

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): February 11, 2022



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
Depository Shares, each representing a 1/1,000 th 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 th interest in a 5.625% Fixed Rate Perpetual Non-Cumulative Preference Share, Series B	ATHPrB	New York Stock Exchange
Depository Shares, each representing a 1/1,000 th 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 th 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 February 11, 2022, Athene Holding Ltd. (the “Company”) issued a press release to announce its financial results for the fourth quarter and full year ended December 31, 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 fourth 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 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, 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 February 11, 2022 \(furnished and not filed\).](#)

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

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

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: February 11, 2022

/s/ Martin P. Klein

Martin P. Klein

Executive Vice President and Chief Financial Officer

ATHENE HOLDING LTD. REPORTS FOURTH QUARTER AND FULL YEAR 2021 RESULTS

HAMILTON, Bermuda – February 11, 2022 – Athene Holding Ltd. ("Athene"), a leading financial services company specializing in retirement solutions, today announced financial results for the fourth quarter and full year 2021.

- Fourth quarter and full year diluted EPS of \$5.30 and \$18.71, **and adjusted operating EPS of \$3.89 and \$15.43, respectively**
- **Broad-based momentum across business channels** drove strong growth in gross invested assets of 20% year-over-year
- **Strong gross organic inflows** of \$9.3 billion in the fourth quarter **completed a record year** totaling \$37.0 billion, driving a net organic growth rate of 7% in 2021
- **Strong investment performance from Alternatives** with consolidated Alts NIER of 16.4% during the fourth quarter and 21.4% during the full year, higher than the previous five-year average of ~11%
- **Robust capitalization** with \$3.4 billion of excess equity capital and \$7.4 billion¹ of total deployable capital at year end
- **Strategic merger with Apollo** completed on January 1, 2022

"In the fourth quarter, Athene generated more than \$9 billion of inflows, completing a record year of organic growth which totaled \$37 billion of inflows, increasing 34% versus the prior year. This is a remarkable achievement that demonstrates our leadership position within the retirement services marketplace. 2021 also marked a record level of profitability for Athene, with \$2.3 billion of full year adjusted operating earnings, excluding notable items and appreciation in our AOG investment, an increase of 124% year-over-year. As we have consistently done since our founding, we achieved this result through our ability to drive attractive spread earnings, which benefits from the upside offered by our portfolio of differentiated alternative investments."

"Our stellar performance drove adjusted book value to \$73.84 per share, which represents a 30% increase year-over-year, and an impressive compound growth rate of 17% per year since inception.

"On January 1, 2022, Athene completed its strategic merger with Apollo. We're incredibly excited about our next stage of growth as a fully-aligned business and are energized by the tremendous opportunity to continue building upon our legacy of success."

- Jim Belardi, CEO

Financial Results

(in millions, except percentages and per share data)	Quarterly		Full Year	
	4Q'20	4Q'21	2020	2021
GAAP:				
Net income	\$ 1,065	\$ 1,060	\$ 1,446	\$ 3,718
Diluted EPS	\$ 5.44	\$ 5.30	\$ 8.34	\$ 18.71
Book value per common share	\$ 85.51	\$ 92.83	\$ 85.51	\$ 92.83
Return on equity (ROE)	24.6 %	20.9 %	10.0 %	19.3 %
Return on assets (ROA)	2.16 %	1.85 %	0.83 %	1.72 %
Operating²:				
Adj. op. income	\$ 558	\$ 777	\$ 1,242	\$ 3,066
Adj. op. EPS	\$ 2.85	\$ 3.89	\$ 6.42	\$ 15.43
Adj. op. EPS ex notables & AOG	\$ 2.06	\$ 2.46	\$ 5.39	\$ 11.75
Adj. book value per common share	\$ 56.95	\$ 73.84	\$ 56.95	\$ 73.84
Adj. op. ROE	20.5 %	21.4 %	12.1 %	23.1 %
Adj. op. ROE ex notables & AOG	15.0 %	14.2 %	10.2 %	18.2 %
Adj. op. ROA	1.52 %	1.82 %	0.93 %	1.90 %
Adj. op. ROA ex notables & AOG	1.11 %	1.16 %	0.78 %	1.46 %
Net inv. spread - Ret. Svcs	1.75 %	1.26 %	1.31 %	1.77 %

¹ Includes excess equity capital of \$3.4 billion, untapped debt capacity of \$2.7 billion, and \$1.3 billion of available undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt-to-capitalization and is subject to general availability and favorable market conditions. ² See the non-GAAP measures section on pages 7 through 10 for further discussion of these measures. ³ 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. ⁴ 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. ⁵ Pension group annuities (PGA) was previously referenced as pension risk transfer (PRT).

Invested Assets & Flows

(in millions, except percentages)	Quarterly		Full Year	
	4Q'20	4Q'21	2020	2021
Invested Assets:				
Gross invested assets ³	\$ 175,424	\$ 210,225	\$ 175,424	\$ 210,225
Net invested assets ³	\$ 150,190	\$ 175,343	\$ 150,190	\$ 175,343
Avg. net invested assets	\$ 146,512	\$ 170,782	\$ 133,687	\$ 161,654
Flows:				
Retail	\$ 2,299	\$ 2,903	\$ 7,801	\$ 8,781
Flow reinsurance	559	1,351	6,002	2,564
Funding agreements ⁴	2,199	2,215	8,277	11,852
Pension group annuities ⁵	4,221	2,877	5,467	13,837
Gross organic inflows	9,278	9,346	27,547	37,034
Gross inorganic inflows	—	—	28,792	—
Total gross inflows	9,278	9,346	56,339	37,034
Inflows attributable to ACRA NCI	(1,180)	(2,331)	(19,448)	(10,239)
Net outflows ²	(3,232)	(3,593)	(11,949)	(14,761)
Total Net flows	\$ 4,866	\$ 3,422	\$ 24,942	\$ 12,034
Net organic flows ²	\$ 4,866	\$ 3,422	\$ 14,418	\$ 12,034
Net organic growth rate ²	13.3 %	8.0 %	10.8 %	7.4 %

(In millions, except per share data)	Three months ended		Years ended	
	December 31,		December 31,	
	2020	2021	2020	2021
Net income available to AHL common shareholders	\$ 1,065	\$ 1,060	\$ 1,446	\$ 3,718
Non-operating adjustments				
Investment gains, net of offsets	526	246	508	160
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	33	202	(235)	692
Integration, restructuring and other non-operating expenses	3	(60)	(10)	(124)
Stock compensation expense	—	—	(11)	(2)
Income tax expense - non-operating	(55)	(105)	(48)	(74)
Less: Total non-operating adjustments	507	283	204	652
Adjusted operating income available to common shareholders	\$ 558	\$ 777	\$ 1,242	\$ 3,066
Adjusted operating income (loss) available to common shareholders by segment				
Retirement Services	\$ 493	\$ 468	\$ 1,266	\$ 2,423
Corporate and Other	65	309	(24)	643
Adjusted operating income available to common shareholders	\$ 558	\$ 777	\$ 1,242	\$ 3,066
Earnings per common share – basic Class A	\$ 5.57	\$ 5.52	\$ 8.51	\$ 19.40
Earnings per common share – diluted Class A ¹	\$ 5.44	\$ 5.30	\$ 8.34	\$ 18.71
Adjusted operating earnings per common share ²	\$ 2.85	\$ 3.89	\$ 6.42	\$ 15.43
Weighted average common shares outstanding – basic Class A	191.1	191.9	184.9	191.6
Weighted average common shares outstanding – diluted Class A ¹	195.9	199.8	188.6	198.7
Weighted average common shares outstanding – adjusted operating ²	195.9	199.8	193.5	198.7

(In millions)	Three months ended		Years ended	
	December 31,		December 31,	
	2020	2021	2020	2021
Notable items				
Retirement Services adjusted operating income available to common shareholders	\$ 493	\$ 468	\$ 1,266	\$ 2,423
Non-recurring adjustment on derivative collateral	—	—	(18)	—
Actuarial experience and market impacts	(46)	(57)	(16)	(143)
Unlocking	—	91	(6)	91
Tax impact of notable items	5	(1)	5	2
Retirement Services notable items	(41)	33	(35)	(50)
Retirement Services adjusted operating income available to common shareholders excluding notable items	452	501	1,231	2,373
Corporate and Other adjusted operating income (loss) available to common shareholders	65	309	(24)	643
Consolidated adjusted operating income available to common shareholders excluding notable items	\$ 517	\$ 810	\$ 1,207	\$ 3,016
Adjusted operating earnings per common share excluding notables ²	\$ 2.64	\$ 4.05	\$ 6.24	\$ 15.18

1 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 year ended December 31, 2020, the dilutive impacts, if any, of Class B and Class M common shares.

2 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, and for the year ended December 31, 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 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.

Fourth Quarter and Full Year 2021 Financial Results

Net income available to AHL common shareholders for the fourth quarter 2021 was \$1,060 million, or \$5.30 per diluted Class A common share ("diluted share"), compared to \$1,065 million, or \$5.44 per diluted share for the fourth quarter 2020. The slight decrease from the prior year quarter was driven primarily by an unfavorable change in the fair value of reinsurance assets due to widening credit spreads, largely offset by realized gains on the sale of AFS securities and a favorable change in the net fair value of fixed indexed annuity ("FIA") derivatives, due to a favorable change in the discount rate resulting primarily from rising interest rates.

Net income available to AHL common shareholders for the full year 2021 was \$3,718 million, or \$18.71 per diluted share, compared to \$1,446 million, or \$8.34 per diluted share for the full year 2020. The increase from the prior year was driven by higher adjusted operating income as well as a favorable change in the net fair value of FIA derivatives due to a favorable change in the discount rate resulting from rising interest rates, partially offset by an unfavorable change in fair value of reinsurance assets due to an increase in U.S. Treasury rates.

Adjusted operating income available to common shareholders for the fourth quarter 2021 was \$777 million, or \$3.89 per adjusted operating common share, compared to \$558 million, or \$2.85 per adjusted operating common share for the fourth quarter 2020. The increase from the prior year quarter was primarily driven by appreciation in Athene's Apollo Operating Group ("AOG") investment, as well as strong growth in average net invested assets.

Adjusted operating income available to common shareholders for the full year 2021 was \$3,066 million, or \$15.43 per adjusted operating common share, compared to \$1,242 million, or \$6.42 per adjusted operating common share for the full year 2020. The increase from the prior year was driven by strong growth in average net invested assets, as well as a higher net investment spread primarily due to stronger income from alternative investments, and appreciation in Athene's AOG investment.

Adjusted operating income available to common shareholders excluding notables and AOG for the fourth quarter 2021 was \$492 million, or \$2.46 per adjusted operating common share, compared to \$404 million, or \$2.06 per adjusted operating common share for the fourth quarter 2020. The increase from the prior year quarter was driven primarily by the aforementioned strong growth in average net invested assets.

Adjusted operating income available to common shareholders excluding notables and AOG for the full year 2021 was \$2,334 million, or \$11.75 per adjusted operating common share, compared to \$1,042 million, or \$5.39 per adjusted operating common share for the full year 2020. The increase from the prior year was driven by the aforementioned strong growth in average net invested assets and a higher net investment spread, primarily due to the strength of income from alternative investments.

Growth Highlights

Organic Growth

In the fourth quarter 2021, Athene generated strong gross organic inflows of \$9.3 billion, slightly higher than the prior year period.

For the full year 2021, Athene generated record annual gross organic inflows of \$37.0 billion, representing an increase of 34% compared to the full year 2020. This result reflects Athene's positioning as a market leader and broad-based platform momentum.

Athene generated record levels of annual inflows across each of the retail, funding agreement, and pension group annuity (PGA) channels. Organic inflows for both the fourth quarter and full year 2021 were underwritten to attractive returns above targets 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 fourth quarter 2021, Athene generated record retail inflows of \$2.9 billion, an increase of 26% year-over-year and 22% versus the prior quarter. Fourth quarter retail inflows demonstrated broad-based strength across the product suite, with seven different fixed indexed annuity products reaching more than \$250 million in sales.

For the full year 2021, Athene generated retail inflows of \$8.8 billion, an annual record and an increase of 13% from the prior year. Athene remains a leader in the fixed annuity marketplace, ranking among the largest carriers by market share, and serves as a source of strength for consumers seeking retirement savings products that can increase their financial security.

Flow Reinsurance:

In the fourth quarter 2021, Athene generated flow reinsurance inflows of \$1.4 billion, an increase of 142% year-over-year and 113% quarter over quarter. Flow reinsurance activity benefited from an increase in volume from existing partnerships and the full-quarter run-rate of a new partnership that commenced late in the third quarter.

For the full year 2021, flow reinsurance inflows were \$2.6 billion. This represents a decrease of 57% from the prior year, which experienced unusually high activity resulting from the onset of the pandemic.

Pension Group Annuities¹:

In the fourth quarter 2021, Athene completed three PGA transactions totaling \$2.9 billion, including two transactions with Alcoa which totaled \$1.5 billion.

For the full year 2021, PGA inflows totaled a record \$13.8 billion across 9 transactions, representing an increase of 153% from the prior year. Athene's PGA transaction execution comprised an estimated 36% of the U.S. market volume in 2021, making Athene the presumptive market leader.

Funding Agreements²:

In the fourth quarter 2021, Athene generated \$2.2 billion of funding agreement activity, representing a modest increase year-over-year. Funding agreement activity was driven by four funding-agreement backed note (FABN) issuances across three distinct currencies and six funding agreements issued to the Federal Home Loan Bank (FHLB).

For the full year 2021, funding agreement activity totaled \$11.9 billion, an annual record and a 43% increase from the prior year. Athene continues to be a market leader in funding agreements, with one of the largest programs measured by total issuance outstanding.

Net Organic Flows

In the fourth quarter 2021, Athene generated net organic flows of \$3.4 billion. This was driven by the aforementioned gross organic inflows of \$9.3 billion, less \$2.3 billion of inflows attributable to third party investors in Athene Co-Invest Reinsurance Affiliate (ACRA) related to PGA and funding agreement activity, as well as expected net outflows of \$3.6 billion. Athene's net annualized organic growth rate for the fourth quarter 2021 was 8% versus 13% in the prior year quarter.

For the full year 2021, net organic flows were \$12.0 billion, a decrease of 17% from the prior year. Athene's net organic growth rate for the full year 2021 was 7% versus 11% in the prior year.

Segment Results

Retirement Services

Fourth Quarter 2021 Results

For the fourth quarter 2021, adjusted operating income available to common shareholders in Retirement Services was \$468 million, a decrease of \$25 million, or 5%, from the fourth quarter 2020, resulting in an adjusted operating ROE of 16.8%. Excluding notable items, adjusted operating income available to common shareholders in Retirement Services was \$501 million, resulting in an adjusted operating ROE of 18.0%. The decrease in adjusted operating income available to common shareholders over the prior year quarter was primarily driven by a lower net investment spread.

The net investment spread, which measures net investment earnings less cost of funds, was 1.26% of average net invested assets for the fourth quarter 2021, a decrease of 49 basis points from the fourth quarter 2020. The decrease from the prior year quarter was primarily driven by a lower NIER, partially offset by a lower cost of funds.

