UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2022

or

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

Commission File Number: 001-37963

ATHENE HOLDING LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**98-0630022**
(State or other jurisdiction of incorporation or organization)	(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)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Depositary Shares, each representing a 1/1,000th interest in a 6.35% Fixed-to-Floating Rate Perpetual Non-Cumulative Preference Share, Series A	ATHPrA	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th interest in a 5.625% Fixed-Rate Perpetual Non-Cumulative Preference Share, Series B	ATHPrB	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th interest in a 6.375% Fixed-Rate Reset Perpetual Non-Cumulative Preference Share, Series C	ATHPrC	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th 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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

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

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

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

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

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

As of July 31, 2022, 203,805,432 of our Class A common shares were outstanding, all of which are held by Apollo Global Management, Inc.

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As used in this Quarterly Report on Form 10-Q (report), unless the context otherwise indicates, any reference to "Athene," "our Company," "the Company," "us," "we" and "our" refer to Athene Holding Ltd. together with its consolidated subsidiaries and any reference to "AHL" refers to Athene Holding Ltd. only.

Forward-Looking Statements

Certain statements in this report are 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 (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "seek," "assume," "believe," "may," "will," "should," "could," "would," "likely" and other words and terms of similar meaning, including the negative of these or similar words and terms, in connection with any discussion of the timing or nature of future operating or financial performance or other events. However, not all forward-looking statements contain these identifying words. Forward-looking statements appear in a number of places throughout and give our current expectations and projections relating to our business, financial condition, results of operations, plans, strategies, objectives, future performance and other matters.

We caution you that forward-looking statements are not guarantees of future performance and that our actual consolidated financial condition, results of operations, liquidity, cash flows and performance may differ materially from that made in or suggested by the forward-looking statements contained in this report. A number of important factors could cause actual results or conditions to differ materially from those contained or implied by the forward-looking statements, including the risks discussed in *Part II–Item 1A. Risk Factors* included in this report and *Part I–Item 1A. Risk Factors* included in our Annual Report on Form 10-K for the year ended December 31, 2021 (2021 Annual Report). Factors that could cause actual results or conditions to differ from those reflected in the forward-looking statements contained in this report include:

- the accuracy of management's assumptions and estimates;
- variability in the amount of statutory capital that our insurance and reinsurance subsidiaries have or are required to hold;
- interest rate and/or foreign currency fluctuations;
- our potential need for additional capital in the future and the potential unavailability of such capital to us on favorable terms or at all;
- major public health issues, and specifically the pandemic caused by the effects of the spread of the Coronavirus Disease of 2019 (COVID-19);
- changes in relationships with important parties in our product distribution network;
- the activities of our competitors and our ability to grow our retail business in a highly competitive environment;
- the impact of general economic conditions on our ability to sell our products and on the fair value of our investments;
- our ability to successfully acquire new companies or businesses and/or integrate such acquisitions into our existing framework;
- downgrades, potential downgrades or other negative actions by rating agencies;
- our dependence on key executives and inability to attract qualified personnel, or the potential loss of Bermudian personnel as a result of Bermuda employment restrictions;
- market and credit risks that could diminish the value of our investments;
- changes to the creditworthiness of our reinsurance and derivative counterparties;
- the discontinuation of certain Inter-bank Offered Rates (IBORs), including the London Inter-bank Offered Rate (LIBOR);
- changes in consumer perception regarding the desirability of annuities as retirement savings products;
- potential litigation (including class action litigation), enforcement investigations or regulatory scrutiny against us and our subsidiaries, which we may be required to defend against or respond to;
- the impact of new accounting rules or changes to existing accounting rules on our business;
- interruption or other operational failures in telecommunication and information technology and other operating systems, as well as our ability to maintain the security of those systems;
- the termination by Apollo Global Management, Inc. (AGM) or any of its subsidiaries (collectively, AGM together with its subsidiaries, Apollo) of its investment management agreements with us and certain limitations on our ability to terminate such arrangements;
- Apollo's dependence on key executives and inability to attract qualified personnel;
- the failure to realize the expected benefits from our merger with AGM;
- the accuracy of our estimates regarding the future performance of our investment portfolio;
- increased regulation or scrutiny of alternative investment advisers and certain trading methods;
- potential changes to laws or regulations affecting, among other things, group supervision and/or group capital requirements, entity-level regulatory capital standards, transactions with our affiliates, the ability of our subsidiaries to make dividend payments or distributions to AHL, acquisitions by or of us, minimum capitalization and statutory reserve requirements for insurance companies and fiduciary obligations on parties who distribute our products;
- the failure to obtain or maintain licenses and/or other regulatory approvals as required for the operation of our insurance subsidiaries;
- increases in our tax liability resulting from the Base Erosion and Anti-Abuse Tax (BEAT) or otherwise;
- adverse changes in US tax law;
- changes in our ability to pay dividends or make distributions;
- the failure to achieve the economic benefits expected to be derived from the Athene Co-Invest Reinsurance Affiliate Holding Ltd. (together with its subsidiaries, ACRA) capital raise or future ACRA capital raises;
- the failure of third-party ACRA investors to fund their capital commitment obligations; and

