</u>	

	At minimum guarantees	Total account value	Percent of total account value at minimum guarantees
<b>MINIMUM GUARANTEES ON DEFERRED ANNUITIES</b>			
Fixed indexed annuities	\$ 16,806	\$ 76,005	22 %
Fixed rate annuities	10,551	27,976	38 %
Total net deferred annuities	<u>\$ 27,357</u>	<u>\$ 103,981</u>	<u>26 %</u>

Distance to guarantees <sup>1</sup>	<b>June 30, 2021</b>	> 95
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<sup>1</sup> The distance to guarantee reflects the average distance in option costs between the current and guaranteed rates for indexed strategies and between current and guaranteed fixed rates for fixed strategies. The option costs used reflect an estimate of option cost in the market.

	December 31, 2020	June 30, 2021	Δ
<b>DEFERRED ANNUITY RIDER RESERVE SUMMARY</b>			
Net rider reserve	\$ 4,747	\$ 4,944	4 %
Net account value with rider reserves	37,721	37,766	— %
Rider reserve as a percentage of account value with rider reserves	12.6 %	13.1 %	50bps

## Capitalization & Regulatory Capital Ratios

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y
<b>CAPITALIZATION</b>							
Total debt	\$ 1,486	\$ 1,487	\$ 1,976	\$ 1,977	\$ 2,468	25 %	66 %
Total AHL shareholders' equity	14,711	15,943	18,657	17,291	20,006	16 %	36 %
Total capitalization	16,197	17,430	20,633	19,268	22,474	17 %	39 %
Less: Accumulated other comprehensive income (AOCI)	2,184	2,888	3,971	2,021	3,337	65 %	53 %
Less: Accumulated change in fair value of reinsurance assets	615	778	1,142	488	886	82 %	44 %
Total adjusted capitalization	\$ 13,398	\$ 13,764	\$ 15,520	\$ 16,759	\$ 18,251	9 %	36 %
<b>EQUITY</b>							
Total AHL shareholders' equity	\$ 14,711	\$ 15,943	\$ 18,657	\$ 17,291	\$ 20,006	16 %	36 %
Less: Preferred stock	1,755	1,755	2,312	2,312	2,312	— %	32 %
Total AHL common shareholders' equity	12,956	14,188	16,345	14,979	17,694	18 %	37 %
Less: AOCI	2,184	2,888	3,971	2,021	3,337	65 %	53 %
Less: Accumulated change in fair value of reinsurance assets	615	778	1,142	488	886	82 %	44 %
Total adjusted AHL common shareholders' equity	\$ 10,157	\$ 10,522	\$ 11,232	\$ 12,470	\$ 13,471	8 %	33 %
<b>EQUITY BY SEGMENT</b>							
Retirement Services	\$ 6,957	\$ 7,321	\$ 7,732	\$ 8,870	\$ 9,471	7 %	36 %
Corporate and Other	3,200	3,201	3,500	3,600	4,000	11 %	25 %
Total adjusted AHL common shareholders' equity	\$ 10,157	\$ 10,522	\$ 11,232	\$ 12,470	\$ 13,471	8 %	33 %
<b>FINANCIAL LEVERAGE</b>							
Debt to capital ratio	9.2 %	8.5 %	9.6 %	10.3 %	11.0 %	70bps	180bps
AOCI	1.5 %	1.8 %	2.4 %	1.2 %	2.0 %	80bps	50bps
Accumulated change in fair value of reinsurance assets	0.4 %	0.5 %	0.7 %	0.3 %	0.5 %	20bps	10bps
Adjusted debt to capital ratio	11.1 %	10.8 %	12.7 %	11.8 %	13.5 %	170bps	240bps
<b>REGULATORY CAPITAL RATIOS</b>							
				<b>December 31, 2019</b>	<b>December 31, 2020</b>		<b>Δ</b>
U.S. RBC ratio – Athene Annuity & Life Assurance Company				429 %	425 %		NM
BSCR – Athene Life Re Ltd.				310 %	254 %		NM
Athene Life Re Ltd. RBC ratio <sup>1</sup>				443 %	460 %		NM

<sup>1</sup> ALRe RBC ratio is calculated by applying the NAIC RBC factors to the statutory financial statements of ALRe and ALRe's non-U.S. reinsurance subsidiaries on an aggregate basis with certain adjustments made by management.