The NIER was 3.82% for the fourth quarter 2021, compared to 4.43% in the prior year quarter. The annualized return on fixed income and other investments during the fourth quarter 2021 was 3.26%, compared to 3.70% in the prior year quarter. The year-over-year decline of 44 basis points was driven primarily by lower on-the-margin asset deployment yields resulting from the prolonged low interest rate environment, unfavorable one-time true-up adjustments, and lower bond call income. The net annualized return on alternative investments during the fourth quarter 2021 was 14.88% compared to 22.59% in the prior year quarter. While both periods benefited from the broad-

1 Pension group annuities (PGA) was previously referenced as pension risk transfer (PRT). 2 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.

based appreciation in the portfolio and favorable market tailwinds, results in the prior year quarter were driven by particularly strong performance from Athene's larger differentiated alternative investments, including AmeriHome, Catalina, and Venerable.

Cost of funds, which is comprised of cost of crediting on deferred annuities and institutional products as well as other liability costs, was 2.56% for the fourth quarter 2021, a decrease of 12 basis points from the fourth quarter 2020, driven primarily by a lower cost of crediting, partially offset by higher other liability costs.

Total cost of crediting was 1.74% for the fourth quarter 2021, a decrease of 15 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 2.53%, a decrease of 55 basis points from the prior year quarter. The year-over-year decrease was driven by lower rates on funding agreement and pension group annuity issuances due to the prolonged low interest rate environment. The cost of crediting on deferred annuities was 1.82%, a decrease of 12 basis points from the prior year quarter, driven by lower crediting rates on new issuances and renewals.

Other liability costs, which are primarily applicable to deferred annuities, were 0.82% for the fourth quarter 2021, an increase of 3 basis points from the prior year quarter. The year-over-year increase was primarily driven by unfavorable unlocking and a one-time actuarial adjustment, partially offset by lower gross profits, favorable actuarial experience, and market impacts.

Full Year 2021 Results

For the full year 2021, adjusted operating income available to common shareholders in Retirement Services was \$2,423 million, an increase of \$1,157 million, or 91%, from the full year 2020, resulting in an adjusted operating ROE of 25.1%. The increase in adjusted operating income available to common shareholders over the prior year was primarily driven by elevated net investment income from alternatives, as well as strong growth in average net invested assets of \$27.2 billion or 21%.

The net investment spread was 1.77% of average net invested assets for full year 2021, an increase of 46 basis points from the full year 2020. The increase from the prior year was driven by a higher NIER as well as lower cost of funds.

The NIER was 4.30% for the full year 2021, an increase of 26 basis points from the prior year, driven by a higher return on alternative investments, partially offset by a lower fixed income and other NIER. The annualized return on fixed income and other investments during the full year 2021 was 3.51%, compared to 3.82% in the prior year, a decline of 31 basis points, driven primarily by lower on-the-margin asset deployment yields resulting from the prolonged low interest rate environment and lower income from floating rate investments. The return on alternative investments during the full year 2021 was 21.30%, compared to 9.25% in the prior year, driven by broad based strength across the portfolio, including the sale of AmeriHome and strong performance from Venerable.

Cost of funds was 2.53% for the full year 2021, a decrease of 20 basis points from the full year 2020.

Total cost of crediting was 1.75% for the full year 2021, a decrease of 10 basis points from the prior year. This was due to lower rates on new institutional business and lower deferred annuity rates resulting from favorable rate actions and lower option costs, partially offset by an increasing overall mix of institutional business, which carries a higher cost of crediting compared to deferred annuities since the full cost of funds burden of institutional business is reflected within cost of crediting. Cost of crediting on deferred annuities was 1.85% and the cost of crediting on institutional business was 2.52%.

Other liability costs, which are primarily applicable to deferred annuities, were 0.78% for the full year 2021. The decrease of 10 basis points from the prior year was primarily driven by favorable actuarial experience and market impacts, partially offset by higher gross profits and an unfavorable change in unlocking.

Corporate & Other

Fourth Quarter 2021 Results

In the fourth quarter 2021, adjusted operating income available to common shareholders was \$309 million in Corporate & Other, an increase of \$244 million from \$65 million in the fourth quarter 2020. The increase in adjusted operating income available to common shareholders from the prior year quarter was driven by a favorable change in the fair value of Athene's AOG investment and higher investment income from alternatives.

In the fourth quarter 2021, the change in fair value of Athene's AOG investment, net of tax, resulted in a \$318 million gain, or \$1.60 per common share, primarily reflecting an 18% increase in the common stock price of Apollo Global Management (NYSE: APO).

Full Year 2021 Results

For the full year 2021, the adjusted operating income (loss) available to common shareholders was \$643 million in Corporate & Other, an increase of \$667 million from \$(24) million for the full year 2020. The increase in adjusted operating income (loss) available to common shareholders from the prior year quarter was driven by a favorable change in fair value of Athene's AOG investment and higher investment income from alternatives (including Athene's Jackson equity stake, credit funds and natural resources), partially offset by higher preferred stock dividends and interest expense.

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About Athene

Athene, through its subsidiaries, is a leading financial services company specializing in retirement services with total assets of \$235.1 billion as of December 31, 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.

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 this measure across periods, interim periods are annualized. While we believe this metric 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 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) pension group annuity 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 pension group annuity 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 group annuity 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 failure to realize the expected benefits from the 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, its amendment to its annual report on Form 10-K/A for the year ended December 31, 2020, its quarterly report on Form 10-Q for the quarter ended September 30, 2021, and its other SEC filings, which can be found at the SEC's website 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	December 31, 2021
Assets		
Investments		
Available-for-sale securities, at fair value	\$ 82,853	\$ 100,159
Trading securities, at fair value	2,093	2,056
Equity securities	532	1,170
Mortgage loans, net of allowances	15,264	22,557
Investment funds	803	1,407
Policy loans	369	312
Funds withheld at interest	48,612	43,907
Derivative assets	3,523	4,387
Short-term investments, at fair value	222	139
Other investments, net of allowances	572	1,473
Total investments	154,843	177,567
Cash and cash equivalents	7,704	9,633
Restricted cash	738	796
Investments in related parties		
Available-for-sale securities, at fair value	6,520	10,402
Trading securities, at fair value	1,529	1,781
Equity securities, at fair value	72	284
Mortgage loans, net of allowances	674	1,591
Investment funds	5,284	8,459
Funds withheld at interest	13,030	12,207
Other investments, net of allowances	469	222
Accrued investment income	905	968
Reinsurance recoverable	4,848	4,594
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	5,362
Other assets	1,249	1,283
Total assets	\$ 202,771	\$ 235,149

(Continued)

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

	December 31, 2020	December 31, 2021
Liabilities		
Interest sensitive contract liabilities	\$ 144,566	\$ 156,325
Future policy benefits	29,258	42,488
Other policy claims and benefits	130	138
Dividends payable to policyholders	110	101
Long-term debt	1,976	2,964
Derivative liabilities	298	472
Payables for collateral on derivatives and securities to repurchase	3,801	7,044
Funds withheld liability	452	439
Other liabilities	2,040	2,997
Total liabilities	182,631	212,968
Equity		
Preferred stock	—	—
Common stock	—	—
Additional paid-in capital	6,613	6,667
Retained earnings	8,073	11,033
Accumulated other comprehensive income	3,971	2,430
Total Athene Holding Ltd. shareholders' equity	18,657	20,130
Noncontrolling interests	1,483	2,051
Total equity	20,140	22,181
Total liabilities and equity	\$ 202,771	\$ 235,149

(Concluded)

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

	Three months ended December 31,		Years ended December 31,	
	2020	2021	2020	2021
Revenue				
Premiums	\$ 4,356	\$ 2,967	\$ 5,963	\$ 14,262
Product charges	146	160	571	621
Net investment income	1,595	1,961	4,885	7,177
Investment related gains	2,536	1,680	3,309	4,188
Other revenues	7	14	36	72
Total revenues	8,640	6,782	14,764	26,320
Benefits and Expenses				
Interest sensitive contract benefits	1,909	1,497	3,891	4,442
Amortization of DSI	29	60	66	198
Future policy and other policy benefits	4,718	3,453	7,187	15,734
Amortization of DAC and VOBA	274	102	521	632
Dividends to policyholders	9	4	38	27
Policy and other operating expenses	218	329	855	1,101
Total benefits and expenses	7,157	5,445	12,558	22,134
Income before income taxes	1,483	1,337	2,206	4,186
Income tax expense	161	190	285	386
Net income	1,322	1,147	1,921	3,800
Less: Net income (loss) attributable to noncontrolling interests	229	52	380	(59)
Net income attributable to Athene Holding Ltd. shareholders	1,093	1,095	1,541	3,859
Less: Preferred stock dividends	28	35	95	141
Net income available to Athene Holding Ltd. common shareholders	\$ 1,065	\$ 1,060	\$ 1,446	\$ 3,718

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:

(In millions)	Three months ended December 31,		Years ended December 31,	
	2020	2021	2020	2021
Net income available to Athene Holding Ltd. common shareholders	\$ 1,065	\$ 1,060	\$ 1,446	\$ 3,718
Less: Total non-operating adjustments	507	283	204	652
Adjusted operating income available to common shareholders	558	777	1,242	3,066
Notable items	(41)	33	(35)	(50)
Adjusted operating income available to common shareholders excluding notable items	\$ 517	\$ 810	\$ 1,207	\$ 3,016
Retirement Services adjusted operating income available to common shareholders	\$ 493	\$ 468	\$ 1,266	\$ 2,423
Non-recurring adjustment on derivative collateral	—	—	(18)	—
Actuarial experience and market impacts	(46)	(57)	(16)	(143)
Unlocking	—	91	(6)	91
Tax impact of notable items	5	(1)	5	2
Retirement Services notable items	(41)	33	(35)	(50)
Retirement Services adjusted operating income available to common shareholders excluding notable items	452	501	1,231	2,373
Corporate and Other adjusted operating income (loss) available to common shareholders	65	309	(24)	643
Consolidated adjusted operating income available to common shareholders excluding notable items	517	810	1,207	3,016
Less: Change in fair value of Apollo investment, net of tax	113	318	165	682
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 404	\$ 492	\$ 1,042	\$ 2,334

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

	Three months ended December 31,		Years ended December 31,	
	2020	2021	2020	2021
Basic earnings per share – Class A common shares	\$ 5.57	\$ 5.52	\$ 8.51	\$ 19.40
Non-operating adjustments				
Investment gains (losses), net of offsets	2.68	1.24	2.62	0.81
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.17	1.01	(1.22)	3.48
Integration, restructuring and other non-operating expenses	0.01	(0.31)	(0.05)	(0.63)
Stock compensation expense	—	—	(0.06)	(0.01)
Income tax expense - non-operating	(0.28)	(0.53)	(0.25)	(0.37)
Less: Total non-operating adjustments	2.58	1.41	1.04	3.28
Less: Effect of items convertible to or settled in Class A common shares	0.14	0.22	1.05	0.69
Adjusted operating earnings per common share	\$ 2.85	\$ 3.89	\$ 6.42	\$ 15.43

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 December 31,		Years ended December 31,	
	2020	2021	2020	2021
Basic weighted average common shares outstanding – Class A	191.1	191.9	184.9	191.6
Conversion of Class B common shares to Class A common shares	—	—	4.2	—
Conversion of Class M common shares to Class A common shares	—	—	0.7	—
Effect of other stock compensation plans	4.8	7.9	3.7	7.1
Weighted average common shares outstanding – adjusted operating	195.9	199.8	193.5	198.7

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>	December 31,		December 31,	
	2009	2020	2020	2021
Total AHL shareholders' equity	\$ 113	\$ 18,657	\$ 20,130	\$ 20,130
Less: Preferred stock	—	2,312	2,312	2,312
Total AHL common shareholders' equity	113	16,345	17,818	17,818
Less: AOCI	1	3,971	2,430	2,430
Less: Accumulated change in fair value of reinsurance assets	—	1,142	585	585
Total adjusted AHL common shareholders' equity	\$ 112	\$ 11,232	\$ 14,803	\$ 14,803
Retirement Services		\$ 7,732	\$ 11,453	\$ 11,453
Corporate and Other		3,500	3,350	3,350
Total adjusted AHL common shareholders' equity		\$ 11,232	\$ 14,803	\$ 14,803

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 December 31,		Years ended December 31,	
	2020	2021	2020	2021
Average AHL shareholders' equity	\$ 17,300	\$ 20,260	\$ 14,528	\$ 19,295
Less: Average preferred stock	2,034	2,312	1,633	2,312
Less: Average AOCI	3,430	2,721	2,030	2,954
Less: Average accumulated change in fair value of reinsurance assets	960	682	575	776
Average adjusted AHL common shareholders' equity	\$ 10,876	\$ 14,545	\$ 10,290	\$ 13,253
Retirement Services	\$ 7,526	\$ 11,120	\$ 7,491	\$ 9,663
Corporate and Other	3,350	3,425	2,799	3,590
Average adjusted AHL common shareholders' equity	\$ 10,876	\$ 14,545	\$ 10,290	\$ 13,253

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

<i>(In millions)</i>	December 31,		December 31,	
	2009	2020	2020	2021
Class A common shares outstanding	0.1	191.2	191.2	191.9
Conversion of Class B common shares to Class A common shares	9.7	—	—	—
Effect of other stock compensation plans	—	6.0	6.0	8.6
Adjusted operating common shares outstanding	9.8	197.2	197.2	200.5

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

	December 31,		December 31,			
	2009		2020	2021		
Book value per common share	\$	11.62	\$	85.51	\$	92.83
AOCI		(0.13)		(20.77)		(12.66)
Accumulated change in fair value of reinsurance assets		—		(5.98)		(3.05)
Effect of items convertible to or settled in Class A common shares		—		(1.81)		(3.28)
Adjusted book value per common share	\$	11.49	\$	56.95	\$	73.84

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

(In millions)	Three months ended December 31,				Years ended December 31,							
	2020		2021		2020		2021					
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate				
GAAP net investment income	\$	1,595	4.39 %	\$	1,961	4.65 %	\$	4,885	3.68 %	\$	7,177	4.49 %
Change in fair value of reinsurance assets		476	1.31 %		318	0.75 %		1,408	1.06 %		1,451	0.90 %
Alternative gains (losses)		(80)	(0.22)%		19	0.05 %		(102)	(0.08)%		144	0.09 %
ACRA noncontrolling interest		(210)	(0.58)%		(239)	(0.57)%		(559)	(0.42)%		(943)	(0.59)%
Apollo investment (gain) loss		(142)	(0.38)%		(404)	(0.96)%		(225)	(0.17)%		(864)	(0.54)%
Held for trading amortization and other		(32)	(0.09)%		26	0.06 %		(79)	(0.06)%		114	0.07 %
Total adjustments to arrive at net investment earnings/earned rate		12	0.04 %		(280)	(0.67)%		443	0.33 %		(98)	(0.07)%
Total net investment earnings/earned rate	\$	1,607	4.43 %	\$	1,681	3.98 %	\$	5,328	4.01 %	\$	7,079	4.42 %
Retirement Services	\$	1,584	4.43 %	\$	1,599	3.82 %	\$	5,287	4.04 %	\$	6,791	4.30 %
Corporate and Other		23	4.38 %		82	21.81 %		41	2.17 %		288	14.73 %
Total net investment earnings/earned rate	\$	1,607	4.43 %	\$	1,681	3.98 %	\$	5,328	4.01 %	\$	7,079	4.42 %
Retirement Services	\$	143,162		\$	167,357		\$	130,887		\$	158,064	
Corporate and Other ex. Apollo investment		2,089			1,506			1,863			1,955	
Consolidated average net invested assets ex. Apollo investment	\$	145,251		\$	168,863		\$	132,750		\$	160,019	