- other risks and factors listed in *Part II–Item 1A. Risk Factors* included in this report, *Part I—Item 1A. Risk Factors* included in our 2021 Annual Report and those discussed elsewhere in this report and in our 2021 Annual Report.

We caution you that the important factors referenced above may not be exhaustive. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect or anticipate. In light of these risks, you should not place undue reliance upon any forward-looking statements contained in this report. Unless an earlier date is specified, the forward-looking statements included in this report are made only as of the date that this report was filed with the US Securities and Exchange Commission (SEC). We undertake no obligation, except as may be required by law, to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

GLOSSARY OF SELECTED TERMS

Unless otherwise indicated in this report, the following terms have the meanings set forth below:

Entities

Term or Acronym	Definition
AADE	Athene Annuity & Life Assurance Company
AAIA	Athene Annuity and Life Company
AAM	Apollo Asset Management, Inc., formerly known as Apollo Global Management, Inc.
AARe	Athene Annuity Re Ltd., a Bermuda reinsurance subsidiary
ACRA	Athene Co-Invest Reinsurance Affiliate Holding Ltd., together with its subsidiaries
ACRA HoldCo	Athene Co-Invest Reinsurance Affiliate Holding Ltd.
ADIP	Apollo/Athene Dedicated Investment Program
AGM	Apollo Global Management, Inc.
AHL	Athene Holding Ltd.
ALRe	Athene Life Re Ltd., a Bermuda reinsurance subsidiary
ALReI	Athene Life Re International Ltd., a Bermuda reinsurance subsidiary
AOG	Apollo Operating Group
Apollo	Apollo Global Management, Inc., together with its subsidiaries (other than us or our subsidiaries)
Apollo Group	(1) AGM and AGM's subsidiaries, including AAM, (2) any investment fund or other collective investment vehicle whose general partner or managing member is owned, directly or indirectly, by clause (1), (3) BRH Holdings GP, Ltd. and each of its shareholders, (4) any executive officer or employee of AGM or AGM's subsidiaries, and (5) any affiliate of a person described in clauses (1), (2), (3) or (4) above; provided none of AHL or its subsidiaries (other than ACRA HoldCo and ACRA HoldCo's subsidiaries) will be deemed to be a member of the Apollo Group
AUSA	Athene USA Corporation
Athora	Athora Holding Ltd.
BMA	Bermuda Monetary Authority
ISG	Apollo Insurance Solutions Group LP
Jackson	Jackson Financial, Inc., together with its subsidiaries
LIMRA	Life Insurance and Market Research Association
MidCap Financial	MidCap FinCo Designated Activity Company
NAIC	National Association of Insurance Commissioners
NYSDFS	New York State Department of Financial Services
US Treasury	United States Department of the Treasury
VIAC	Venerable Insurance and Annuity Company
Venerable	Venerable Holdings, Inc., together with its subsidiaries
Wheels Donlen	Wheels, Inc. (Wheels), merged with Donlen LLC (Donlen)