## Financial Strength, Credit Ratings & Share Data

Unaudited (in millions, except percentages)



### FINANCIAL STRENGTH RATINGS

	A.M. Best	Standard & Poor's	Fitch
Athene Annuity & Life Assurance Company	A	A+	A
Athene Annuity and Life Company	A	A+	A
Athene Annuity & Life Assurance Company of New York	A	A+	A
Athene Life Insurance Company of New York	A	Not Rated	Not Rated
Athene Life Re Ltd.	A	A+	A
Athene Life Re International Ltd.	A	A+	A
Athene Co-Invest Reinsurance Affiliate 1A Ltd. and Athene Co-Invest Reinsurance Affiliate 1B Ltd.	A	A+	A
Athene Co-Invest Reinsurance Affiliate International Ltd.	A	A+	A

### CREDIT RATINGS

Athene Holding Ltd.	bbb+	A-	BBB+
Senior notes	bbb+	A-	BBB

	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	Q/Q	Y/Y	2020	2021	Y/Y
<b>SHARE DATA</b>										
Weighted average common shares outstanding – basic – Class A	193.9	193.1	191.1	191.3	191.5	— %	(1)%	177.6	191.4	8 %
Weighted average common shares outstanding – diluted – Class A <sup>1</sup>	196.9	197.1	195.9	196.8	198.2	1 %	1 %	177.6	197.6	11 %
Weighted average common shares outstanding – adjusted operating <sup>2</sup>	196.9	197.1	195.9	196.8	198.2	1 %	1 %	190.2	197.6	4 %
Common shares outstanding <sup>3</sup>	193.9	191.2	191.2	191.4	191.6	— %	(1)%	193.9	191.6	(1)%
Adjusted operating common shares outstanding <sup>2</sup>	198.6	196.3	197.2	198.3	199.7	1 %	1 %	198.6	199.7	1 %

<sup>1</sup> Diluted earnings per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, for all stock-based awards, and for the six months ended June 30, 2020, the dilutive impacts, if any, of Class B and Class M common shares. <sup>2</sup> Represents Class A common shares outstanding or weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of any stock-based awards, and for the six months ended June 30, 2020, the impacts of Class B and Class M common shares, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. <sup>3</sup> Represents common shares vested and outstanding for all classes eligible to participate in dividends for each period presented.

**KEY OPERATING AND NON-GAAP MEASURES**

In addition to our results presented in accordance with GAAP, we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides information that may enhance an investor's understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers, as such items fluctuate from period to period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the corresponding GAAP measures.

**ADJUSTED OPERATING INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED OPERATING RETURN ON ASSETS (ROA)**

Adjusted operating income (loss) available to common shareholders is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our adjusted operating income (loss) available to common shareholders equals net income (loss) available to AHL common shareholders adjusted to eliminate the impact of the following (collectively, the non-operating adjustments):

- **Investment Gains (Losses), Net of Offsets**—Consists of the realized gains and losses on the sale of AFS securities, the change in fair value of reinsurance assets, unrealized gains and losses, changes in the credit loss allowance, and other investment gains and losses. Unrealized, allowances and other investment gains and losses are comprised of the fair value adjustments of trading securities (other than CLOs) and investments held under the fair value option, derivative gains and losses not hedging FIA index credits, and the change in credit loss allowances recognized in operations net of the change in AmerUs Closed Block fair value reserve related to the corresponding change in fair value of investments and the change in unit-linked reserves related to the corresponding trading securities. Investment gains and losses are net of offsets related to DAC, DSI, and VOBA amortization and changes to guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) reserves (together, GLWB and GMDB reserves represent rider reserves) as well as the MVAs associated with surrenders or terminations of contracts.
- **Change in Fair Values of Derivatives and Embedded Derivatives – FIAs, Net of Offsets**—Consists of impacts related to the fair value accounting for derivatives hedging the FIA index credits and the related embedded derivative liability fluctuations from period to period. The index reserve is measured at fair value for the current period and all periods beyond the current policyholder index term. However, the FIA hedging derivatives are purchased to hedge only the current index period. Upon policyholder renewal at the end of the period, new FIA hedging derivatives are purchased to align with the new term. The difference in duration between the FIA hedging derivatives and the index credit reserves creates a timing difference in earnings. This timing difference of the FIA hedging derivatives and index credit reserves is included as a non-operating adjustment, net of offsets related to DAC, DSI, and VOBA amortization and changes to rider reserves. We primarily hedge with options that align with the index terms of our FIA products (typically 1–2 years). On an economic basis, we believe this is suitable because policyholder accounts are credited with index performance at the end of each index term. However, because the term of an embedded derivative in an FIA contract is longer-dated, there is a duration mismatch which may lead to mismatches for accounting purposes.
- **Integration, Restructuring, and Other Non-operating Expenses**—Consists of restructuring and integration expenses related to acquisitions and block reinsurance costs as well as certain other expenses, which are not predictable or related to our underlying profitability drivers.
- **Stock Compensation Expense**—Consists of stock compensation expenses associated with our share incentive plans, excluding our long-term incentive plan, which are not related to our underlying profitability drivers and fluctuate from time to time due to the structure of our plans.
- **Income Tax (Expense) Benefit – Non-operating**—Consists of the income tax effect of non-operating adjustments and is computed by applying the appropriate jurisdiction's tax rate to the non-operating adjustments that are subject to income tax.