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 December 31,				Years ended December 31,			
	2020		2021		2020		2021	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 1,909	5.33 %	\$ 1,497	3.58 %	\$ 3,891	2.97 %	\$ 4,442	2.81 %
Interest credited other than deferred annuities and institutional products	101	0.28 %	115	0.27 %	312	0.24 %	405	0.26 %
FIA option costs	280	0.78 %	287	0.69 %	1,101	0.84 %	1,125	0.71 %
Product charges (strategy fees)	(36)	(0.10)%	(45)	(0.11)%	(136)	(0.10)%	(165)	(0.10)%
Reinsurance embedded derivative impacts	14	0.04 %	11	0.03 %	57	0.04 %	49	0.03 %
Change in fair values of embedded derivatives – FIAs	(1,395)	(3.90)%	(937)	(2.24)%	(2,404)	(1.84)%	(2,500)	(1.58)%
Negative VOBA amortization	6	0.02 %	6	0.01 %	21	0.02 %	18	0.01 %
ACRA noncontrolling interest	(207)	(0.58)%	(219)	(0.52)%	(433)	(0.33)%	(637)	(0.40)%
Other changes in interest sensitive contract liabilities	5	0.02 %	11	0.03 %	8	0.01 %	31	0.01 %
Total adjustments to arrive at cost of crediting	(1,232)	(3.44)%	(771)	(1.84)%	(1,474)	(1.12)%	(1,674)	(1.06)%
Retirement Services cost of crediting	\$ 677	1.89 %	\$ 726	1.74 %	\$ 2,417	1.85 %	\$ 2,768	1.75 %
Retirement Services cost of crediting on deferred annuities	\$ 505	1.94 %	\$ 482	1.82 %	\$ 1,884	1.95 %	\$ 1,939	1.85 %
Retirement Services cost of crediting on institutional products	172	3.08 %	244	2.53 %	533	3.05 %	829	2.52 %
Retirement Services cost of crediting	\$ 677	1.89 %	\$ 726	1.74 %	\$ 2,417	1.85 %	\$ 2,768	1.75 %
Retirement Services average net invested assets	\$ 143,162		\$ 167,357		\$ 130,887		\$ 158,064	
Average net account value on deferred annuities	103,990		105,884		96,848		104,874	
Average institutional net reserve liabilities	22,375		38,541		17,505		32,911	

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

(In millions)	Three months ended December 31,		Years ended December 31,	
	2020	2021	2020	2021
	GAAP benefits and expenses	\$ 7,157	\$ 5,445	\$ 12,558
Premiums	(4,356)	(2,967)	(5,963)	(14,262)
Product charges	(146)	(160)	(571)	(621)
Other revenues	(7)	(14)	(36)	(72)
Cost of crediting	(383)	(428)	(1,259)	(1,594)
Change in fair value of embedded derivatives – FIA, net of offsets	(1,409)	(1,077)	(2,261)	(2,989)
DAC, DSI and VOBA amortization related to investment gains and losses	(111)	41	(95)	115
Rider reserves	(19)	(5)	(10)	(4)
Policy and other operating expenses, excluding policy acquisition expenses	(139)	(242)	(533)	(772)
AmerUs closed block fair value liability	(34)	7	(104)	57
ACRA noncontrolling interest	(258)	(265)	(527)	(759)
Other changes in benefits and expenses	(14)	12	(41)	(8)
Total adjustments to arrive at other liability costs	(6,876)	(5,098)	(11,400)	(20,909)
Other liability costs	\$ 281	\$ 347	\$ 1,158	\$ 1,225
Retirement Services	\$ 281	\$ 347	\$ 1,158	\$ 1,225
Corporate and Other	—	—	—	—
Consolidated other liability costs	\$ 281	\$ 347	\$ 1,158	\$ 1,225

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

<i>(In millions)</i>	December 31,	
	2020	2021
Total investments, including related parties	\$ 182,421	\$ 212,513
Derivative assets	(3,523)	(4,387)
Cash and cash equivalents (including restricted cash)	8,442	10,429
Accrued investment income	905	968
Payables for collateral on derivatives	(3,203)	(3,934)
Reinsurance funds withheld and modified coinsurance	(2,459)	(1,035)
VIE and VOE assets, liabilities and noncontrolling interest	(136)	(539)
Unrealized (gains) losses	(7,275)	(4,057)
Ceded policy loans	(204)	(169)
Net investment receivables (payables)	99	75
Allowance for credit losses	357	361
Total adjustments to arrive at gross invested assets	(6,997)	(2,288)
Gross invested assets	175,424	210,225
ACRA noncontrolling interest	(25,234)	(34,882)
Net invested assets	\$ 150,190	\$ 175,343



Athene Holding Ltd.
4Q'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
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
SELECTED INCOME STATEMENT DATA										
Net income available to AHL common shareholders	\$ 1,065	\$ 578	\$ 1,382	\$ 698	\$ 1,060	52 %	— %	\$ 1,446	\$ 3,718	157 %
Adjusted operating income available to common shareholders	558	748	1,000	541	777	44 %	39 %	1,242	3,066	147 %
Adjusted operating income available to common shareholders ex. notables and AOG	404	759	572	511	492	(4)%	22 %	1,042	2,334	124 %
FINANCIAL RATIOS										
Return on assets (ROA)	2.16 %	1.13 %	2.62 %	1.27 %	1.85 %	58bps	(31)bps	0.83 %	1.72 %	89bps
Adjusted operating ROA	1.52 %	1.96 %	2.53 %	1.32 %	1.82 %	50bps	30bps	0.93 %	1.90 %	97bps
Adjusted operating ROA, excluding notables and AOG	1.11 %	2.00 %	1.46 %	1.26 %	1.16 %	(10)bps	5bps	0.78 %	1.46 %	68bps
Net investment spread – Retirement Services	1.75 %	2.48 %	1.90 %	1.53 %	1.26 %	(27)bps	(49)bps	1.31 %	1.77 %	46bps
Return on equity (ROE)	24.6 %	12.9 %	29.6 %	13.8 %	20.9 %	NM	NM	10.0 %	19.3 %	NM
Adjusted operating ROE	20.5 %	25.3 %	30.8 %	15.6 %	21.4 %	NM	90bps	12.1 %	23.1 %	NM
Adjusted operating ROE, excluding notables and AOG	15.0 %	26.0 %	18.1 %	15.3 %	14.2 %	NM	(80)bps	10.2 %	18.2 %	NM
Adjusted operating ROE – Retirement Services	26.2 %	37.8 %	27.6 %	21.2 %	16.8 %	NM	NM	16.9 %	25.1 %	NM
EARNINGS AND BOOK VALUE PER COMMON SHARE										
Earnings per common share – basic class A	\$ 5.57	\$ 3.02	\$ 7.21	\$ 3.64	\$ 5.52	52 %	(1)%	\$ 8.51	\$ 19.40	128 %
Earnings per common share – diluted class A ¹	5.44	2.94	6.97	3.51	5.30	51 %	(3)%	8.34	18.71	124 %
Adjusted operating earnings per common share ²	2.85	3.80	5.04	2.73	3.89	42 %	36 %	6.42	15.43	140 %
Adjusted operating earnings per common share ex. notables and AOG	2.06	3.86	2.88	2.57	2.46	(4)%	19 %	5.39	11.75	118 %
Book value per common share	85.51	78.25	92.33	94.24	92.83	(1)%	9 %	85.51	92.83	9 %
Adjusted book value per common share ²	56.95	62.88	67.46	71.50	73.84	3 %	30 %	56.95	73.84	30 %
SELECTED BALANCE SHEET DATA										
Total assets	\$ 202,771	\$ 205,670	\$ 215,549	\$ 224,396	\$ 235,149	5 %	16 %	\$ 202,771	\$ 235,149	16 %
Gross invested assets	175,424	182,296	188,751	199,144	210,225	6 %	20 %	175,424	210,225	20 %
Invested assets – ACRA noncontrolling interests	(25,234)	(26,593)	(27,937)	(32,924)	(34,882)	(6)%	(38)%	(25,234)	(34,882)	(38)%
Net invested assets	150,190	155,703	160,814	166,220	175,343	5 %	17 %	150,190	175,343	17 %
Total liabilities	182,631	187,334	193,878	202,024	212,968	5 %	17 %	182,631	212,968	17 %
Net reserve liabilities	144,989	148,339	152,772	156,852	161,951	3 %	12 %	144,989	161,951	12 %
Debt	1,976	1,977	2,468	2,469	2,964	20 %	50 %	1,976	2,964	50 %
Total AHL shareholders' equity	18,657	17,291	20,006	20,389	20,130	(1)%	8 %	18,657	20,130	8 %
Adjusted AHL common shareholders' equity	11,232	12,470	13,471	14,287	14,803	4 %	32 %	11,232	14,803	32 %
FLOWS DATA										
Net organic flows	\$ 4,866	\$ 3,224	\$ 1,954	\$ 3,434	\$ 3,422	— %	(30)%	\$ 14,418	\$ 12,034	(17)%
Average net invested assets	146,512	152,947	158,259	163,517	170,782	4 %	17 %	133,687	161,654	21 %
Net organic growth rate	13.3 %	8.4 %	4.9 %	8.4 %	8.0 %	(40)bps	NM	10.8 %	7.4 %	NM
Net organic growth rate - LTM	10.8 %	11.6 %	9.9 %	8.7 %	7.4 %	NM	NM	10.8 %	7.4 %	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 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 year ended December 31, 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 year ended December 31, 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.

Condensed Consolidated Statements of Income (GAAP view)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
REVENUE										
Premiums	\$ 4,356	\$ 3,011	\$ 1,598	\$ 6,686	\$ 2,967	(56)%	(32)%	\$ 5,963	\$ 14,262	139 %
Product charges	146	150	157	154	160	4 %	10 %	571	621	9 %
Net investment income	1,595	1,704	2,038	1,474	1,961	33 %	23 %	4,885	7,177	47 %
Investment related gains (losses)	2,536	(488)	2,610	386	1,680	NM	(34)%	3,309	4,188	27 %
Other revenues	7	14	20	24	14	(42)%	100 %	36	72	100 %
Total revenues	\$ 8,640	\$ 4,391	\$ 6,423	\$ 8,724	\$ 6,782	(22)%	(22)%	\$ 14,764	\$ 26,320	78 %
BENEFITS AND EXPENSES										
Interest sensitive contract benefits	\$ 1,909	\$ 394	\$ 1,979	\$ 572	\$ 1,497	162 %	(22)%	\$ 3,891	\$ 4,442	14 %
Amortization of deferred sales inducements	29	84	22	32	60	88 %	107 %	66	198	200 %
Future policy and other policy benefits	4,718	3,317	1,950	7,014	3,453	(51)%	(27)%	7,187	15,734	119 %
Amortization of deferred acquisition costs and value of business acquired	274	164	230	136	102	(25)%	(63)%	521	632	21 %
Dividends to policyholders	9	10	10	3	4	33 %	(56)%	38	27	(29)%
Policy and other operating expenses	218	283	242	247	329	33 %	51 %	855	1,101	29 %
Total benefits and expenses	7,157	4,252	4,433	8,004	5,445	(32)%	(24)%	12,558	22,134	76 %
Income before income taxes	1,483	139	1,990	720	1,337	86 %	(10)%	2,206	4,186	90 %
Income tax expense (benefit)	161	62	184	(50)	190	NM	18 %	285	386	35 %
Net income	1,322	77	1,806	770	1,147	49 %	(13)%	1,921	3,800	98 %
Less: Net income (loss) attributable to noncontrolling interests	229	(537)	389	37	52	41 %	(77)%	380	(59)	NM
Net income attributable to Athene Holding Ltd. shareholders	1,093	614	1,417	733	1,095	49 %	— %	1,541	3,859	150 %
Less: Preferred stock dividends	28	36	35	35	35	— %	25 %	95	141	48 %
Net income available to Athene Holding Ltd. common shareholders	\$ 1,065	\$ 578	\$ 1,382	\$ 698	\$ 1,060	52 %	— %	\$ 1,446	\$ 3,718	157 %

Segment Results of Operations (Management view)