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Certain Terms & Acronyms

Term or Acronym	Definition
ABS	Asset-backed securities
ACL	Authorized control level RBC as defined by the model created by the National Association of Insurance Commissioners
ALM	Asset liability management
Alternative investments	Alternative investments, including investment funds, CLO equity positions and certain other debt instruments considered to be equity-like
Base of earnings	Earnings generated from our results of operations and the underlying profitability drivers of our business
Bermuda capital	The capital of Athene's non-US reinsurance subsidiaries calculated under US statutory accounting principles, including that for policyholder reserve liabilities which are subjected to US cash flow testing requirements, but (i) excluding certain items that do not exist under our applicable Bermuda requirements, such as interest maintenance reserves and (ii) including certain Bermuda statutory accounting differences, such as marking to market of inception date investment gains or losses relating to reinsurance transactions. Bermuda capital may from time to time materially differ from the calculation of statutory capital under US statutory accounting principles primarily due to the foregoing differences.
Bermuda RBC	The risk-based capital ratio of our non-US reinsurance subsidiaries by applying NAIC risk-based capital factors to the statutory financial statements on an aggregate basis. Adjustments are made to (i) exclude US subsidiaries which are included within our US RBC Ratio, (ii) exclude our interests in the AOG units and other non-insurance subsidiary holding companies from our capital base and (iii) limit RBC concentration charges such that when they are applied to determine target capital, the charges do not exceed 100% of the asset's carrying value.
Block reinsurance	A transaction in which the ceding company cedes all or a portion of a block of previously issued annuity contracts through a reinsurance agreement
BSCR	Bermuda Solvency Capital Requirement
CAL	Company action level risk-based capital as defined by the model created by the National Association of Insurance Commissioners
CLO	Collateralized loan obligation
CMBS	Commercial mortgage-backed securities
CML	Commercial mortgage loans
Cost of crediting	The interest credited to the policyholders on our fixed annuities, including, with respect to our fixed indexed annuities, option costs, as well as institutional costs related to institutional products, presented on an annualized basis for interim periods
Cost of funds	Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products, as well as other liability costs. Cost of funds is computed as the total liability costs divided by the average net invested assets for the relevant period. Presented on an annualized basis for interim periods.
DAC	Deferred acquisition costs
Deferred annuities	Fixed indexed annuities, annual reset annuities, multi-year guaranteed annuities and registered index-linked annuities
DSI	Deferred sales inducement
Excess capital	Capital in excess of the level management believes is needed to support our current operating strategy
FIA	Fixed indexed annuity, which is an insurance contract that earns interest at a crediting rate based on a specified index on a tax-deferred basis
Fixed annuities	FIAs together with fixed rate annuities
Fixed rate annuity	An insurance contract that offers tax-deferred growth and the opportunity to produce a guaranteed stream of retirement income for the lifetime of its policyholder
Flow reinsurance	A transaction in which the ceding company cedes a portion of newly issued policies to the reinsurer
GAAP	Accounting principles generally accepted in the United States of America
GLWB	Guaranteed lifetime withdrawal benefit
GMDB	Guaranteed minimum death benefit
Gross invested assets	The sum of (a) total investments on the consolidated balance sheet with available-for-sale securities at amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) consolidated variable interest entities' assets, liabilities and noncontrolling interest and (f) policy loans ceded (which offset the direct policy loans in total investments). Gross invested assets includes investments supporting assumed funds withheld and modco agreements and excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). Gross invested assets includes the entire investment balance attributable to ACRA as ACRA is 100% consolidated
IMA	Investment management agreement
IMO	Independent marketing organization
Investment margin on deferred annuities	Investment margin applies to deferred annuities and is the excess of our net investment earned rate over the cost of crediting to our policyholders, presented on an annualized basis for interim periods
Liability outflows	The aggregate of withdrawals on our deferred annuities, maturities of our funding agreements, payments on payout annuities, and pension group annuity benefit payments
MCR	Minimum capital requirements
MMS	Minimum margin of solvency
Modco	Modified coinsurance
MVA	Market value adjustment
MYGA	Multi-year guaranteed annuity