We consider these non-operating adjustments to be meaningful adjustments to net income (loss) available to AHL common shareholders for the reasons discussed in greater detail above. Accordingly, we believe using a measure which excludes the impact of these items is useful in analyzing our business performance and the trends in our results of operations. Together with net income (loss) available to AHL common shareholders, we believe adjusted operating income (loss) available to common shareholders provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income (loss) available to common shareholders should not be used as a substitute for net income (loss) available to AHL common shareholders.

Adjusted operating ROA is a non-GAAP measure used to evaluate our financial performance and profitability. Adjusted operating ROA is computed using our adjusted operating income (loss) available to common shareholders divided by average net invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for ROA presented under GAAP.

**ADJUSTED OPERATING ROE**

Adjusted operating ROE is a non-GAAP measure used to evaluate our financial performance excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted AHL common shareholders' equity is calculated as the ending AHL shareholders' equity excluding AOCI, the cumulative change in fair value of funds withheld and modco reinsurance assets and preferred stock. Adjusted operating ROE is calculated as the adjusted operating income (loss) available to common shareholders, divided by average adjusted AHL common shareholders' equity. These adjustments fluctuate period to period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Except with respect to reinvestment activity relating to acquired blocks of businesses, we typically buy and hold AFS investments to maturity throughout the duration of market fluctuations, therefore, the period-over-period impacts in unrealized gains and losses are not necessarily indicative of current operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets are useful in analyzing trends in our operating results. To enhance the ability to analyze these measures across periods, interim periods are annualized. Adjusted operating ROE should not be used as a substitute for ROE. However, we believe the adjustments to net income (loss) available to AHL common shareholders and AHL common shareholders' equity are significant to gaining an understanding of our overall financial performance.

**ADJUSTED OPERATING EARNINGS (LOSS) PER COMMON SHARE, WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – ADJUSTED OPERATING, AND ADJUSTED BOOK VALUE PER COMMON SHARE**

Adjusted operating earnings (loss) per common share, weighted average common shares outstanding – adjusted operating and adjusted book value per common share are non-GAAP measures used to evaluate our financial performance and financial condition. The non-GAAP measures adjust the number of shares included in the corresponding GAAP measures to reflect the conversion or settlement of all shares and other stock-based awards outstanding. We believe these measures represent an economic view of our share counts and provide a simplified and consistent view of our outstanding shares. Adjusted operating earnings (loss) per common share is calculated as the adjusted operating income (loss) available to common shareholders, over the weighted average common shares outstanding – adjusted operating. Adjusted book value per common share is calculated as the adjusted AHL common shareholders' equity divided by the adjusted operating common shares outstanding. Effective February 28, 2020, all Class B common shares were converted into Class A common shares and all Class M common shares were converted into warrants and Class A common shares. Our Class B common shares were economically equivalent to Class A common shares and were convertible to Class A common shares on a one-for-one basis at any time. Our Class M common shares were in the legal form of shares but economically functioned as options as they were convertible into Class A common shares after vesting and payment of the conversion price. In calculating Class A diluted earnings (loss) per share on a GAAP basis, we are required to apply sequencing rules to determine the dilutive impacts, if any, of our Class B common shares, Class M common shares and any other stock-based awards. To the extent our Class B common shares, Class M common shares and/or any other stock-based awards were not dilutive, after considering the dilutive effects of the more dilutive securities in the sequence, they were excluded. Weighted average common shares outstanding – adjusted operating and adjusted operating common shares outstanding assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Adjusted operating earnings (loss) per common share, weighted average common shares outstanding – adjusted operating and adjusted book value per common share should not be used as a substitute for basic earnings (loss) per share – Class A common shares, basic weighted average common shares outstanding – Class A or book value per common share. However, we believe the adjustments to the shares and equity are significant to gaining an understanding of our overall results of operations and financial condition.