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



	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
CONSOLIDATED										
Fixed income and other investment income	\$ 1,283	\$ 1,286	\$ 1,395	\$ 1,340	\$ 1,304	(3)%	2 %	\$ 4,836	\$ 5,325	10 %
Alternative investment income	324	712	331	334	377	13 %	16 %	492	1,754	257 %
Net investment earnings	1,607	1,998	1,726	1,674	1,681	— %	5 %	5,328	7,079	33 %
Cost of crediting	(677)	(668)	(678)	(696)	(726)	(4)%	(7)%	(2,417)	(2,768)	(15)%
Other liability costs ¹	(281)	(342)	(247)	(289)	(347)	(20)%	(23)%	(1,158)	(1,225)	(6)%
Cost of funds	(958)	(1,010)	(925)	(985)	(1,073)	(9)%	(12)%	(3,575)	(3,993)	(12)%
Operating expenses	(93)	(98)	(95)	(93)	(109)	(17)%	(17)%	(338)	(395)	(17)%
Interest expense	(27)	(26)	(27)	(31)	(32)	(3)%	(19)%	(101)	(116)	(15)%
Management fees from ACRA	8	9	8	11	11	— %	38 %	22	39	77 %
Pre-tax adjusted operating income	537	873	687	576	478	(17)%	(11)%	1,336	2,614	96 %
Income tax (expense) benefit – operating ²	(64)	(70)	(25)	(10)	16	NM	NM	(164)	(89)	46 %
Adjusted operating income	473	803	662	566	494	(13)%	4 %	1,172	2,525	115 %
Preferred stock dividends	(28)	(36)	(35)	(35)	(35)	— %	(25)%	(95)	(141)	(48)%
Adjusted operating income available to common shareholders excluding Apollo	445	767	627	531	459	(14)%	3 %	1,077	2,384	121 %
Change in fair value of Apollo investment, net of tax ³	113	(19)	373	10	318	NM	181 %	165	682	NM
Adjusted operating income available to common shareholders	\$ 558	\$ 748	\$ 1,000	\$ 541	\$ 777	44 %	39 %	\$ 1,242	\$ 3,066	147 %
Adjusted operating earnings per common share	\$ 2.85	\$ 3.80	\$ 5.04	\$ 2.73	\$ 3.89	42 %	36 %	\$ 6.42	\$ 15.43	140 %
RETIREMENT SERVICES										
Fixed income and other investment income	\$ 1,274	\$ 1,276	\$ 1,385	\$ 1,333	\$ 1,302	(2)%	2 %	\$ 4,799	\$ 5,296	10 %
Alternative investment income	310	659	274	265	297	12 %	(4)%	488	1,495	206 %
Net investment earnings	1,584	1,935	1,659	1,598	1,599	— %	1 %	5,287	6,791	28 %
Cost of crediting	(677)	(668)	(678)	(696)	(726)	(4)%	(7)%	(2,417)	(2,768)	(15)%
Other liability costs ¹	(281)	(342)	(247)	(289)	(347)	(20)%	(23)%	(1,158)	(1,225)	(6)%
Cost of funds	(958)	(1,010)	(925)	(985)	(1,073)	(9)%	(12)%	(3,575)	(3,993)	(12)%
Operating expenses	(73)	(78)	(81)	(75)	(82)	(9)%	(12)%	(275)	(316)	(15)%
Interest expense	(4)	(2)	(2)	(2)	(3)	(50)%	25 %	(29)	(9)	69 %
Management fees from ACRA	8	9	8	11	11	— %	38 %	22	39	77 %
Pre-tax adjusted operating income	557	854	659	547	452	(17)%	(19)%	1,430	2,512	76 %
Income tax (expense) benefit – operating	(64)	(70)	(25)	(10)	16	NM	NM	(164)	(89)	46 %
Adjusted operating income available to common shareholders	\$ 493	\$ 784	\$ 634	\$ 537	\$ 468	(13)%	(5)%	\$ 1,266	\$ 2,423	91 %
CORPORATE & OTHER										
Fixed income and other investment income	\$ 9	\$ 10	\$ 10	\$ 7	\$ 2	(71)%	(78)%	\$ 37	\$ 29	(22)%
Alternative investment income	14	53	57	69	80	16 %	NM	4	259	NM
Net investment earnings	23	63	67	76	82	8 %	257 %	41	288	NM
Operating expenses	(20)	(20)	(14)	(18)	(27)	(50)%	(35)%	(63)	(79)	(25)%
Interest expense	(23)	(24)	(25)	(29)	(29)	— %	(26)%	(72)	(107)	(49)%
Adjusted operating income (loss)	(20)	19	28	29	26	(10)%	NM	(94)	102	NM
Preferred stock dividends	(28)	(36)	(35)	(35)	(35)	— %	(25)%	(95)	(141)	(48)%
Adjusted operating loss available to common shareholders excluding Apollo	(48)	(17)	(7)	(6)	(9)	(50)%	81 %	(189)	(39)	79 %
Change in fair value of Apollo investment, net of tax ³	113	(19)	373	10	318	NM	181 %	165	682	NM
Adjusted operating income (loss) available to common shareholders	\$ 65	\$ (36)	\$ 366	\$ 4	\$ 309	NM	NM	\$ (24)	\$ 643	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
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
CONSOLIDATED										
Fixed income and other investment income	3.70 %	3.57 %	3.75 %	3.49 %	3.26 %	(23)bps	(44)bps	3.82 %	3.51 %	(31)bps
Alternative investment income	19.56 %	38.51 %	16.73 %	16.28 %	16.40 %	12bps	NM	8.01 %	21.37 %	NM
Net investment earnings	4.43 %	5.27 %	4.40 %	4.14 %	3.98 %	(16)bps	(45)bps	4.01 %	4.42 %	41bps
Cost of crediting	(1.86)%	(1.76)%	(1.73)%	(1.72)%	(1.72)%	0bps	14bps	(1.82)%	(1.73)%	9bps
Other liability costs	(0.78)%	(0.90)%	(0.63)%	(0.72)%	(0.82)%	(10)bps	(4)bps	(0.87)%	(0.77)%	10bps
Cost of funds	(2.64)%	(2.66)%	(2.36)%	(2.44)%	(2.54)%	(10)bps	10bps	(2.69)%	(2.50)%	19bps
Net investment spread	1.79 %	2.61 %	2.04 %	1.70 %	1.44 %	(26)bps	(35)bps	1.32 %	1.92 %	60bps
Operating expenses	(0.26)%	(0.26)%	(0.24)%	(0.23)%	(0.26)%	(3)bps	0bps	(0.25)%	(0.25)%	0bps
Interest expense	(0.07)%	(0.07)%	(0.07)%	(0.08)%	(0.08)%	0bps	(1)bps	(0.08)%	(0.07)%	1bps
Management fees from ACRA	0.02 %	0.02 %	0.02 %	0.03 %	0.03 %	0bps	1bps	0.02 %	0.02 %	0bps
Pre-tax adjusted operating income	1.48 %	2.30 %	1.75 %	1.42 %	1.13 %	(29)bps	(35)bps	1.01 %	1.62 %	61bps
Income tax (expense) benefit – operating	(0.18)%	(0.18)%	(0.06)%	(0.02)%	0.04 %	NM	NM	(0.13)%	(0.04)%	9bps
Adjusted operating income	1.30 %	2.12 %	1.69 %	1.40 %	1.17 %	(23)bps	(13)bps	0.88 %	1.58 %	70bps
Preferred stock dividends	(0.07)%	(0.10)%	(0.09)%	(0.09)%	(0.08)%	1bps	(1)bps	(0.07)%	(0.09)%	(2)bps
Adjusted operating income available to common shareholders excluding Apollo	1.23 %	2.02 %	1.60 %	1.31 %	1.09 %	(22)bps	(14)bps	0.81 %	1.49 %	68bps
Change in fair value of Apollo investment, net of tax	0.29 %	(0.06)%	0.93 %	0.01 %	0.73 %	72bps	44bps	0.12 %	0.41 %	29bps
Adjusted operating income available to common shareholders	1.52 %	1.96 %	2.53 %	1.32 %	1.82 %	50bps	30bps	0.93 %	1.90 %	97bps
Consolidated average net invested assets ex. Apollo investment	\$ 145,251	\$ 151,644	\$ 156,753	\$ 161,789	\$ 168,863	4 %	16 %	\$ 132,750	\$ 160,019	21 %
Consolidated average net invested assets	146,512	152,947	158,259	163,517	170,782	4 %	17 %	133,687	161,654	21 %
RETIREMENT SERVICES										
Fixed income and other investment income	3.70 %	3.57 %	3.75 %	3.49 %	3.26 %	(23)bps	(44)bps	3.82 %	3.51 %	(31)bps
Alternative investment income	22.59 %	42.33 %	16.27 %	15.10 %	14.88 %	(22)bps	NM	9.25 %	21.30 %	NM
Net investment earnings	4.43 %	5.18 %	4.30 %	4.00 %	3.82 %	(18)bps	(61)bps	4.04 %	4.30 %	26bps
Cost of crediting	(1.89)%	(1.79)%	(1.76)%	(1.74)%	(1.74)%	0bps	15bps	(1.85)%	(1.75)%	10bps
Other liability costs	(0.79)%	(0.91)%	(0.64)%	(0.73)%	(0.82)%	(9)bps	(3)bps	(0.88)%	(0.78)%	10bps
Cost of funds	(2.68)%	(2.70)%	(2.40)%	(2.47)%	(2.56)%	(9)bps	12bps	(2.73)%	(2.53)%	20bps
Net investment spread	1.75 %	2.48 %	1.90 %	1.53 %	1.26 %	(27)bps	(49)bps	1.31 %	1.77 %	46bps
Operating expenses	(0.20)%	(0.21)%	(0.21)%	(0.19)%	(0.20)%	(1)bps	0bps	(0.21)%	(0.20)%	1bps
Interest expense	(0.01)%	(0.01)%	(0.01)%	(0.01)%	(0.01)%	0bps	0bps	(0.02)%	(0.01)%	1bps
Management fees from ACRA	0.02 %	0.02 %	0.02 %	0.03 %	0.03 %	0bps	1bps	0.02 %	0.02 %	0bps
Pre-tax adjusted operating income	1.56 %	2.28 %	1.70 %	1.36 %	1.08 %	(28)bps	(48)bps	1.10 %	1.58 %	48bps
Income tax (expense) benefit – operating	(0.18)%	(0.18)%	(0.06)%	(0.02)%	0.04 %	NM	NM	(0.13)%	(0.05)%	8bps
Adjusted operating income available to common shareholders	1.38 %	2.10 %	1.64 %	1.34 %	1.12 %	(22)bps	(26)bps	0.97 %	1.53 %	56bps
Retirement Services average net invested assets	\$ 143,162	\$ 149,397	\$ 154,459	\$ 159,767	\$ 167,357	5 %	17 %	\$ 130,887	\$ 158,064	21 %

Reconciliation of Earnings Measures

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



	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
RECONCILIATION OF NET INCOME AVAILABLE TO ATHENE HOLDING LTD. COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS										
Net income available to Athene Holding Ltd. common shareholders	\$ 1,065	\$ 578	\$ 1,382	\$ 698	\$ 1,060	52 %	— %	\$ 1,446	\$ 3,718	157 %
Non-operating adjustments										
Realized gains on sale of AFS securities	37	19	57	73	396	NM	NM	27	545	NM
Unrealized, allowances and other investment gains (losses)	116	100	32	34	23	(32)%	(80)%	(152)	189	NM
Change in fair value of reinsurance assets	522	(865)	554	(118)	(200)	(69)%	NM	792	(629)	NM
Offsets to investment gains (losses)	(149)	141	(126)	13	27	108 %	NM	(159)	55	NM
Investment gains (losses), net of offsets	526	(605)	517	2	246	NM	(53)%	508	160	(69)%
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	33	488	(68)	70	202	189 %	NM	(235)	692	NM
Integration, restructuring and other non-operating expenses	3	(45)	(11)	(8)	(60)	NM	NM	(10)	(124)	NM
Stock compensation expense	—	—	(1)	(1)	—	NM	NM	(11)	(2)	82 %
Income tax (expense) benefit – non-operating	(55)	(8)	(55)	94	(105)	NM	(91)%	(48)	(74)	(54)%
Less: Total non-operating adjustments	507	(170)	382	157	283	80 %	(44)%	204	652	220 %
Adjusted operating income available to common shareholders	\$ 558	\$ 748	\$ 1,000	\$ 541	\$ 777	44 %	39 %	\$ 1,242	\$ 3,066	147 %
RECONCILIATION OF BASIC EARNINGS PER CLASS A COMMON SHARES TO ADJUSTED OPERATING EARNINGS PER COMMON SHARE										
Basic earnings per share - Class A common shares	\$ 5.57	\$ 3.02	\$ 7.21	\$ 3.64	\$ 5.52	52 %	(1)%	\$ 8.51	\$ 19.40	128 %
Non-operating adjustments										
Realized gains on sale of AFS securities	0.19	0.10	0.28	0.37	1.99	NM	NM	0.14	2.74	NM
Unrealized, allowances and other investment gains (losses)	0.59	0.50	0.17	0.16	0.12	(25)%	(80)%	(0.79)	0.95	NM
Change in fair value of reinsurance assets	2.66	(4.40)	2.80	(0.60)	(1.00)	(67)%	NM	4.09	(3.16)	NM
Offsets to investment gains (losses)	(0.76)	0.72	(0.64)	0.07	0.13	86 %	NM	(0.82)	0.28	NM
Investment gains (losses), net of offsets	2.68	(3.08)	2.61	—	1.24	NM	(54)%	2.62	0.81	(69)%
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.17	2.48	(0.34)	0.35	1.01	189 %	NM	(1.22)	3.48	NM
Integration, restructuring and other non-operating expenses	0.01	(0.22)	(0.06)	(0.04)	(0.31)	NM	NM	(0.05)	(0.63)	NM
Stock compensation expense	—	—	—	—	—	NM	NM	(0.06)	(0.01)	83 %
Income tax (expense) benefit – non-operating	(0.28)	(0.04)	(0.28)	0.47	(0.53)	NM	(89)%	(0.25)	(0.37)	(48)%
Less: Total non-operating adjustments	2.58	(0.86)	1.93	0.78	1.41	81 %	(45)%	1.04	3.28	215 %
Less: Effect of items convertible to or settled in Class A common shares	0.14	0.08	0.24	0.13	0.22	69 %	57 %	1.05	0.69	(34)%
Adjusted operating earnings per common share	\$ 2.85	\$ 3.80	\$ 5.04	\$ 2.73	\$ 3.89	42 %	36 %	\$ 6.42	\$ 15.43	140 %

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
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET INVESTMENT SPREAD – RETIREMENT SERVICES										
Net investment earned rate	4.43 %	5.18 %	4.30 %	4.00 %	3.82 %	(18)bps	(61)bps	4.04 %	4.30 %	26bps
Cost of crediting	1.89 %	1.79 %	1.76 %	1.74 %	1.74 %	0bps	(15)bps	1.85 %	1.75 %	(10)bps
Other liability costs	0.79 %	0.91 %	0.64 %	0.73 %	0.82 %	9bps	3bps	0.88 %	0.78 %	(10)bps
Cost of funds	2.68 %	2.70 %	2.40 %	2.47 %	2.56 %	9bps	(12)bps	2.73 %	2.53 %	(20)bps
Net investment spread	1.75 %	2.48 %	1.90 %	1.53 %	1.26 %	(27)bps	(49)bps	1.31 %	1.77 %	46bps
Average net invested assets	\$ 143,162	\$ 149,397	\$ 154,459	\$ 159,767	\$ 167,357	5 %	17 %	\$ 130,887	\$ 158,064	21 %
COST OF CREDITING – RETIREMENT SERVICES										
FIA option costs	\$ 258	\$ 255	\$ 250	\$ 251	\$ 253	1 %	(2)%	\$ 1,022	\$ 1,009	(1)%
Fixed interest credited to policyholders	247	238	236	227	229	1 %	(7)%	862	930	8 %
Cost of crediting on deferred annuities	505	493	486	478	482	1 %	(5)%	1,884	1,939	3 %
Average account value on deferred annuities	103,990	104,310	104,107	104,396	105,884	1 %	2 %	96,848	104,874	8 %
Cost of crediting on deferred annuities rate	1.94 %	1.89 %	1.87 %	1.83 %	1.82 %	(1)bps	(12)bps	1.95 %	1.85 %	(10)bps
Cost of crediting on institutional products	\$ 172	\$ 175	\$ 192	\$ 218	\$ 244	12 %	42 %	\$ 533	\$ 829	56 %
Average institutional reserve liabilities	22,375	27,028	30,863	35,213	38,541	9 %	72 %	17,505	32,911	88 %
Cost of crediting on institutional products rate	3.08 %	2.59 %	2.49 %	2.47 %	2.53 %	6bps	(55)bps	3.05 %	2.52 %	(53)bps
Cost of crediting	\$ 677	\$ 668	\$ 678	\$ 696	\$ 726	4 %	7 %	\$ 2,417	\$ 2,768	15 %
OTHER LIABILITY COSTS – RETIREMENT SERVICES										
Change in rider reserve	\$ 121	\$ 138	\$ 86	\$ 111	\$ 157	41 %	30 %	\$ 551	\$ 492	(11)%
DAC, DSI and VOBA amortization	154	194	153	174	141	(19)%	(8)%	543	662	22 %
Other ¹	6	10	8	4	49	NM	NM	64	71	11 %
Other liability costs	\$ 281	\$ 342	\$ 247	\$ 289	\$ 347	20 %	23 %	\$ 1,158	\$ 1,225	6 %
INVESTMENT MARGIN ON DEFERRED ANNUITIES – RETIREMENT SERVICES										
Net investment earned rate	4.43 %	5.18 %	4.30 %	4.00 %	3.82 %	(18)bps	(61)bps	4.04 %	4.30 %	26bps
Cost of crediting on deferred annuities	1.94 %	1.89 %	1.87 %	1.83 %	1.82 %	(1)bps	(12)bps	1.95 %	1.85 %	(10)bps
Investment margin on deferred annuities	2.49 %	3.29 %	2.43 %	2.17 %	2.00 %	(17)bps	(49)bps	2.09 %	2.45 %	36bps