Term or Acronym	Definition
Net invested assets	The sum of (a) total investments on the consolidated balance sheet with available-for-sale securities at amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) consolidated variable interest entities' assets, liabilities and noncontrolling interest and (f) policy loans ceded (which offset the direct policy loans in total investments). Net invested assets includes investments supporting assumed funds withheld and modco agreements and excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest
Net investment earned rate	Income from our net invested assets divided by the average net invested assets for the relevant period, presented on an annualized basis for interim periods
Net investment spread	Net investment spread measures our investment performance less the total cost of our liabilities, presented on an annualized basis for interim periods
Net reserve liabilities	The sum of (a) 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 also includes the reserves related to assumed modco agreements in order to appropriately match the costs incurred in the consolidated statements of income (loss) with the liabilities. 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. Net reserve liabilities is net of the reserve liabilities attributable to the ACRA noncontrolling interest
Other liability costs	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, as well as offsets for premiums, product charges and other revenues
Payout annuities	Annuities with a current cash payment component, which consist primarily of single premium immediate annuities, supplemental contracts and structured settlements
Policy loan	A loan to a policyholder under the terms of, and which is secured by, a policyholder's policy
RBC	Risk-based capital
Rider reserves	Guaranteed lifetime withdrawal benefits and guaranteed minimum death benefits reserves
RMBS	Residential mortgage-backed securities
RML	Residential mortgage loan
Sales	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)
SPIA	Single premium immediate annuity
Surplus assets	Assets in excess of policyholder obligations, determined in accordance with the applicable domiciliary jurisdiction's statutory accounting principles
TAC	Total adjusted capital as defined by the model created by the NAIC
US RBC Ratio	The CAL RBC ratio for AADE, our parent US insurance company
VIE	Variable interest entity
VOBA	Value of business acquired

Item 1. Financial Statements

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ATHENE HOLDING LTD.
Condensed Consolidated Balance Sheets *(Unaudited)*

(In millions)	Successor June 30, 2022	Predecessor December 31, 2021
Assets		
Investments		
Available-for-sale securities, at fair value (amortized cost: 2022 – $107,207 and 2021 – $96,458; allowance for credit losses: 2022 – $609 and 2021 – $123)	$ 92,011	$ 100,159
Trading securities, at fair value	1,735	2,056
Equity securities (portion at fair value: 2022 – $1,108 and 2021 – $1,170)	1,508	1,170
Mortgage loans (allowance for credit losses: 2021 – $154; portion at fair value: 2022 – $25,218 and 2021 – $17)	25,218	20,748
Investment funds (portion at fair value: 2022 – $25 and 2021 – $183)	133	1,178
Policy loans	358	312
Funds withheld at interest (portion at fair value: 2022 – $(3,958) and 2021 – $782)	37,638	43,907
Derivative assets	2,932	4,387
Short-term investments (portion at fair value: 2022 – $238 and 2021 – $139)	264	139
Other investments (portion at fair value: 2022 – $142 and 2021 – $130)	855	1,473
Total investments	162,652	175,529
Cash and cash equivalents	11,172	9,479
Restricted cash	753	796
Investments in related parties		
Available-for-sale securities, at fair value (amortized cost: 2022 – $9,429 and 2021 – $10,401; allowance for credit losses: 2022 – $20 and 2021 – $0)	8,955	10,402
Trading securities, at fair value	898	1,781
Equity securities, at fair value	163	284
Mortgage loans (allowance for credit losses: 2021 – $5; portion at fair value: 2022 – $1,416 and 2021 – $0)	1,416	1,360
Investment funds (portion at fair value: 2022 – $818 and 2021 – $2,958)	1,538	7,391
Funds withheld at interest (portion at fair value: 2022 – $(1,129) and 2021 – $578)	10,675	12,207
Other investments	272	222
Accrued investment income (related party: 2022 – $76 and 2021 – $54)	1,086	962
Reinsurance recoverable (portion at fair value: 2022 – $1,580 and 2021 – $1,991)	4,437	4,594
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,890	5,362
Goodwill	4,153	—
Other assets (related party: 2022 – $83 and 2021 – $0)	8,947	1,257
Assets of consolidated variable interest entities		
Investments		
Trading securities, at fair value (related party: 2022 – $223 and 2021 – $0)	386	—
Mortgage loans (related party: 2022 – $387 and 2021 – $231; allowance for credit losses: 2021 – $78; portion at fair value: 2022 – $1,626 and 2021 – $0)	1,992	2,040
Investment funds, at fair value (related party: 2022 – $8,684 and 2021 – $1,068)	9,494	1,297
Other investments (portion at fair value: 2022 – $31 and 2021 – $0)	111	—
Cash and cash equivalents	198	154
Other assets	66	32
Total assets	$ 234,254	$ 235,149