**ADJUSTED DEBT TO CAPITAL RATIO**

Adjusted debt to capital ratio is a non-GAAP measure used to evaluate our capital structure excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total debt divided by adjusted AHL shareholders' equity. Adjusted debt to capital ratio should not be used as a substitute for the debt to capital ratio. However, we believe the adjustments to shareholders' equity are significant to gaining an understanding of our capitalization, debt utilization and debt capacity.

**RETIREMENT SERVICES NET INVESTMENT SPREAD, INVESTMENT MARGIN ON DEFERRED ANNUITIES, AND OPERATING EXPENSES**

Net investment spread is a key measure of the profitability of our Retirement Services segment. Net investment spread measures our investment performance less the total cost of our liabilities. Net investment earned rate is a key measure of our investment performance, while cost of funds is a key measure of the cost of our policyholder benefits and liabilities. Investment margin on our deferred annuities measures our investment performance less the cost of crediting for our deferred annuities, which make up a significant portion of our net reserve liabilities.

- Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our net invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our net invested assets divided by the average net invested assets, excluding the impacts of our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to net investment income to arrive at our net investment earned rate add (a) alternative investment gains and losses, (b) gains and losses related to trading securities for CLOs, (c) net VIE impacts (revenues, expenses and noncontrolling interest), (d) forward points gains and losses on foreign exchange derivative hedges and (e) the change in fair value of reinsurance assets, and removes the proportionate share of the ACRA net investment income associated with the ACRA noncontrolling interest as well as the gain or loss on our investment in Apollo. We include the income and assets supporting our change in fair value of reinsurance assets by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of change in fair value of reinsurance assets. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.
- Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products as well as other liability costs, but does not include the proportionate share of the ACRA cost of funds associated with the noncontrolling interest. Cost of funds is computed as the total liability costs divided by the average net invested assets, excluding our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
  - Cost of crediting includes the costs for both deferred annuities and institutional products. Cost of crediting on deferred annuities is the interest credited to the policyholders on our fixed strategies as well as the option costs on the indexed annuity strategies. With respect to FIAs, the cost of providing index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. Cost of crediting on institutional products is comprised of (i) PRT costs, including interest credited, benefit payments and other reserve changes, net of premiums received when issued, and (ii) funding agreement costs, including the interest payments and other reserve changes. Cost of crediting is computed as the cost of crediting for deferred annuities and institutional products divided by the average net invested assets, excluding the investment in Apollo, for the relevant periods. Cost of crediting on deferred annuities is computed as the net interest credited on fixed strategies and option costs on indexed annuity strategies divided by the average net account value of our deferred annuities. Cost of crediting on institutional products is computed as the PRT and funding agreement costs divided by the average net institutional reserve liabilities. Our average net invested assets, excluding our investment in Apollo, net account values and net institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
  - Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.
- Net investment earned rate, cost of funds, net investment spread and investment margin on deferred annuities are non-GAAP measures we use to evaluate the profitability of our business. We believe these metrics are useful in analyzing the trends of our business operations, profitability and pricing discipline. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for net investment income, interest sensitive contract benefits or total benefits and expenses presented under GAAP.
- Operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation expense, interest expense and policy acquisition expenses. We believe a measure like operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe operating expenses is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for policy and other operating expenses presented under GAAP.

**NET INVESTED ASSETS**

In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.

**NET RESERVE LIABILITIES**

In managing our business, we also analyze net reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. Net reserve liabilities represent our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Net reserve liabilities include (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities include our proportionate share of ACRA reserve liabilities, based on our economic ownership, but does not include the proportionate share of reserve liabilities associated with the noncontrolling interest. Net reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and, therefore, we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction. While we believe net reserve liabilities is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total liabilities presented under GAAP.

**SALES**

Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to inflows generated during a specific period of time. Our sales statistics include inflows for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers). While we believe sales is a meaningful metric and enhances our understanding of our business performance, it should not be used as a substitute for premiums presented under GAAP.

**NET ORGANIC GROWTH RATE**

Net organic growth rate is calculated as the net organic flows divided by average net invested assets. Net organic flows are comprised of net organic inflows less net outflows. Organic inflows are the deposits generated from our organic channels, which include retail, flow reinsurance and institutional. Net outflows are total liability outflows, including full and partial withdrawals on our deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and maturities of our funding agreements, net of outflows attributable to the ACRA noncontrolling interest. To enhance the ability to analyze these measures across periods, interim periods are annualized. We believe net organic growth rate provides a meaningful financial metric that enables investors to assess our growth from the channels that provide recurring inflows. Management uses net organic growth rate to monitor our business performance and the underlying profitability drivers of our business.