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. ¹ 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	December 31, 2021	Δ
ASSETS			
Investments			
Available-for-sale securities, at fair value	\$ 82,853	\$ 100,159	21 %
Trading securities, at fair value	2,093	2,056	(2)%
Equity securities	532	1,170	120 %
Mortgage loans, net of allowances	15,264	22,557	48 %
Investment funds	803	1,407	75 %
Policy loans	369	312	(15)%
Funds withheld at interest	48,612	43,907	(10)%
Derivative assets	3,523	4,387	25 %
Short-term investments, at fair value	222	139	(37)%
Other investments, net of allowances	572	1,473	158 %
Total investments	154,843	177,567	15 %
Cash and cash equivalents	7,704	9,633	25 %
Restricted cash	738	796	8 %
Investments in related parties			
Available-for-sale securities, at fair value	6,520	10,402	60 %
Trading securities, at fair value	1,529	1,781	16 %
Equity securities, at fair value	72	284	294 %
Mortgage loans, net of allowances	674	1,591	136 %
Investment funds	5,284	8,459	60 %
Funds withheld at interest	13,030	12,207	(6)%
Other investments, net of allowances	469	222	(53)%
Accrued investment income	905	968	7 %
Reinsurance recoverable	4,848	4,594	(5)%
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	5,362	9 %
Other assets	1,249	1,283	3 %
Total assets	\$ 202,771	\$ 235,149	16 %

Condensed Consolidated Balance Sheets, continued

Unaudited (in millions, except percentages)



	December 31, 2020	December 31, 2021	Δ
LIABILITIES			
Interest sensitive contract liabilities	\$ 144,566	\$ 156,325	8 %
Future policy benefits	29,258	42,488	45 %
Other policy claims and benefits	130	138	6 %
Dividends payable to policyholders	110	101	(8)%
Long-term debt	1,976	2,964	50 %
Derivative liabilities	298	472	58 %
Payables for collateral on derivatives and securities to repurchase	3,801	7,044	85 %
Funds withheld liability	452	439	(3)%
Other liabilities	2,040	2,997	47 %
Total liabilities	182,631	212,968	17 %
EQUITY			
Preferred stock	—	—	NM
Common stock	—	—	NM
Additional paid-in-capital	6,613	6,667	1 %
Retained earnings	8,073	11,033	37 %
Accumulated other comprehensive income	3,971	2,430	(39)%
Total Athene Holding Ltd. shareholders' equity	18,657	20,130	8 %
Noncontrolling interests	1,483	2,051	38 %
Total equity	20,140	22,181	10 %
Total liabilities and equity	\$ 202,771	\$ 235,149	16 %

Investments (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		December 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
INVESTMENTS AND INVESTMENTS IN RELATED PARTIES SUMMARY				
Investments				
Available-for-sale securities, at fair value				
U.S. government and agencies	\$ 351	0.2 %	\$ 223	0.1 %
U.S. state, municipal and political subdivisions	1,033	0.6 %	1,213	0.6 %
Foreign governments	368	0.2 %	1,128	0.5 %
Corporate	58,180	31.9 %	66,226	31.2 %
CLO	9,569	5.2 %	13,652	6.4 %
ABS	4,270	2.3 %	8,989	4.2 %
CMBS	2,169	1.2 %	2,758	1.3 %
RMBS	6,913	3.8 %	5,970	2.8 %
Total available-for-sale securities, at fair value	82,853	45.4 %	100,159	47.1 %
Trading securities, at fair value				
Equity securities	2,093	1.2 %	2,056	1.0 %
Mortgage loans, net of allowances	532	0.3 %	1,170	0.6 %
Investment funds	15,264	8.4 %	22,557	10.6 %
Policy loans	803	0.4 %	1,407	0.7 %
Funds withheld at interest	369	0.2 %	312	0.1 %
Derivative assets	48,612	26.7 %	43,907	20.7 %
Short-term investments, at fair value	3,523	1.9 %	4,387	2.1 %
Other investments	222	0.1 %	139	0.1 %
Other investments	572	0.3 %	1,473	0.7 %
Total investments	154,843	84.9 %	177,567	83.7 %
Investments in related parties				
Available-for-sale securities, at fair value				
Corporate	215	0.1 %	859	0.4 %
CLO	1,520	0.9 %	2,549	1.2 %
ABS	4,785	2.6 %	6,994	3.3 %
Total available-for-sale securities, at fair value	6,520	3.6 %	10,402	4.9 %
Trading securities, at fair value				
Equity securities, at fair value	1,529	0.8 %	1,781	0.8 %
Mortgage loans	72	— %	284	0.1 %
Investment funds	674	0.4 %	1,591	0.7 %
Funds withheld at interest	5,284	2.9 %	8,459	4.0 %
Other investments	13,030	7.1 %	12,207	5.7 %
Other investments	469	0.3 %	222	0.1 %
Total investments in related parties	27,578	15.1 %	34,946	16.3 %
Total investments including related parties	\$ 182,421	100.0 %	\$ 212,513	100.0 %

Net Invested Assets (Management view) and Flows

Unaudited (in millions, except percentages)



	December 31, 2020		December 31, 2021	
	Invested Asset Value ¹	Percent of Total	Invested Asset Value ¹	Percent of Total
NET INVESTED ASSETS				
Corporate	\$ 71,040	47.3 %	\$ 75,163	42.9 %
CLO	14,609	9.7 %	17,892	10.2 %
Credit	85,649	57.0 %	93,055	53.1 %
RMBS	8,337	5.6 %	6,969	4.0 %
CML	16,778	11.2 %	21,438	12.2 %
RML	4,774	3.2 %	7,116	4.1 %
CMBS	3,227	2.1 %	3,440	2.0 %
Real estate	33,116	22.1 %	38,963	22.3 %
ABS	13,137	8.7 %	20,376	11.6 %
Alternative investments	6,793	4.5 %	9,873	5.6 %
State, municipal, political subdivisions and foreign government	2,136	1.4 %	2,505	1.4 %
Equity securities	478	0.3 %	754	0.4 %
Short-term investments	479	0.3 %	111	0.1 %
U.S. government and agencies	206	0.2 %	212	0.1 %
Other investments	23,229	15.4 %	33,831	19.2 %
Cash and equivalents	5,417	3.6 %	6,086	3.5 %
Policy loans and other	1,455	1.0 %	1,296	0.7 %
Net invested assets excluding investment in Apollo	148,866	99.1 %	173,231	98.8 %
Investment in Apollo	1,324	0.9 %	2,112	1.2 %
Net invested assets	\$ 150,190	100.0 %	\$ 175,343	100.0 %

	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET FLOWS										
Retail	\$ 2,299	\$ 1,757	\$ 1,749	\$ 2,372	\$ 2,903	22 %	26 %	\$ 7,801	\$ 8,781	13 %
Flow reinsurance	559	299	279	635	1,351	113 %	142 %	6,002	2,564	(57)%
Funding agreements ²	2,199	3,226	4,074	2,337	2,215	(5)%	1 %	8,277	11,852	43 %
Pension group annuities ³	4,221	2,893	1,474	6,593	2,877	(56)%	(32)%	5,467	13,837	153 %
Gross organic inflows	9,278	8,175	7,576	11,937	9,346	(22)%	1 %	27,547	37,034	34 %
Gross inorganic inflows	—	—	—	—	—	NM	NM	28,792	—	NM
Total gross inflows	9,278	8,175	7,576	11,937	9,346	(22)%	1 %	56,339	37,034	(34)%
Inflows attributable to ACRA noncontrolling interest	(1,180)	(1,470)	(1,681)	(4,757)	(2,331)	51 %	(98)%	(19,448)	(10,239)	47 %
Net outflows ⁴	(3,232)	(3,481)	(3,941)	(3,746)	(3,593)	4 %	(11)%	(11,949)	(14,761)	(24)%
Net flows	\$ 4,866	\$ 3,224	\$ 1,954	\$ 3,434	\$ 3,422	— %	(30)%	\$ 24,942	\$ 12,034	(52)%
Gross organic inflows	\$ 9,278	\$ 8,175	\$ 7,576	\$ 11,937	\$ 9,346	(22)%	1 %	\$ 27,547	\$ 37,034	34 %
Organic inflows attributable to ACRA noncontrolling interest	(1,180)	(1,470)	(1,681)	(4,757)	(2,331)	51 %	(98)%	(1,180)	(10,239)	NM
Net organic inflows	8,098	6,705	5,895	7,180	7,015	(2)%	(13)%	26,367	26,795	2 %
Net outflows ⁴	(3,232)	(3,481)	(3,941)	(3,746)	(3,593)	4 %	(11)%	(11,949)	(14,761)	(24)%
Net organic flows	\$ 4,866	\$ 3,224	\$ 1,954	\$ 3,434	\$ 3,422	— %	(30)%	\$ 14,418	\$ 12,034	(17)%
Net organic growth rate ⁵	13.3 %	8.4 %	4.9 %	8.4 %	8.0 %	(40)bps	NM	10.8 %	7.4 %	NM

¹ 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. ² 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. ³ Pension group annuities (PGA) were previously referenced as pension risk transfer (PRT). ⁴ Net outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension group annuity benefit payments, payments on payout annuities and funding agreement maturities, net of the ACRA noncontrolling interest. ⁵ Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis.

Investment Funds (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		December 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
INVESTMENT FUNDS INCLUDING RELATED PARTIES¹				
Investment funds				
Real estate	\$ 348	5.7 %	\$ 856	8.7 %
Credit funds	107	1.8 %	86	0.9 %
Private equity	267	4.4 %	343	3.5 %
Real assets	81	1.3 %	122	1.2 %
Total investment funds	803	13.2 %	1,407	14.3 %
Investment funds – related parties				
Differentiated investments				
Athora	709	11.6 %	743	7.5 %
Wheels/Donlen	—	— %	700	7.1 %
Catalina	334	5.5 %	441	4.5 %
Venerable	123	2.0 %	219	2.2 %
A-A Mortgage ²	444	7.3 %	26	0.3 %
Other	279	4.6 %	433	4.4 %
Total differentiated investments	1,889	31.0 %	2,562	26.0 %
Real estate	828	13.5 %	1,507	15.3 %
Credit funds	375	6.2 %	1,198	12.1 %
Private equity	473	7.8 %	751	7.6 %
Real assets	172	2.8 %	157	1.6 %
Natural resources	113	1.9 %	172	1.7 %
Public equities ³	110	1.8 %	—	— %
Investment in Apollo	1,324	21.8 %	2,112	21.4 %
Total investment funds – related parties	5,284	86.8 %	8,459	85.7 %
Total investment funds including related parties	\$ 6,087	100.0 %	\$ 9,866	100.0 %

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 a year after the sale. 3 In December of 2021, we sold all remaining shares of our public equity investment in OneMain Holdings, Inc. (ticker: OMF).

Net Alternative Investments (Management view)

Unaudited (in millions, except percentages)



	December 31, 2020		December 31, 2021	
	Invested Asset Value ¹	Percent of Total	Invested Asset Value ¹	Percent of Total
NET ALTERNATIVE INVESTMENTS				
Retirement Services				
Differentiated investments				
MidCap	\$ 611	9.0 %	\$ 666	6.7 %
Wheels/Donlen	—	— %	590	6.0 %
Catalina	334	4.9 %	442	4.6 %
Venerable	123	1.8 %	219	2.2 %
A-A Mortgage ²	546	8.0 %	32	0.3 %
Other	339	5.0 %	1,090	11.0 %
Total differentiated investments	1,953	28.7 %	3,039	30.8 %
Real estate	1,537	22.6 %	2,673	27.1 %
Credit	941	13.9 %	1,163	11.8 %
Private equity	831	12.2 %	1,298	13.1 %
Real assets	296	4.4 %	330	3.3 %
Natural resources	60	0.9 %	115	1.2 %
Other	—	— %	23	0.2 %
Total Retirement Services	5,618	82.7 %	8,641	87.5 %
Corporate & Other				
Athora	661	9.7 %	743	7.5 %
Credit	93	1.4 %	118	1.2 %
Natural resources	238	3.5 %	238	2.5 %
Equities ³	183	2.7 %	133	1.3 %
Total Corporate & Other	1,175	17.3 %	1,232	12.5 %
Net alternative investments ⁴	\$ 6,793	100.0 %	\$ 9,873	100.0 %

¹ Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. 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 a year after the sale. ³ As of December 31, 2021, equities included our public equity position in Jackson Financial Inc (ticker: JFN). In December of 2021, we sold all remaining shares of our public equity investment in OneMain. We held 3.4 million shares in Jackson, net of the ACRA noncontrolling interest, as of December 31, 2021 and 0.0 million and 2.8 million shares in OneMain as of December 31, 2021 and December 31, 2020, respectively. ⁴ 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		December 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
FUNDS WITHHELD AT INTEREST INCLUDING RELATED PARTIES				
Fixed maturity securities				
U.S. government and agencies	\$ —	— %	\$ 50	0.1 %
U.S. state, municipal and political subdivisions	513	0.8 %	338	0.6 %
Foreign governments	301	0.5 %	553	1.0 %
Corporate	34,057	55.2 %	26,143	46.5 %
CLO	5,912	9.6 %	5,322	9.5 %
ABS	5,212	8.5 %	7,951	14.2 %
CMBS	2,374	3.8 %	1,661	3.0 %
RMBS	2,270	3.7 %	1,586	2.8 %
Total fixed maturity securities	50,639	82.1 %	43,604	77.7 %
Equity securities	119	0.2 %	243	0.4 %
Mortgage loans	8,201	13.3 %	9,437	16.8 %
Investment funds	1,155	1.9 %	1,807	3.2 %
Derivative assets	200	0.3 %	208	0.4 %
Short-term investments	608	1.0 %	54	0.1 %
Other investments	15	— %	—	— %
Cash and cash equivalents	906	1.5 %	1,049	1.9 %
Other assets and liabilities	(201)	(0.3)%	(288)	(0.5)%
Total funds withheld at interest including related parties ¹	\$ 61,642	100.0 %	\$ 56,114	100.0 %