(Continued)

See accompanying notes to the unaudited condensed consolidated financial statements

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ATHENE HOLDING LTD.
Condensed Consolidated Balance Sheets *(Unaudited)*

(In millions, except per share data)	Successor June 30, 2022	Predecessor December 31, 2021
Liabilities and Equity		
Liabilities		
Interest sensitive contract liabilities (related party: 2022 – $12,653 and 2021 – $12,948; portion at fair value: 2022 – $6,394 and 2021 – $16,142)	$ 164,571	$ 156,325
Future policy benefits (related party: 2022 – $2,078 and 2021 – $1,853; portion at fair value: 2022 – $1,870 and 2021 – $2,262)	52,478	42,488
Debt	3,279	2,964
Derivative liabilities	1,223	472
Payables for collateral on derivatives and securities to repurchase	6,013	7,044
Other liabilities (related party: 2022 – $219 and 2021 – $936)	2,893	3,214
Liabilities of consolidated variable interest entities	408	461
Total liabilities	230,865	212,968
Commitments and Contingencies (Note 11)		
Equity		
Preferred stock		
Series A – par value $1 per share; $863 aggregate liquidation preference; authorized, issued and outstanding: 2022 and 2021 – 0.0 shares	—	—
Series B – par value $1 per share; $345 aggregate liquidation preference; authorized, issued and outstanding: 2022 and 2021 – 0.0 shares	—	—
Series C – par value $1 per share; $600 aggregate liquidation preference; authorized, issued and outstanding: 2022 and 2021 – 0.0 shares	—	—
Series D – par value $1 per share; $575 aggregate liquidation preference; authorized, issued and outstanding: 2022 and 2021 – 0.0 shares	—	—
Common stock		
Class A – par value $0.001 per share; authorized: 2022 and 2021 – 425.0 shares; issued and outstanding: 2022 – 203.8 and 2021 – 192.2 shares	—	—
Additional paid-in capital	17,586	6,667
Retained earnings (accumulated deficit)	(4,074)	11,033
Accumulated other comprehensive income (loss) (related party: 2022 – $(323) and 2021 – $33)	(9,787)	2,430
Total Athene Holding Ltd. shareholders' equity	3,725	20,130
Noncontrolling interests	(336)	2,051
Total equity	3,389	22,181
Total liabilities and equity	$ 234,254	$ 235,149

(Concluded)

See accompanying notes to the unaudited condensed consolidated financial statements