## Non-GAAP Reconciliations

Unaudited (in millions, except per share data)



	Quarterly Trends					Year-to-Date	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	2020	2021
<b>RECONCILIATION OF BOOK VALUE PER COMMON SHARE TO ADJUSTED BOOK VALUE PER COMMON SHARE</b>							
Book value per common share	\$ 66.82	\$ 74.21	\$ 85.51	\$ 78.25	\$ 92.33		
AOCI	(11.26)	(15.10)	(20.77)	(10.56)	(17.41)		
Accumulated change in fair value of reinsurance assets	(3.17)	(4.07)	(5.98)	(2.55)	(4.62)		
Effect of items convertible to or settled in Class A common shares	(1.24)	(1.43)	(1.81)	(2.26)	(2.84)		
Adjusted book value per common share	\$ 51.15	\$ 53.61	\$ 56.95	\$ 62.88	\$ 67.46		
<b>RECONCILIATION OF AVERAGE AHL SHAREHOLDERS' EQUITY TO AVERAGE ADJUSTED AHL COMMON SHAREHOLDERS' EQUITY</b>							
Average AHL shareholders' equity	\$ 12,326	\$ 15,327	\$ 17,300	\$ 17,974	\$ 18,649	\$ 14,051	\$ 18,651
Less: Average preferred stock	1,464	1,755	2,034	2,312	2,312	1,464	2,312
Less: Average AOCI	505	2,536	3,430	2,996	2,679	2,233	3,110
Less: Average accumulated change in fair value of reinsurance assets	230	697	960	815	687	554	839
Average adjusted AHL common shareholders' equity	\$ 10,127	\$ 10,339	\$ 10,876	\$ 11,851	\$ 12,971	\$ 9,800	\$ 12,390
Retirement Services	\$ 7,480	\$ 7,139	\$ 7,526	\$ 8,301	\$ 9,171	\$ 7,199	\$ 8,690
Corporate and Other	2,647	3,200	3,350	3,550	3,800	2,601	3,700
Average adjusted AHL common shareholders' equity	\$ 10,127	\$ 10,339	\$ 10,876	\$ 11,851	\$ 12,971	\$ 9,800	\$ 12,390
<b>RECONCILIATION OF BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – CLASS A TO WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – ADJUSTED OPERATING</b>							
Basic weighted average common shares outstanding – Class A	193.9	193.1	191.1	191.3	191.5	177.6	191.4
Conversion of Class B common shares to Class A common shares	—	—	—	—	—	8.5	—
Conversion of Class M common shares to Class A common shares	—	—	—	—	—	1.3	—
Effect of other stock compensation plans	3.0	4.0	4.8	5.5	6.7	2.8	6.2
Weighted average common shares outstanding – adjusted operating	196.9	197.1	195.9	196.8	198.2	190.2	197.6
<b>RECONCILIATION OF CLASS A COMMON SHARES OUTSTANDING TO ADJUSTED OPERATING COMMON SHARES OUTSTANDING</b>							
Class A common shares outstanding	193.9	191.2	191.2	191.4	191.6		
Effect of other stock compensation plans	4.7	5.1	6.0	6.9	8.1		
Adjusted operating common shares outstanding	198.6	196.3	197.2	198.3	199.7		

## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	2020	2021
<b>RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO AHL COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS EXCLUDING NOTABLES AND AOG</b>							
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 824	\$ 622	\$ 1,065	\$ 578	\$ 1,382	\$ (241)	\$ 1,960
Less: Total non-operating adjustments	334	320	507	(170)	382	(623)	212
Adjusted operating income available to common shareholders	490	302	558	748	1,000	382	1,748
Notable items	(20)	(27)	(41)	(8)	(55)	25	(62)
Adjusted operating income available to common shareholders excluding notable items	\$ 470	\$ 275	\$ 517	\$ 740	\$ 945	\$ 407	\$ 1,686
Retirement Services adjusted operating income available to common shareholders	\$ 208	\$ 361	\$ 493	\$ 784	\$ 634	\$ 412	\$ 1,418
Non-recurring adjustment on derivative collateral	—	(25)	—	—	—	—	—
Actuarial experience and market impacts	(22)	—	(46)	(9)	(57)	28	(66)
Unlocking	—	(6)	—	—	—	—	—
Tax impact of notable items	2	4	5	1	2	(3)	4
Retirement Services notable items	(20)	(27)	(41)	(8)	(55)	25	(62)
Retirement Services adjusted operating income available to common shareholders excluding notable items	188	334	452	776	579	437	1,356
Corporate and Other adjusted operating income (loss) available to common shareholders	282	(59)	65	(36)	366	(30)	330
Adjusted operating income available to common shareholders excluding notable items	470	275	517	740	945	407	1,686
Less: Change in fair value of Apollo investment, net of tax	372	(81)	113	(19)	373	133	354
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 98	\$ 356	\$ 404	\$ 759	\$ 572	\$ 274	\$ 1,332



## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	2020	2021
<b>RECONCILIATION OF NET INVESTMENT INCOME TO NET INVESTMENT EARNINGS</b>							
GAAP net investment income	\$ 1,336	\$ 1,209	\$ 1,595	\$ 1,704	\$ 2,038	\$ 2,081	\$ 3,742
Change in fair value of reinsurance assets	218	444	476	366	388	488	754
Alternative gains (losses)	56	23	(80)	69	(18)	(45)	51
ACRA noncontrolling interest	(81)	(196)	(210)	(198)	(219)	(153)	(417)
Apollo investment (gain) loss	(481)	101	(142)	25	(472)	(184)	(447)
Held for trading amortization and other	(8)	(51)	(32)	32	9	4	41
Total adjustments to arrive at net investment earnings	(296)	321	12	294	(312)	110	(18)
Total net investment earnings	\$ 1,040	\$ 1,530	\$ 1,607	\$ 1,998	\$ 1,726	\$ 2,191	\$ 3,724
Retirement Services	\$ 1,075	\$ 1,444	\$ 1,584	\$ 1,935	\$ 1,659	\$ 2,259	\$ 3,594
Corporate and Other	(35)	86	23	63	67	(68)	130
Total net investment earnings	\$ 1,040	\$ 1,530	\$ 1,607	\$ 1,998	\$ 1,726	\$ 2,191	\$ 3,724
<b>RECONCILIATION OF NET INVESTMENT INCOME RATE TO NET INVESTMENT EARNED RATE</b>							
GAAP net investment income rate	4.22 %	3.48 %	4.39 %	4.49 %	5.20 %	3.39 %	4.86 %
Change in fair value of reinsurance assets	0.69 %	1.28 %	1.31 %	0.97 %	0.99 %	0.79 %	0.98 %
Alternative gains (losses)	0.18 %	0.07 %	(0.22)%	0.18 %	(0.05)%	(0.08)%	0.06 %
ACRA noncontrolling interest	(0.26)%	(0.56)%	(0.58)%	(0.52)%	(0.56)%	(0.25)%	(0.54)%
Apollo investment (gain) loss	(1.52)%	0.29 %	(0.38)%	0.07 %	(1.20)%	(0.30)%	(0.58)%
Held for trading amortization and other	(0.02)%	(0.15)%	(0.09)%	0.08 %	0.02 %	0.01 %	0.05 %
Total adjustments to arrive at net investment earned rate	(0.93)%	0.93 %	0.04 %	0.78 %	(0.80)%	0.17 %	(0.03)%
Consolidated net investment earned rate	3.29 %	4.41 %	4.43 %	5.27 %	4.40 %	3.56 %	4.83 %
Retirement Services	3.44 %	4.22 %	4.43 %	5.18 %	4.30 %	3.73 %	4.73 %
Corporate and Other	(8.91)%	17.59 %	4.38 %	11.22 %	11.72 %	(7.94)%	11.56 %
Consolidated net investment earned rate	3.29 %	4.41 %	4.43 %	5.27 %	4.40 %	3.56 %	4.83 %
Retirement Services	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 154,459	\$ 121,213	\$ 151,870
Corporate and Other ex. Apollo investment	1,567	1,945	2,089	2,247	2,294	1,712	2,255
Consolidated average net invested assets ex. Apollo investment	\$ 126,510	\$ 138,797	\$ 145,251	\$ 151,644	\$ 156,753	\$ 122,925	\$ 154,125

## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	2020	2021
<b>RECONCILIATION OF INTEREST SENSITIVE CONTRACT BENEFITS TO COST OF CREDITING</b>							
GAAP interest sensitive contract benefits	\$ 2,076	\$ 1,225	\$ 1,909	\$ 394	\$ 1,979	\$ 757	\$ 2,373
Interest credited other than deferred annuities and institutional products	75	73	101	97	94	138	191
FIA option costs	271	284	280	279	278	537	557
Product charges (strategy fees)	(34)	(34)	(36)	(38)	(40)	(66)	(78)
Reinsurance embedded derivative impacts	15	14	14	14	12	29	26
Change in fair values of embedded derivatives – FIAs	(1,734)	(779)	(1,395)	43	(1,480)	(230)	(1,437)
Negative VOBA amortization	5	3	6	3	5	12	8
ACRA noncontrolling interest	(113)	(151)	(207)	(128)	(180)	(75)	(308)
Other changes in interest sensitive contract liabilities	(1)	5	5	4	10	(2)	14
Total adjustments to arrive at cost of crediting	(1,516)	(585)	(1,232)	274	(1,301)	343	(1,027)
Retirement Services cost of crediting	\$ 560	\$ 640	\$ 677	\$ 668	\$ 678	\$ 1,100	\$ 1,346
GAAP interest sensitive contract benefits	6.65 %	3.58 %	5.33 %	1.05 %	5.12 %	1.25 %	3.13 %
Interest credited other than deferred annuities and institutional products	0.24 %	0.21 %	0.28 %	0.26 %	0.25 %	0.22 %	0.25 %
FIA option costs	0.86 %	0.83 %	0.78 %	0.75 %	0.72 %	0.88 %	0.73 %
Product charges (strategy fees)	(0.11)%	(0.10)%	(0.10)%	(0.10)%	(0.10)%	(0.11)%	(0.10)%
Reinsurance embedded derivative impacts	0.05 %	0.04 %	0.04 %	0.04 %	0.03 %	0.05 %	0.03 %
Change in fair values of embedded derivatives – FIAs	(5.55)%	(2.28)%	(3.90)%	0.11 %	(3.83)%	(0.38)%	(1.89)%
Negative VOBA amortization	0.02 %	0.01 %	0.02 %	0.01 %	0.01 %	0.02 %	0.01 %
ACRA noncontrolling interest	(0.37)%	(0.44)%	(0.58)%	(0.34)%	(0.47)%	(0.12)%	(0.41)%
Other changes in interest sensitive contract liabilities	— %	0.02 %	0.02 %	0.01 %	0.03 %	— %	0.02 %
Total adjustments to arrive at cost of crediting	(4.86)%	(1.71)%	(3.44)%	0.74 %	(3.36)%	0.56 %	(1.36)%
Retirement Services cost of crediting	1.79 %	1.87 %	1.89 %	1.79 %	1.76 %	1.81 %	1.77 %
Retirement Services cost of crediting on deferred annuities	1.94 %	1.98 %	1.94 %	1.89 %	1.87 %	1.92 %	1.88 %
Retirement Services cost of crediting on institutional products	2.87 %	2.95 %	3.08 %	2.59 %	2.49 %	3.08 %	2.54 %
Retirement Services cost of crediting	1.79 %	1.87 %	1.89 %	1.79 %	1.76 %	1.81 %	1.77 %
Retirement Services average net invested assets	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 154,459	\$ 121,213	\$ 151,870
Average net account value on deferred annuities	92,814	102,144	103,990	104,310	104,107	90,654	104,200
Average institutional net reserve liabilities	15,233	18,162	22,375	27,028	30,863	14,742	28,946

## Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends					Year-to-Date	
	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	2020	2021
<b>RECONCILIATION OF BENEFITS AND EXPENSES TO OTHER LIABILITY COSTS</b>							
GAAP benefits and expenses	\$ 3,317	\$ 2,251	\$ 7,157	\$ 4,252	\$ 4,433	\$ 3,150	\$ 8,685
Premiums	(355)	(112)	(4,356)	(3,011)	(1,598)	(1,495)	(4,609)
Product charges	(141)	(144)	(146)	(150)	(157)	(281)	(307)
Other revenues	(18)	(13)	(7)	(14)	(20)	(16)	(34)
Cost of crediting	(275)	(342)	(383)	(375)	(388)	(534)	(763)
Change in fair value of embedded derivatives - FIA, net of offsets	(1,445)	(863)	(1,409)	(298)	(1,450)	11	(1,748)
DAC, DSI and VOBA amortization related to investment gains and losses	(323)	(86)	(111)	139	(94)	102	45
Rider reserves	(46)	(21)	(19)	21	(20)	30	1
Policy and other operating expenses, excluding policy acquisition expenses	(145)	(132)	(139)	(201)	(168)	(262)	(369)
AmerUs closed block fair value liability	(100)	(15)	(34)	93	(54)	(55)	39
ACRA noncontrolling interest	(241)	(193)	(258)	(107)	(242)	(76)	(349)
Other changes in benefits and expenses	(13)	(10)	(14)	(7)	5	(17)	(2)
Total adjustments to arrive at other liability costs	(3,102)	(1,931)	(6,876)	(3,910)	(4,186)	(2,593)	(8,096)
Other liability costs	\$ 215	\$ 320	\$ 281	\$ 342	\$ 247	\$ 557	\$ 589
Retirement Services	\$ 215	\$ 320	\$ 281	\$ 342	\$ 247	\$ 557	\$ 589
Corporate and Other	—	—	—	—	—	—	—
Consolidated other liability costs	\$ 215	\$ 320	\$ 281	\$ 342	\$ 247	\$ 557	\$ 589
<b>RECONCILIATION OF POLICY AND OTHER OPERATING EXPENSES TO OPERATING EXPENSES</b>							
Policy and other operating expenses	\$ 218	\$ 231	\$ 218	\$ 283	\$ 242	\$ 406	\$ 525
Interest expense	(29)	(34)	(31)	(32)	(34)	(49)	(66)
Policy acquisition expenses, net of deferrals	(73)	(99)	(79)	(82)	(74)	(144)	(156)
Integration, restructuring and other non-operating expenses	(9)	—	3	(45)	(11)	(13)	(56)
Stock compensation expenses	—	(1)	—	—	(1)	(10)	(1)
ACRA noncontrolling interest	(19)	(16)	(19)	(21)	(19)	(23)	(40)
Other changes in policy and other operating expenses	—	(3)	1	(5)	(8)	—	(13)
Total adjustments to arrive at operating expenses	(130)	(153)	(125)	(185)	(147)	(239)	(332)
Operating expenses	\$ 88	\$ 78	\$ 93	\$ 98	\$ 95	\$ 167	\$ 193
Retirement Services	\$ 71	\$ 63	\$ 73	\$ 78	\$ 81	\$ 139	\$ 159
Corporate and Other	17	15	20	20	14	28	34
Consolidated operating expenses	\$ 88	\$ 78	\$ 93	\$ 98	\$ 95	\$ 167	\$ 193

## Non-GAAP Reconciliations

Unaudited (in millions)



	December 31, 2020	June 30, 2021
<b>RECONCILIATION OF TOTAL INVESTMENTS INCLUDING RELATED PARTIES TO NET INVESTED ASSETS</b>		
Total investments, including related parties	\$ 182,421	\$ 194,509
Derivative assets	(3,523)	(4,151)
Cash and cash equivalents (including restricted cash)	8,442	8,726
Accrued investment income	905	1,010
Payables for collateral on derivatives	(3,203)	(3,890)
Reinsurance funds withheld and modified coinsurance	(2,459)	(1,699)
VIE and VOE assets, liabilities and noncontrolling interest	(136)	(281)
Unrealized (gains) losses	(7,275)	(5,960)
Ceded policy loans	(204)	(179)
Net investment receivables (payables)	99	328
Allowance for credit losses	357	338
Total adjustments to arrive at gross invested assets	(6,997)	(5,758)
Gross invested assets	175,424	188,751
ACRA noncontrolling interest	(25,234)	(27,937)
Net invested assets	\$ 150,190	\$ 160,814
<b>RECONCILIATION OF INVESTMENT FUNDS INCLUDING RELATED PARTIES TO NET ALTERNATIVE INVESTMENTS</b>		
Investment funds, including related parties	\$ 6,087	\$ 7,483
Equity securities	165	226
CLO and ABS equities included in trading securities	971	1,021
Investment in Apollo	(1,324)	(1,730)
Investment funds within funds withheld at interest	1,155	1,586
Royalties and other assets included in other investments	66	(76)
Unrealized (gains) losses and other adjustments	(44)	(32)
ACRA noncontrolling interest	(283)	(647)
Total adjustments to arrive at net alternative investments	706	348
Net alternative investments	\$ 6,793	\$ 7,831
<b>RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVE LIABILITIES</b>		
Total liabilities	\$ 182,631	\$ 193,878
Long-term debt	(1,976)	(2,468)
Derivative liabilities	(298)	(214)
Payables for collateral on derivatives	(3,203)	(3,890)
Funds withheld liability	(452)	(437)
Other liabilities	(2,040)	(2,413)
Reinsurance ceded receivables	(4,848)	(4,627)
Policy loans ceded	(204)	(179)
ACRA noncontrolling interest	(24,618)	(26,871)
Other	(3)	(7)
Total adjustments to arrive at net reserve liabilities	(37,642)	(41,106)
Net reserve liabilities	\$ 144,989	\$ 152,772