¹ 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
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NIER – CONSOLIDATED										
Fixed income and other investments	3.70 %	3.57 %	3.75 %	3.49 %	3.26 %	(23)bps	(44)bps	3.82 %	3.51 %	(31)bps
Alternative investments	19.56 %	38.51 %	16.73 %	16.28 %	16.40 %	12bps	NM	8.01 %	21.37 %	NM
Total net investment earned rate	4.43 %	5.27 %	4.40 %	4.14 %	3.98 %	(16)bps	(45)bps	4.01 %	4.42 %	41bps
NIER SUMMARY – RETIREMENT SERVICES										
Fixed income and other investments	3.70 %	3.57 %	3.75 %	3.49 %	3.26 %	(23)bps	(44)bps	3.82 %	3.51 %	(31)bps
Alternative investments	22.59 %	42.33 %	16.27 %	15.10 %	14.88 %	(22)bps	NM	9.25 %	21.30 %	NM
Total net investment earned rate	4.43 %	5.18 %	4.30 %	4.00 %	3.82 %	(18)bps	(61)bps	4.04 %	4.30 %	26bps
Fixed income and other investment income	\$ 1,274	\$ 1,276	\$ 1,385	\$ 1,333	\$ 1,302	(2)%	2 %	\$ 4,799	\$ 5,296	10 %
Alternatives investment income	310	659	274	265	297	12 %	(4)%	488	1,495	206 %
Total net investment earnings	\$ 1,584	\$ 1,935	\$ 1,659	\$ 1,598	\$ 1,599	— %	1 %	\$ 5,287	\$ 6,791	28 %
Fixed income and other investments	\$ 137,678	\$ 143,173	\$ 147,713	\$ 152,761	\$ 159,362	4 %	16 %	\$ 125,616	\$ 151,044	20 %
Alternatives investments	5,484	6,224	6,746	7,006	7,995	14 %	46 %	5,271	7,020	33 %
Total average net invested assets	\$ 143,162	\$ 149,397	\$ 154,459	\$ 159,767	\$ 167,357	5 %	17 %	\$ 130,887	\$ 158,064	21 %
NIER SUMMARY – CORPORATE & OTHER										
Fixed income and other investments	3.70 %	3.57 %	3.75 %	3.48 %	3.30 %	(18)bps	(40)bps	3.66 %	3.89 %	23bps
Alternative investments	4.94 %	18.24 %	19.40 %	23.28 %	26.46 %	NM	NM	0.46 %	21.79 %	NM
Total net investment earned rate	4.38 %	11.22 %	11.72 %	14.96 %	21.81 %	NM	NM	2.17 %	14.73 %	NM
Fixed income and other investment income	\$ 9	\$ 10	\$ 10	\$ 7	\$ 2	(71)%	(78)%	\$ 37	\$ 29	(22)%
Alternatives investment income	14	53	57	69	80	16 %	NM	4	259	NM
Total net investment earnings	\$ 23	\$ 63	\$ 67	\$ 76	\$ 82	8 %	257 %	\$ 41	\$ 288	NM
Fixed income and other investments	\$ 953	\$ 1,075	\$ 1,125	\$ 850	\$ 302	(64)%	(68)%	\$ 998	\$ 771	(23)%
Alternatives investments	1,136	1,172	1,169	1,172	1,204	3 %	6 %	865	1,184	37 %
Total average net invested assets ex. Apollo investment	\$ 2,089	\$ 2,247	\$ 2,294	\$ 2,022	\$ 1,506	(26)%	(28)%	\$ 1,863	\$ 1,955	5 %

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 ACR 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
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NIER BY ASSET CLASS										
Corporate securities	3.70 %	3.54 %	3.66 %	3.49 %	3.27 %	(22)bps	(43)bps	3.80 %	3.51 %	(29)bps
Structured securities										
RMBS	5.08 %	5.19 %	5.34 %	4.97 %	4.30 %	(67)bps	(78)bps	4.98 %	4.96 %	(2)bps
CLO	3.12 %	3.03 %	2.92 %	2.62 %	2.47 %	(15)bps	(65)bps	3.48 %	2.76 %	(72)bps
ABS	3.91 %	3.72 %	4.83 %	3.55 %	2.96 %	(59)bps	(95)bps	3.94 %	3.63 %	(31)bps
CMBS	4.26 %	3.93 %	4.12 %	3.80 %	3.96 %	16bps	(30)bps	4.28 %	3.97 %	(31)bps
Total structured securities	3.91 %	3.77 %	4.12 %	3.44 %	3.06 %	(38)bps	(85)bps	4.06 %	3.56 %	(50)bps
State, municipal, political subdivisions and U.S. and foreign government	3.35 %	3.20 %	3.40 %	3.45 %	3.66 %	21bps	31bps	3.25 %	3.40 %	15bps
Mortgage loans	4.37 %	3.97 %	3.92 %	4.11 %	4.02 %	(9)bps	(35)bps	4.30 %	3.99 %	(31)bps
Alternative investments	19.56 %	38.51 %	16.73 %	16.28 %	16.40 %	12bps	NM	8.01 %	21.37 %	NM
Other U.S. and Bermuda net invested assets	1.28 %	1.29 %	1.61 %	1.44 %	1.57 %	13bps	29bps	1.77 %	1.41 %	(36)bps
Consolidated net investment earned rate	4.43 %	5.27 %	4.40 %	4.14 %	3.98 %	(16)bps	(45)bps	4.01 %	4.42 %	41bps

APOLLO INVESTMENT DETAILS

Change in fair value of Apollo investment	\$ 142	\$ (25)	\$ 472	\$ 13	\$ 404	NM	185 %	\$ 225	\$ 864	284 %
Income tax (expense) benefit on Apollo investment	(29)	6	(99)	(3)	(86)	NM	NM	(60)	(182)	NM
Change in fair value of Apollo investment, net of tax	\$ 113	\$ (19)	\$ 373	\$ 10	\$ 318	NM	181 %	\$ 165	\$ 682	NM
Annualized return on Apollo investment, net of tax	35.8 %	(6.0)%	99.0 %	2.5 %	66.4 %	NM	NM	17.6 %	41.7 %	NM
Change in fair value of Apollo investment impact on adjusted operating EPS ¹	\$ 0.58	\$ (0.10)	\$ 1.88	\$ 0.06	\$ 1.60	NM	176 %	\$ 0.86	\$ 3.43	299 %
Adjusted operating EPS, excluding AOG ¹	\$ 2.27	\$ 3.90	\$ 3.16	\$ 2.67	\$ 2.29	(14)%	1 %	\$ 5.56	\$ 12.00	116 %

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. ¹ 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)



	December 31, 2020		December 31, 2021	
	Fair Value	Percent of Total	Fair Value	Percent of Total
CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)				
NAIC designation				
1 A-G	\$ 41,532	46.5 %	\$ 51,514	46.6 %
2 A-C	41,704	46.7 %	53,398	48.3 %
Total investment grade	83,236	93.2 %	104,912	94.9 %
3 A-C	4,853	5.4 %	4,247	3.8 %
4 A-C	1,145	1.3 %	1,100	1.0 %
5 A-C	114	0.1 %	88	0.1 %
6	25	— %	214	0.2 %
Total below investment grade	6,137	6.8 %	5,649	5.1 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 110,561	100.0 %
NRSRO designation				
AAA/AA/A	\$ 33,553	37.5 %	\$ 44,501	40.2 %
BBB	34,404	38.5 %	47,636	43.1 %
Non-rated ¹	12,732	14.3 %	10,754	9.7 %
Total investment grade ²	80,689	90.3 %	102,891	93.0 %
BB	4,020	4.5 %	3,713	3.4 %
B	1,030	1.2 %	946	0.9 %
CCC	1,557	1.7 %	1,356	1.2 %
CC and lower	973	1.1 %	755	0.7 %
Non-rated ¹	1,104	1.2 %	900	0.8 %
Total below investment grade	8,684	9.7 %	7,670	7.0 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 110,561	100.0 %
	Invested Asset Value³	% NAIC 1 or 2	Invested Asset Value³	% NAIC 1 or 2
SUMMARY OF NAIC 1 & 2 DESIGNATIONS BY ASSET CLASS (MANAGEMENT VIEW)				
Corporate securities	\$ 65,887	92.7 %	\$ 71,129	94.6 %
RMBS	7,721	92.6 %	6,242	89.6 %
CLO	14,139	96.8 %	17,738	99.1 %
ABS	11,722	89.2 %	19,138	93.9 %
CMBS	2,459	76.2 %	2,566	74.6 %
Total structured securities	36,041	91.7 %	45,684	93.9 %
State, municipal, political subdivisions and U.S. and foreign government	2,221	94.9 %	2,661	97.9 %
Short-term investments	429	89.4 %	92	84.1 %
Total NAIC 1 & 2 Designations	\$ 104,578		\$ 119,566	

¹ 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. ² 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. ³ 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		December 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NAIC designation				
1 A-G	\$ 52,883	46.7 %	\$ 59,711	47.1 %
2 A-C	51,695	45.7 %	59,855	47.3 %
Non-rated ²	—	— %	—	— %
Total investment grade	104,578	92.4 %	119,566	94.4 %
3 A-C	6,256	5.5 %	5,310	4.2 %
4 A-C	1,957	1.7 %	1,419	1.1 %
5 A-C	335	0.4 %	272	0.2 %
6	45	— %	101	0.1 %
Non-rated ²	—	— %	—	— %
Total below investment grade	8,593	7.6 %	7,102	5.6 %
Total NAIC designated assets ³	113,171	100.0 %	126,668	100.0 %
Assets without NAIC designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,491	21.0 %
CM2	7,794	46.5 %	11,387	53.1 %
CM3	3,906	23.3 %	4,897	22.8 %
CM4	366	2.2 %	597	2.8 %
CM5	—	— %	37	0.2 %
CM6	—	— %	29	0.1 %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	21,438	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	6,372	89.6 %
90 days late	65	1.4 %	699	9.8 %
In foreclosure	43	0.9 %	45	0.6 %
Total RMLs	4,774	100.0 %	7,116	100.0 %
Alternative investments	6,793		9,873	
Investment in Apollo	1,324		2,112	
Cash and equivalents	5,417		6,086	
Equity securities	478		754	
Other ⁴	1,455		1,296	
Net invested assets	\$ 150,190		\$ 175,343	

	December 31, 2020		December 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NRSRO designation				
AAA/AA/A	\$ 42,492	37.6 %	\$ 49,785	39.3 %
BBB	42,478	37.5 %	53,163	42.0 %
Non-rated ²	16,494	14.6 %	14,140	11.2 %
Total investment grade	101,464	89.7 %	117,088	92.5 %
BB	5,317	4.7 %	4,638	3.6 %
B	1,784	1.5 %	1,243	1.0 %
CCC	1,899	1.7 %	1,619	1.3 %
CC and lower	1,145	1.0 %	915	0.7 %
Non-rated ²	1,562	1.4 %	1,165	0.9 %
Total below investment grade	11,707	10.3 %	9,580	7.5 %
Total NRSRO designated assets ³	113,171	100.0 %	126,668	100.0 %
Assets without NRSRO designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,491	21.0 %
CM2	7,794	46.5 %	11,387	53.1 %
CM3	3,906	23.3 %	4,897	22.8 %
CM4	366	2.2 %	597	2.8 %
CM5	—	— %	37	0.2 %
CM6	—	— %	29	0.1 %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	21,438	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	6,372	89.6 %
90 days late	65	1.4 %	699	9.8 %
In foreclosure	43	0.9 %	45	0.6 %
Total RMLs	4,774	100.0 %	7,116	100.0 %
Alternative investments	6,793		9,873	
Investment in Apollo	1,324		2,112	
Cash and equivalents	5,417		6,086	
Equity securities	478		754	
Other ⁴	1,455		1,296	
Net invested assets	\$ 150,190		\$ 175,343	

¹ 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. ² 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. ³ 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. ⁴ 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		December 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF RMBS – NAIC DESIGNATION				
1 A-G	\$ 7,449	89.3 %	\$ 5,868	84.2 %
2 A-C	272	3.3 %	374	5.4 %
Non-rated ²	—	— %	—	— %
Total investment grade	7,721	92.6 %	6,242	89.6 %
3 A-C	378	4.5 %	424	6.1 %
4 A-C	171	2.1 %	226	3.2 %
5 A-C	49	0.6 %	49	0.7 %
6	18	0.2 %	28	0.4 %
Non-rated ²	—	— %	—	— %
Total below investment grade	616	7.4 %	727	10.4 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 6,969	100.0 %
CREDIT QUALITY OF CLOs – NAIC DESIGNATION				
1 A-G	\$ 9,130	62.5 %	\$ 11,201	62.6 %
2 A-C	5,009	34.3 %	6,537	36.5 %
Non-rated ²	—	— %	—	— %
Total investment grade	14,139	96.8 %	17,738	99.1 %
3 A-C	457	3.1 %	130	0.8 %
4 A-C	9	0.1 %	24	0.1 %
5 A-C	4	— %	—	— %
6	—	— %	—	— %
Non-rated	—	— %	—	— %
Total below investment grade	470	3.2 %	154	0.9 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,892	100.0 %
CREDIT QUALITY OF ABS – NAIC DESIGNATION				
1 A-G	\$ 6,789	51.6 %	\$ 10,663	52.3 %
2 A-C	4,933	37.6 %	8,475	41.6 %
Non-rated ²	—	— %	—	— %
Total investment grade	11,722	89.2 %	19,138	93.9 %
3 A-C	862	6.6 %	837	4.1 %
4 A-C	389	3.0 %	276	1.4 %
5 A-C	164	1.2 %	125	0.6 %
6	—	— %	—	— %
Non-rated ²	—	— %	—	— %
Total below investment grade	1,415	10.8 %	1,238	6.1 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 20,376	100.0 %

	December 31, 2020		December 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF RMBS – NRSRO DESIGNATION				
AAA/AA/A	\$ 1,286	15.4 %	\$ 1,296	18.6 %
BBB	670	8.0 %	563	8.1 %
Non-rated ²	2,548	30.6 %	1,892	27.2 %
Total investment grade	4,504	54.0 %	3,751	53.9 %
BB	276	3.3 %	217	3.1 %
B	309	3.7 %	221	3.2 %
CCC	1,795	21.6 %	1,501	21.5 %
CC and lower	1,141	13.7 %	866	12.4 %
Non-rated ²	312	3.7 %	413	5.9 %
Total below investment grade	3,833	46.0 %	3,218	46.1 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 6,969	100.0 %
CREDIT QUALITY OF CLOs – NRSRO DESIGNATION				
AAA/AA/A	\$ 9,113	62.4 %	\$ 11,189	62.5 %
BBB	4,995	34.2 %	6,543	36.6 %
Non-rated ²	31	0.2 %	—	— %
Total investment grade	14,139	96.8 %	17,732	99.1 %
BB	457	3.1 %	134	0.7 %
B	9	0.1 %	26	0.2 %
CCC	4	— %	—	— %
CC and lower	—	— %	—	— %
Non-rated ³	—	— %	—	— %
Total below investment grade	470	3.2 %	160	0.9 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,892	100.0 %
CREDIT QUALITY OF ABS – NRSRO DESIGNATION				
AAA/AA/A	\$ 5,691	43.3 %	\$ 10,269	50.4 %
BBB	2,156	16.4 %	8,264	40.6 %
Non-rated ²	3,794	28.9 %	526	2.6 %
Total investment grade	11,641	88.6 %	19,059	93.6 %
BB	545	4.2 %	881	4.3 %
B	281	2.1 %	310	1.5 %
CCC	13	0.1 %	10	— %
CC and lower	—	— %	—	— %
Non-rated ²	657	5.0 %	116	0.6 %
Total below investment grade	1,496	11.4 %	1,317	6.4 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 20,376	100.0 %