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Income (Loss) *(Unaudited)*

(In millions)	Successor Three months ended June 30, 2022	Predecessor Three months ended June 30, 2021	Successor Six months ended June 30, 2022	Predecessor Six months ended June 30, 2021
Revenues				
Premiums (related party of $76 and $78 for the three months ended and $147 and $157 for the six months ended June 30, 2022 and 2021, respectively)	$ 5,614	$ 1,598	$ 7,724	$ 4,609
Product charges (related party of $10 and $12 for the three months ended and $20 and $23 for the six months ended June 30, 2022 and 2021, respectively)	175	157	341	307
Net investment income (related party investment income of $224 and $860 for the three months ended and $725 and $1,456 for the six months ended June 30, 2022 and 2021, respectively; and related party investment expense of $182 and $140 for the three months ended and $368 and $284 for the six months ended June 30, 2022 and 2021, respectively)	1,726	2,017	3,409	3,686
Investment related gains (losses) (related party of $(606) and $280 for the three months ended and $(1,210) and $141 for the six months ended June 30, 2022 and 2021, respectively)	(5,763)	2,592	(9,963)	2,170
Other revenues (related party of $9 and $15 for the three months ended and $18 and $15 for the six months ended June 30, 2022 and 2021, respectively)	(9)	20	(12)	34
Revenues of consolidated variable interest entities				
Net investment income	30	21	47	56
Investment related gains (losses) (related party of $59 and $0 for the three months ended and $59 and $0 for the six months ended June 30, 2022 and 2021, respectively)	22	18	(20)	(48)
Total revenues	1,795	6,423	1,526	10,814
Benefits and expenses				
Interest sensitive contract benefits (related party of $(36) and $135 for the three months ended and $(47) and $211 for the six months ended June 30, 2022 and 2021, respectively)	(621)	1,979	(662)	2,373
Amortization of deferred sales inducements	—	22	—	106
Future policy and other policy benefits (related party of $71 and $111 for the three months ended and $134 and $200 for the six months ended June 30, 2022 and 2021, respectively)	5,609	1,950	7,694	5,267
Amortization of deferred acquisition costs and value of business acquired	125	230	250	394
Policy and other operating expenses (related party of $59 and $12 for the three months ended and $116 and $24 for the six months ended June 30, 2022 and 2021, respectively)	358	252	693	545
Total benefits and expenses	5,471	4,433	7,975	8,685
Income (loss) before income taxes	(3,676)	1,990	(6,449)	2,129
Income tax expense (benefit)	(484)	184	(891)	246
Net income (loss)	(3,192)	1,806	(5,558)	1,883
Less: Net income (loss) attributable to noncontrolling interests	(1,072)	389	(1,955)	(148)
Net income (loss) attributable to Athene Holding Ltd. shareholders	(2,120)	1,417	(3,603)	2,031
Less: Preferred stock dividends	35	35	70	71
Net income (loss) available to Athene Holding Ltd. common shareholder	$ (2,155)	$ 1,382	$ (3,673)	$ 1,960

See accompanying notes to the unaudited condensed consolidated financial statements

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Comprehensive Income (Loss) *(Unaudited)*

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Net income (loss)	$ (3,192)	$ 1,806	$ (5,558)	$ 1,883
Other comprehensive income (loss), before tax				
Unrealized investment gains (losses) on available-for-sale securities, net of offsets	(7,273)	1,692	(13,703)	(899)
Unrealized gains (losses) on hedging instruments	81	92	(48)	61
Foreign currency translation and other adjustments	(58)	1	(54)	1
Other comprehensive income (loss), before tax	(7,250)	1,785	(13,805)	(837)
Income tax expense (benefit) related to other comprehensive income (loss)	(1,283)	345	(2,453)	(151)
Other comprehensive income (loss)	(5,967)	1,440	(11,352)	(686)
Comprehensive income (loss)	(9,159)	3,246	(16,910)	1,197
Less: Comprehensive income (loss) attributable to noncontrolling interests	(1,926)	513	(3,520)	(200)
Comprehensive income (loss) attributable to Athene Holding Ltd. shareholders	$ (7,233)	$ 2,733	$ (13,390)	$ 1,397

See accompanying notes to the unaudited condensed consolidated financial statements

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Equity *(Unaudited)*

(In millions)	Preferred stock	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Total Athene Holding Ltd. shareholders' equity	Noncontrolling interests	Total equity
	Successor							
	Three months ended							
Balance at March 31, 2022	$ —	$ —	$ 17,555	$ (1,732)	$ (4,674)	$ 11,149	$ 2,543	$ 13,692
Net income	—	—	—	(2,120)	—	(2,120)	(1,072)	(3,192)
Other comprehensive income	—	—	—	—	(5,113)	(5,113)	(854)	(5,967)
Stock-based compensation allocation from parent	—	—	12	—	—	12	—	12
Preferred stock dividends	—	—	—	(35)	—	(35)	—	(35)
Common stock dividends	—	—	—	(187)	—	(187)	—	(187)
Contributions from parent	—	—	19	—	—	19	—	19
Contributions from noncontrolling interests	—	—	—	—	—	—	400	400
Consolidation of variable interest entities	—	—	—	—	—	—	(1,353)	(1,353)
Balance at June 30, 2022	$ —	$ —	$ 17,586	$ (4,074)	$ (9,787)	$ 3,725	$ (336)	$ 3,389
	Predecessor							
	Three months ended							
Balance at March 31, 2021	$ —	$ —	$ 6,623	$ 8,647	$ 2,021	$ 17,291	$ 1,045	$ 18,336
Net income	—	—	—	1,417	—	1,417	389	1,806
Other comprehensive income	—	—	—	—	1,316	1,316	124	1,440
Issuance of common shares, net of expenses	—	—	6	—	—	6	—	6
Stock-based compensation	—	—	11	—	—	11	—	11
Preferred stock dividends	—	—	—	(35)	—	(35)	—	(35)
Contributions from noncontrolling interests	—	—	—	—	—	—	85	85
Other changes in equity of noncontrolling interests	—	—	—	—	—	—	22	22
Balance at June 30, 2021	$ —	$ —	$ 6,640	$ 10,029	$ 3,337	$ 20,006	$ 1,665	$ 21,671