¹ 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. ² 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		December 31, 2021	
	Dollars	Percent of Total	Dollars	Percent of Total
NET RESERVE LIABILITIES				
Indexed annuities	\$ 81,084	55.9 %	\$ 84,423	52.1 %
Fixed rate annuities	30,315	20.9 %	29,075	17.9 %
Total deferred annuities	111,399	76.8 %	113,498	70.0 %
Pension group annuities	12,262	8.5 %	18,589	11.5 %
Payout annuities	6,859	4.7 %	7,227	4.5 %
Funding agreements ¹	12,591	8.7 %	20,841	12.9 %
Life and other	1,878	1.3 %	1,796	1.1 %
Total net reserve liabilities	\$ 144,989	100.0 %	\$ 161,951	100.0 %

	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET RESERVE LIABILITY ROLLFORWARD										
Net reserve liabilities – beginning	\$ 137,767	\$ 144,989	\$ 148,339	\$ 152,772	\$ 156,852	3 %	14 %	\$ 114,652	\$ 144,989	26 %
Gross inflows ²	9,471	8,360	7,769	12,108	9,487	(22)%	— %	28,073	37,724	34 %
Acquisition and block reinsurance ³	—	—	—	—	—	NM	NM	28,792	—	NM
Inflows attributable to ACRA noncontrolling interest	(1,230)	(1,507)	(1,725)	(4,795)	(2,302)	52 %	(87)%	(19,571)	(10,329)	47 %
Net inflows	8,241	6,853	6,044	7,313	7,185	(2)%	(13)%	37,294	27,395	(27)%
Net withdrawals	(3,232)	(3,481)	(3,941)	(3,746)	(3,593)	4 %	(11)%	(11,949)	(14,761)	(24)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	—	—	—	—	NM	NM	335	—	NM
Other reserve changes	2,213	(22)	2,330	513	1,507	194 %	(32)%	4,657	4,328	(7)%
Net reserve liabilities – ending	\$ 144,989	\$ 148,339	\$ 152,772	\$ 156,852	\$ 161,951	3 %	12 %	\$ 144,989	\$ 161,951	12 %

ACRA NONCONTROLLING INTEREST RESERVE LIABILITY ROLLFORWARD⁵										
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
Reserve liabilities – beginning	\$ 23,762	\$ 24,618	\$ 25,625	\$ 26,871	\$ 31,100	16 %	31 %	\$ 6,574	\$ 24,618	274 %
Inflows	1,230	1,507	1,725	4,795	2,302	(52)%	87 %	1,303	10,329	NM
Acquisition and block reinsurance ³	—	—	—	—	—	NM	NM	18,268	—	NM
Withdrawals	(619)	(641)	(694)	(687)	(751)	(9)%	(21)%	(1,707)	(2,773)	(62)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	—	—	—	—	NM	NM	(335)	—	NM
Other reserve changes	245	141	215	121	282	133 %	15 %	515	759	47 %
Reserve liabilities – ending	\$ 24,618	\$ 25,625	\$ 26,871	\$ 31,100	\$ 32,933	6 %	34 %	\$ 24,618	\$ 32,933	34 %

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		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET DEFERRED ANNUITY ACCOUNT VALUE ROLLFORWARD¹										
Net account value – beginning	\$ 103,594	\$ 104,385	\$ 104,234	\$ 103,981	\$ 104,812	1 %	1 %	\$ 88,000	\$ 104,385	19 %
Gross inflows ²	2,756	1,965	1,970	2,950	4,185	42 %	52 %	13,286	11,070	(17)%
Acquisition and block reinsurance ³	—	—	—	—	—	NM	NM	27,404	—	NM
Inflows attributable to ACRA noncontrolling interest	(29)	(25)	(27)	(23)	(20)	13 %	31 %	(17,457)	(95)	99 %
Net inflows	2,727	1,940	1,943	2,927	4,165	42 %	53 %	23,233	10,975	(53)%
Premium and interest bonuses	53	52	61	70	78	11 %	47 %	175	261	49 %
Fixed and index credits to policyholders	821	929	1,200	1,121	995	(11)%	21 %	2,509	4,245	69 %
Surrenders and benefits paid	(2,688)	(2,947)	(3,326)	(3,154)	(2,958)	6 %	(10)%	(9,278)	(12,385)	(33)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	—	—	—	—	NM	NM	221	—	NM
Fee and product charges	(122)	(125)	(131)	(133)	(136)	(2)%	(11)%	(475)	(525)	(11)%
Net account value – ending	\$ 104,385	\$ 104,234	\$ 103,981	\$ 104,812	\$ 106,956	2 %	2 %	\$ 104,385	\$ 106,956	2 %
NET INSTITUTIONAL RESERVE LIABILITY ROLLFORWARD (PENSION GROUP ANNUITIES AND FUNDING AGREEMENTS)										
Net reserve liabilities – beginning	\$ 19,647	\$ 24,853	\$ 29,247	\$ 32,937	\$ 36,833	12 %	87 %	\$ 13,337	\$ 24,853	86 %
Gross inflows ²	6,420	6,119	5,548	8,925	5,097	(43)%	(21)%	13,744	25,689	87 %
Inflows attributable to ACRA noncontrolling interest	(1,177)	(1,465)	(1,683)	(4,747)	(2,270)	52 %	(93)%	(1,177)	(10,165)	NM
Net inflows	5,243	4,654	3,865	4,178	2,827	(32)%	(46)%	12,567	15,524	24 %
Net withdrawals	(337)	(316)	(404)	(375)	(428)	(14)%	(27)%	(1,840)	(1,523)	17 %
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	—	—	—	—	NM	NM	117	—	NM
Other reserve changes	300	56	229	93	198	113 %	(34)%	672	576	(14)%
Net reserve liabilities – ending	\$ 24,853	\$ 29,247	\$ 32,937	\$ 36,833	\$ 39,430	7 %	59 %	\$ 24,853	\$ 39,430	59 %

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 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.

Deferred Annuity Liability Characteristics

Unaudited (in millions, except percentages)



	Surrender charge (gross)	Percent of total	Surrender charge (net of MVA)	Percent of total
SURRENDER CHARGE PERCENTAGES ON DEFERRED ANNUITIES NET ACCOUNT VALUE				
No Surrender Charge	\$ 28,249	26.4 %	\$ 28,249	26.4 %
0.0% < 2.0%	1,092	1.0 %	3,143	2.9 %
2.0% < 4.0%	4,389	4.1 %	11,217	10.5 %
4.0% < 6.0%	12,348	11.5 %	13,978	13.1 %
6.0% or greater	60,878	57.0 %	50,369	47.1 %
	<u>\$ 106,956</u>	<u>100.0 %</u>	<u>\$ 106,956</u>	<u>100.0 %</u>

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	5.6 %	(0.4)%	5.2 %

	Deferred annuities	Percent of total	Average surrender charge (gross)
YEARS OF SURRENDER CHARGE REMAINING ON DEFERRED ANNUITIES NET ACCOUNT VALUE			
No Surrender Charge	\$ 28,249	26.4 %	— %
Less than 2	21,465	20.1 %	5.4 %
2 to less than 4	16,179	15.1 %	6.5 %
4 to less than 6	15,980	15.0 %	7.7 %
6 to less than 8	12,631	11.8 %	8.9 %
8 to less than 10	9,343	8.7 %	10.7 %
10 or greater	3,109	2.9 %	14.2 %
	<u>\$ 106,956</u>	<u>100.0 %</u>	

	At minimum guarantees	Total account value	Percent of total account value at minimum guarantees
MINIMUM GUARANTEES ON DEFERRED ANNUITIES			
Fixed indexed annuities	\$ 16,568	\$ 78,701	21 %
Fixed rate annuities	10,592	28,255	38 %
Total net deferred annuities	<u>\$ 27,160</u>	<u>\$ 106,956</u>	<u>25 %</u>

Distance to guarantees¹ December 31, 2021 > 95

¹ 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	December 31, 2021	Δ
DEFERRED ANNUITY RIDER RESERVE SUMMARY			
Net rider reserve	\$ 4,747	\$ 5,147	8 %
Net account value with rider reserves	37,721	38,246	1 %
Rider reserve as a percentage of account value with rider reserves	12.6 %	13.5 %	90bps

Capitalization & Regulatory Capital Ratios

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y
CAPITALIZATION							
Total debt	\$ 1,976	\$ 1,977	\$ 2,468	\$ 2,469	\$ 2,964	20 %	50 %
Total AHL shareholders' equity	18,657	17,291	20,006	20,389	20,130	(1)%	8 %
Total capitalization	20,633	19,268	22,474	22,858	23,094	1 %	12 %
Less: Accumulated other comprehensive income (AOCI)	3,971	2,021	3,337	3,011	2,430	(19)%	(39)%
Less: Accumulated change in fair value of reinsurance assets	1,142	488	886	779	585	(25)%	(49)%
Total adjusted capitalization	\$ 15,520	\$ 16,759	\$ 18,251	\$ 19,068	\$ 20,079	5 %	29 %
EQUITY							
Total AHL shareholders' equity	\$ 18,657	\$ 17,291	\$ 20,006	\$ 20,389	\$ 20,130	(1)%	8 %
Less: Preferred stock	2,312	2,312	2,312	2,312	2,312	— %	— %
Total AHL common shareholders' equity	16,345	14,979	17,694	18,077	17,818	(1)%	9 %
Less: AOCI	3,971	2,021	3,337	3,011	2,430	(19)%	(39)%
Less: Accumulated change in fair value of reinsurance assets	1,142	488	886	779	585	(25)%	(49)%
Total adjusted AHL common shareholders' equity	\$ 11,232	\$ 12,470	\$ 13,471	\$ 14,287	\$ 14,803	4 %	32 %
EQUITY BY SEGMENT							
Retirement Services	\$ 7,732	\$ 8,870	\$ 9,471	\$ 10,787	\$ 11,453	6 %	48 %
Corporate and Other	3,500	3,600	4,000	3,500	3,350	(4)%	(4)%
Total adjusted AHL common shareholders' equity	\$ 11,232	\$ 12,470	\$ 13,471	\$ 14,287	\$ 14,803	4 %	32 %
FINANCIAL LEVERAGE							
Debt to capital ratio	9.6 %	10.3 %	11.0 %	10.8 %	12.8 %	200bps	NM
AOCI	2.4 %	1.2 %	2.0 %	1.7 %	1.6 %	(10)bps	(80)bps
Accumulated change in fair value of reinsurance assets	0.7 %	0.3 %	0.5 %	0.4 %	0.4 %	0bps	(30)bps
Adjusted debt to capital ratio	12.7 %	11.8 %	13.5 %	12.9 %	14.8 %	190bps	210bps
REGULATORY CAPITAL RATIOS							
			December 31, 2020		December 31, 2021		Δ
U.S. RBC ratio – Athene Annuity & Life Assurance Company ¹					425 %	377 %	NM
BSCR – Athene Life Re Ltd. ¹					254 %	209 %	NM
Athene Life Re Ltd. RBC ratio ^{1,2}					460 %	407 %	NM

¹ December 31, 2021 U.S. RBC, BSCR and ALRe RBC ratios are preliminary estimates. ² 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)



	A.M. Best	Standard & Poor's	Fitch
FINANCIAL STRENGTH RATINGS			
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

	A.M. Best	Standard & Poor's	Fitch
CREDIT RATINGS			
Athene Holding Ltd.	bbb+	A-	BBB+
Senior notes	bbb+	A-	BBB

	Quarterly Trends					Δ		Year-to-Date		Δ
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	Q/Q	Y/Y	2020	2021	Y/Y
SHARE DATA										
Weighted average common shares outstanding – basic – Class A	191.1	191.3	191.5	191.7	191.9	— %	— %	184.9	191.6	4 %
Weighted average common shares outstanding – diluted – Class A ¹	195.9	196.8	198.2	198.8	199.8	1 %	2 %	188.6	198.7	5 %
Weighted average common shares outstanding – adjusted operating ²	195.9	196.8	198.2	198.8	199.8	1 %	2 %	193.5	198.7	3 %
Common shares outstanding ³	191.2	191.4	191.6	191.8	191.9	— %	— %	191.2	191.9	— %
Adjusted operating common shares outstanding ²	197.2	198.3	199.7	199.8	200.5	— %	2 %	197.2	200.5	2 %

¹ 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 year ended December 31, 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 year ended December 31, 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 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. 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 this measure across periods, interim periods are annualized. While we believe this metric 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 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) pension group annuity 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 pension group annuity 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 group annuity 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	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	2020	2021
RECONCILIATION OF BOOK VALUE PER COMMON SHARE TO ADJUSTED BOOK VALUE PER COMMON SHARE							
Book value per common share	\$ 85.51	\$ 78.25	\$ 92.33	\$ 94.24	\$ 92.83		
AOCI	(20.77)	(10.56)	(17.41)	(15.70)	(12.66)		
Accumulated change in fair value of reinsurance assets	(5.98)	(2.55)	(4.62)	(4.06)	(3.05)		
Effect of items convertible to or settled in Class A common shares	(1.81)	(2.26)	(2.84)	(2.98)	(3.28)		
Adjusted book value per common share	\$ 56.95	\$ 62.88	\$ 67.46	\$ 71.50	\$ 73.84		
RECONCILIATION OF AVERAGE AHL SHAREHOLDERS' EQUITY TO AVERAGE ADJUSTED AHL COMMON SHAREHOLDERS' EQUITY							
Average AHL shareholders' equity	\$ 17,300	\$ 17,974	\$ 18,649	\$ 20,198	\$ 20,260	\$ 14,528	\$ 19,295
Less: Average preferred stock	2,034	2,312	2,312	2,312	2,312	1,633	2,312
Less: Average AOCI	3,430	2,996	2,679	3,174	2,721	2,030	2,954
Less: Average accumulated change in fair value of reinsurance assets	960	815	687	833	682	575	776
Average adjusted AHL common shareholders' equity	\$ 10,876	\$ 11,851	\$ 12,971	\$ 13,879	\$ 14,545	\$ 10,290	\$ 13,253
Retirement Services	\$ 7,526	\$ 8,301	\$ 9,171	\$ 10,129	\$ 11,120	\$ 7,491	\$ 9,663
Corporate and Other	3,350	3,550	3,800	3,750	3,425	2,799	3,590
Average adjusted AHL common shareholders' equity	\$ 10,876	\$ 11,851	\$ 12,971	\$ 13,879	\$ 14,545	\$ 10,290	\$ 13,253
RECONCILIATION OF BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – CLASS A TO WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – ADJUSTED OPERATING							
Basic weighted average common shares outstanding – Class A	191.1	191.3	191.5	191.7	191.9	184.9	191.6
Conversion of Class B common shares to Class A common shares	—	—	—	—	—	4.2	—
Conversion of Class M common shares to Class A common shares	—	—	—	—	—	0.7	—
Effect of other stock compensation plans	4.8	5.5	6.7	7.1	7.9	3.7	7.1
Weighted average common shares outstanding – adjusted operating	195.9	196.8	198.2	198.8	199.8	193.5	198.7
RECONCILIATION OF CLASS A COMMON SHARES OUTSTANDING TO ADJUSTED OPERATING COMMON SHARES OUTSTANDING							
Class A common shares outstanding	191.2	191.4	191.6	191.8	191.9		
Effect of other stock compensation plans	6.0	6.9	8.1	8.0	8.6		
Adjusted operating common shares outstanding	197.2	198.3	199.7	199.8	200.5		