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Equity *(Unaudited)*

(In millions)	Preferred stock	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Total Athene Holding Ltd. shareholders' equity	Noncontrolling interests	Total equity
	Successor							
	Six months ended							
Balance as of January 1, 2022	$ —	$ —	$ 20,270	$ —	$ —	$ 20,270	$ 2,276	$ 22,546
Net loss	—	—	—	(3,603)	—	(3,603)	(1,955)	(5,558)
Other comprehensive loss	—	—	—	—	(9,787)	(9,787)	(1,565)	(11,352)
Stock-based compensation allocation from parent	—	—	23	—	—	23	—	23
Preferred stock dividends	—	—	—	(70)	—	(70)	—	(70)
Common stock dividends	—	—	—	(375)	—	(375)	—	(375)
Contributions from parent	—	—	19	—	—	19	—	19
Distributions to parent	—	—	(2,726)	(26)	—	(2,752)	—	(2,752)
Contributions from noncontrolling interests	—	—	—	—	—	—	711	711
Consolidation of variable interest entities	—	—	—	—	—	—	281	281
Other changes in equity of noncontrolling interests	—	—	—	—	—	—	(84)	(84)
Balance at June 30, 2022	$ —	$ —	$ 17,586	$ (4,074)	$ (9,787)	$ 3,725	$ (336)	$ 3,389
	Predecessor							
	Six months ended							
Balance at December 31, 2020	$ —	$ —	$ 6,613	$ 8,073	$ 3,971	$ 18,657	$ 1,483	$ 20,140
Net income (loss)	—	—	—	2,031	—	2,031	(148)	1,883
Other comprehensive loss	—	—	—	—	(634)	(634)	(52)	(686)
Issuance of common shares, net of expenses	—	—	7	—	—	7	—	7
Stock-based compensation	—	—	20	—	—	20	—	20
Retirement or repurchase of shares	—	—	—	(4)	—	(4)	—	(4)
Preferred stock dividends	—	—	—	(71)	—	(71)	—	(71)
Contributions from noncontrolling interests	—	—	—	—	—	—	320	320
Other changes in equity of noncontrolling interests	—	—	—	—	—	—	62	62
Balance at June 30, 2021	$ —	$ —	$ 6,640	$ 10,029	$ 3,337	$ 20,006	$ 1,665	$ 21,671

See accompanying notes to the unaudited condensed consolidated financial statements