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	2020	2021
RECONCILIATION OF NET INCOME AVAILABLE TO AHL COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS EXCLUDING NOTABLES AND AOG							
Net income available to Athene Holding Ltd. common shareholders	\$ 1,065	\$ 578	\$ 1,382	\$ 698	\$ 1,060	\$ 1,446	\$ 3,718
Less: Total non-operating adjustments	507	(170)	382	157	283	204	652
Adjusted operating income available to common shareholders	558	748	1,000	541	777	1,242	3,066
Notable items	(41)	(8)	(55)	(20)	33	(35)	(50)
Adjusted operating income available to common shareholders excluding notable items	\$ 517	\$ 740	\$ 945	\$ 521	\$ 810	\$ 1,207	\$ 3,016
Retirement Services adjusted operating income available to common shareholders	\$ 493	\$ 784	\$ 634	\$ 537	\$ 468	\$ 1,266	\$ 2,423
Non-recurring adjustment on derivative collateral	—	—	—	—	—	(18)	—
Actuarial experience and market impacts	(46)	(9)	(57)	(20)	(57)	(16)	(143)
Unlocking	—	—	—	—	91	(6)	91
Tax impact of notable items	5	1	2	—	(1)	5	2
Retirement Services notable items	(41)	(8)	(55)	(20)	33	(35)	(50)
Retirement Services adjusted operating income available to common shareholders excluding notable items	452	776	579	517	501	1,231	2,373
Corporate and Other adjusted operating income (loss) available to common shareholders	65	(36)	366	4	309	(24)	643
Adjusted operating income available to common shareholders excluding notable items	517	740	945	521	810	1,207	3,016
Less: Change in fair value of Apollo investment, net of tax	113	(19)	373	10	318	165	682
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 404	\$ 759	\$ 572	\$ 511	\$ 492	\$ 1,042	\$ 2,334

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	2020	2021
RECONCILIATION OF NET INVESTMENT INCOME TO NET INVESTMENT EARNINGS							
GAAP net investment income	\$ 1,595	\$ 1,704	\$ 2,038	\$ 1,474	\$ 1,961	\$ 4,885	\$ 7,177
Change in fair value of reinsurance assets	476	366	388	379	318	1,408	1,451
Alternative gains (losses)	(80)	69	(18)	74	19	(102)	144
ACRA noncontrolling interest	(210)	(198)	(219)	(287)	(239)	(559)	(943)
Apollo investment (gain) loss	(142)	25	(472)	(13)	(404)	(225)	(864)
Held for trading amortization and other	(32)	32	9	47	26	(79)	114
Total adjustments to arrive at net investment earnings	12	294	(312)	200	(280)	443	(98)
Total net investment earnings	\$ 1,607	\$ 1,998	\$ 1,726	\$ 1,674	\$ 1,681	\$ 5,328	\$ 7,079
Retirement Services	\$ 1,584	\$ 1,935	\$ 1,659	\$ 1,598	\$ 1,599	\$ 5,287	\$ 6,791
Corporate and Other	23	63	67	76	82	41	288
Total net investment earnings	\$ 1,607	\$ 1,998	\$ 1,726	\$ 1,674	\$ 1,681	\$ 5,328	\$ 7,079
RECONCILIATION OF NET INVESTMENT INCOME RATE TO NET INVESTMENT EARNED RATE							
GAAP net investment income rate	4.39 %	4.49 %	5.20 %	3.64 %	4.65 %	3.68 %	4.49 %
Change in fair value of reinsurance assets	1.31 %	0.97 %	0.99 %	0.94 %	0.75 %	1.06 %	0.90 %
Alternative gains (losses)	(0.22)%	0.18 %	(0.05)%	0.18 %	0.05 %	(0.08)%	0.09 %
ACRA noncontrolling interest	(0.58)%	(0.52)%	(0.56)%	(0.71)%	(0.57)%	(0.42)%	(0.59)%
Apollo investment (gain) loss	(0.38)%	0.07 %	(1.20)%	(0.03)%	(0.96)%	(0.17)%	(0.54)%
Held for trading amortization and other	(0.09)%	0.08 %	0.02 %	0.12 %	0.06 %	(0.06)%	0.07 %
Total adjustments to arrive at net investment earned rate	0.04 %	0.78 %	(0.80)%	0.50 %	(0.67)%	0.33 %	(0.07)%
Consolidated net investment earned rate	4.43 %	5.27 %	4.40 %	4.14 %	3.98 %	4.01 %	4.42 %
Retirement Services	4.43 %	5.18 %	4.30 %	4.00 %	3.82 %	4.04 %	4.30 %
Corporate and Other	4.38 %	11.22 %	11.72 %	14.96 %	21.81 %	2.17 %	14.73 %
Consolidated net investment earned rate	4.43 %	5.27 %	4.40 %	4.14 %	3.98 %	4.01 %	4.42 %
Retirement Services	\$ 143,162	\$ 149,397	\$ 154,459	\$ 159,767	\$ 167,357	\$ 130,887	\$ 158,064
Corporate and Other ex. Apollo investment	2,089	2,247	2,294	2,022	1,506	1,863	1,955
Consolidated average net invested assets ex. Apollo investment	\$ 145,251	\$ 151,644	\$ 156,753	\$ 161,789	\$ 168,863	\$ 132,750	\$ 160,019

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	2020	2021
RECONCILIATION OF INTEREST SENSITIVE CONTRACT BENEFITS TO COST OF CREDITING							
GAAP interest sensitive contract benefits	\$ 1,909	\$ 394	\$ 1,979	\$ 572	\$ 1,497	\$ 3,891	\$ 4,442
Interest credited other than deferred annuities and institutional products	101	97	94	99	115	312	405
FIA option costs	280	279	278	281	287	1,101	1,125
Product charges (strategy fees)	(36)	(38)	(40)	(42)	(45)	(136)	(165)
Reinsurance embedded derivative impacts	14	14	12	12	11	57	49
Change in fair values of embedded derivatives – FIAs	(1,395)	43	(1,480)	(126)	(937)	(2,404)	(2,500)
Negative VOBA amortization	6	3	5	4	6	21	18
ACRA noncontrolling interest	(207)	(128)	(180)	(110)	(219)	(433)	(637)
Other changes in interest sensitive contract liabilities	5	4	10	6	11	8	31
Total adjustments to arrive at cost of crediting	(1,232)	274	(1,301)	124	(771)	(1,474)	(1,674)
Retirement Services cost of crediting	\$ 677	\$ 668	\$ 678	\$ 696	\$ 726	\$ 2,417	\$ 2,768
GAAP interest sensitive contract benefits	5.33 %	1.05 %	5.12 %	1.43 %	3.58 %	2.97 %	2.81 %
Interest credited other than deferred annuities and institutional products	0.28 %	0.26 %	0.25 %	0.25 %	0.27 %	0.24 %	0.26 %
FIA option costs	0.78 %	0.75 %	0.72 %	0.71 %	0.69 %	0.84 %	0.71 %
Product charges (strategy fees)	(0.10)%	(0.10)%	(0.10)%	(0.11)%	(0.11)%	(0.10)%	(0.10)%
Reinsurance embedded derivative impacts	0.04 %	0.04 %	0.03 %	0.03 %	0.03 %	0.04 %	0.03 %
Change in fair values of embedded derivatives – FIAs	(3.90)%	0.11 %	(3.83)%	(0.32)%	(2.24)%	(1.84)%	(1.58)%
Negative VOBA amortization	0.02 %	0.01 %	0.01 %	0.01 %	0.01 %	0.02 %	0.01 %
ACRA noncontrolling interest	(0.58)%	(0.34)%	(0.47)%	(0.28)%	(0.52)%	(0.33)%	(0.40)%
Other changes in interest sensitive contract liabilities	0.02 %	0.01 %	0.03 %	0.02 %	0.03 %	0.01 %	0.01 %
Total adjustments to arrive at cost of crediting	(3.44)%	0.74 %	(3.36)%	0.31 %	(1.84)%	(1.12)%	(1.06)%
Retirement Services cost of crediting	1.89 %	1.79 %	1.76 %	1.74 %	1.74 %	1.85 %	1.75 %
Retirement Services cost of crediting on deferred annuities	1.94 %	1.89 %	1.87 %	1.83 %	1.82 %	1.95 %	1.85 %
Retirement Services cost of crediting on institutional products	3.08 %	2.59 %	2.49 %	2.47 %	2.53 %	3.05 %	2.52 %
Retirement Services cost of crediting	1.89 %	1.79 %	1.76 %	1.74 %	1.74 %	1.85 %	1.75 %
Retirement Services average net invested assets	\$ 143,162	\$ 149,397	\$ 154,459	\$ 159,767	\$ 167,357	\$ 130,887	\$ 158,064
Average net account value on deferred annuities	103,990	104,310	104,107	104,396	105,884	96,848	104,874
Average institutional net reserve liabilities	22,375	27,028	30,863	35,213	38,541	17,505	32,911

Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends					Year-to-Date	
	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	2020	2021
RECONCILIATION OF BENEFITS AND EXPENSES TO OTHER LIABILITY COSTS							
GAAP benefits and expenses	\$ 7,157	\$ 4,252	\$ 4,433	\$ 8,004	\$ 5,445	\$ 12,558	\$ 22,134
Premiums	(4,356)	(3,011)	(1,598)	(6,686)	(2,967)	(5,963)	(14,262)
Product charges	(146)	(150)	(157)	(154)	(160)	(571)	(621)
Other revenues	(7)	(14)	(20)	(24)	(14)	(36)	(72)
Cost of crediting	(383)	(375)	(388)	(403)	(428)	(1,259)	(1,594)
Change in fair value of embedded derivatives - FIA, net of offsets	(1,409)	(298)	(1,450)	(164)	(1,077)	(2,261)	(2,989)
DAC, DSI and VOBA amortization related to investment gains and losses	(111)	139	(94)	29	41	(95)	115
Rider reserves	(19)	21	(20)	—	(5)	(10)	(4)
Policy and other operating expenses, excluding policy acquisition expenses	(139)	(201)	(168)	(161)	(242)	(533)	(772)
AmerUs closed block fair value liability	(34)	93	(54)	11	7	(104)	57
ACRA noncontrolling interest	(258)	(107)	(242)	(145)	(265)	(527)	(759)
Other changes in benefits and expenses	(14)	(7)	5	(18)	12	(41)	(8)
Total adjustments to arrive at other liability costs	(6,876)	(3,910)	(4,186)	(7,715)	(5,098)	(11,400)	(20,909)
Other liability costs	\$ 281	\$ 342	\$ 247	\$ 289	\$ 347	\$ 1,158	\$ 1,225
Retirement Services	\$ 281	\$ 342	\$ 247	\$ 289	\$ 347	\$ 1,158	\$ 1,225
Corporate and Other	—	—	—	—	—	—	—
Consolidated other liability costs	\$ 281	\$ 342	\$ 247	\$ 289	\$ 347	\$ 1,158	\$ 1,225
RECONCILIATION OF POLICY AND OTHER OPERATING EXPENSES TO OPERATING EXPENSES							
Policy and other operating expenses	\$ 218	\$ 283	\$ 242	\$ 247	\$ 329	\$ 855	\$ 1,101
Interest expense	(31)	(32)	(34)	(34)	(39)	(114)	(139)
Policy acquisition expenses, net of deferrals	(79)	(82)	(74)	(86)	(87)	(322)	(329)
Integration, restructuring and other non-operating expenses	3	(45)	(11)	(8)	(70)	(10)	(134)
Stock compensation expenses	—	—	(1)	(1)	—	(11)	(2)
ACRA noncontrolling interest	(19)	(21)	(19)	(31)	(22)	(58)	(93)
Other changes in policy and other operating expenses	1	(5)	(8)	6	(2)	(2)	(9)
Total adjustments to arrive at operating expenses	(125)	(185)	(147)	(154)	(220)	(517)	(706)
Operating expenses	\$ 93	\$ 98	\$ 95	\$ 93	\$ 109	\$ 338	\$ 395
Retirement Services	\$ 73	\$ 78	\$ 81	\$ 75	\$ 82	\$ 275	\$ 316
Corporate and Other	20	20	14	18	27	63	79
Consolidated operating expenses	\$ 93	\$ 98	\$ 95	\$ 93	\$ 109	\$ 338	\$ 395

Non-GAAP Reconciliations

Unaudited (in millions)



	December 31, 2020	December 31, 2021
RECONCILIATION OF TOTAL INVESTMENTS INCLUDING RELATED PARTIES TO NET INVESTED ASSETS		
Total investments, including related parties	\$ 182,421	\$ 212,513
Derivative assets	(3,523)	(4,387)
Cash and cash equivalents (including restricted cash)	8,442	10,429
Accrued investment income	905	968
Payables for collateral on derivatives	(3,203)	(3,934)
Reinsurance funds withheld and modified coinsurance	(2,459)	(1,035)
VIE and VOE assets, liabilities and noncontrolling interest	(136)	(539)
Unrealized (gains) losses	(7,275)	(4,057)
Ceded policy loans	(204)	(169)
Net investment receivables (payables)	99	75
Allowance for credit losses	357	361
Total adjustments to arrive at gross invested assets	(6,997)	(2,288)
Gross invested assets	175,424	210,225
ACRA noncontrolling interest	(25,234)	(34,882)
Net invested assets	\$ 150,190	\$ 175,343
RECONCILIATION OF INVESTMENT FUNDS INCLUDING RELATED PARTIES TO NET ALTERNATIVE INVESTMENTS		
Investment funds, including related parties	\$ 6,087	\$ 9,866
Equity securities	165	156
CLO and ABS equities included in trading securities	971	2,134
Investment in Apollo	(1,324)	(2,112)
Investment funds within funds withheld at interest	1,155	1,807
Royalties and other assets included in other investments	66	(722)
Unrealized (gains) losses and other adjustments	(44)	14
ACRA noncontrolling interest	(283)	(1,270)
Total adjustments to arrive at net alternative investments	706	7
Net alternative investments	\$ 6,793	\$ 9,873
RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVE LIABILITIES		
Total liabilities	\$ 182,631	\$ 212,968
Long-term debt	(1,976)	(2,964)
Derivative liabilities	(298)	(472)
Payables for collateral on derivatives	(3,203)	(6,446)
Funds withheld liability	(452)	(439)
Other liabilities	(2,040)	(2,997)
Reinsurance ceded receivables	(4,848)	(4,594)
Policy loans ceded	(204)	(169)
ACRA noncontrolling interest	(24,618)	(32,933)
Other	(3)	(3)
Total adjustments to arrive at net reserve liabilities	(37,642)	(51,017)
Net reserve liabilities	\$ 144,989	\$ 161,951