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Cash Flows *(Unaudited)*

(In millions)	Successor Six months ended June 30, 2022	Predecessor Six months ended June 30, 2021
Cash flows from operating activities		
Net income (loss)	$ (5,558)	$ 1,883
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of deferred acquisition costs and value of business acquired	250	394
Amortization of deferred sales inducements	—	106
Net amortization (accretion) of net investment premiums, discounts and other	155	(118)
Net investment (income) loss (related party: 2022 – $12 and 2021 – $(933))	(267)	(966)
Net recognized (gains) losses on investments and derivatives (related party: 2022 – $183 and 2021 – $(159))	4,892	(1,908)
Policy acquisition costs deferred	(434)	(287)
Changes in operating assets and liabilities:		
Accrued investment income (related party: 2022 – $(22) and 2021 – $(20))	(124)	(105)
Interest sensitive contract liabilities (related party: 2022 – $(68) and 2021 – $188)	(1,604)	1,788
Future policy benefits and reinsurance recoverable (related party: 2022 – $76 and 2021 – $142)	3,933	1,560
Funds withheld assets (related party: 2022 – $970 and 2021 – $(187))	4,622	(90)
Other assets and liabilities	(1,139)	241
Net cash provided by operating activities	4,726	2,498
Cash flows from investing activities		
Sales, maturities and repayments of:		
Available-for-sale securities (related party: 2022 – $3,047 and 2021 – $881)	14,494	9,018
Trading securities (related party: 2022 – $79 and 2021 – $83)	105	127
Equity securities	96	42
Mortgage loans (related party: 2022 – $33 and 2021 – $0)	1,829	1,363
Investment funds (related party: 2022 – $769 and 2021 – $892)	940	946
Derivative instruments and other invested assets (related party: 2022 – $74 and 2021 – $330)	2,064	2,566
Short-term investments (related party: 2022 – $0 and 2021 – $98)	114	400
Purchases of:		
Available-for-sale securities (related party: 2022 – $(1,880) and 2021 – $(1,626))	(18,665)	(17,987)
Trading securities (related party: 2022 – $(152) and 2021 – $(230))	(267)	(318)
Equity securities (related party: 2022 – $(13) and 2021 – $(46))	(74)	(123)
Mortgage loans (related party: 2022 – $(364) and 2021 – $(148))	(7,832)	(3,596)
Investment funds (related party: 2022 – $(3,130) and 2021 – $(923))	(3,256)	(1,056)
Derivative instruments and other invested assets (related party: 2022 – $(124) and 2021 – $0)	(1,335)	(2,247)
Short-term investments (related party: 2022 – $(33) and 2021 – $(100))	(271)	(278)
Consolidation of new variable interest entities	393	—
Deconsolidation of previously consolidated entities	(365)	—
Other investing activities, net	311	(129)
Net cash used in investing activities	(11,719)	(11,272)

(Continued)

See accompanying notes to the unaudited condensed consolidated financial statements

ATHENE HOLDING LTD.
Condensed Consolidated Statements of Cash Flows *(Unaudited)*

	Successor	Predecessor
(In millions)	Six months ended June 30, 2022	Six months ended June 30, 2021
Cash flows from financing activities		
Issuance of common stock	$ —	$ 7
Proceeds from debt	—	497
Deposits on investment-type policies and contracts (related party: 2022 – $38 and 2021 – $44)	13,925	11,120
Withdrawals on investment-type policies and contracts (related party: 2022 – $(167) and 2021 – $(200))	(4,074)	(3,476)
Payments for coinsurance agreements on investment-type contracts, net	(20)	—
Capital contributions from noncontrolling interests	711	320
Net change in cash collateral posted for derivative transactions and securities to repurchase	(1,024)	687
Preferred stock dividends	(70)	(71)
Common stock dividends	(1,125)	—
Repurchase of common stock	—	(4)
Other financing activities, net	384	(22)
Net cash provided by financing activities	8,707	9,058
Effect of exchange rate changes on cash and cash equivalents	(20)	—
Net increase in cash and cash equivalents	1,694	284
Cash and cash equivalents at beginning of year[1]	10,429	8,442
Cash and cash equivalents at end of period[1]	$ 12,123	$ 8,726
Supplementary information		
Non-cash transactions		
Deposits on investment-type policies and contracts through reinsurance agreements (related party: 2022 – $153 and 2021 – $177)	$ 719	$ 449
Withdrawals on investment-type policies and contracts through reinsurance agreements (related party: 2022 – $718 and 2021 – $819)	3,944	4,101
Investments received from settlements on reinsurance agreements	20	74
Investments received from pension group annuity premiums	2,510	2,765
Assets contributed to consolidated VIEs	7,845	169
Distributions to parent	2,145	—

[1] *Includes cash and cash equivalents, restricted cash and cash and cash equivalents of consolidated variable interest entities.*

(Concluded)

See accompanying notes to the unaudited condensed consolidated financial statements

1. Business, Basis of Presentation and Significant Accounting Policies

Athene Holding Ltd. (AHL), a Bermuda exempted company, together with its subsidiaries (collectively, Athene, we, our, us, or the Company), is a leading financial services company specializing in retirement services that issues, reinsures and acquires retirement savings products in the United States (US) and internationally.

We conduct business primarily through the following consolidated subsidiaries:

- Our non-US reinsurance subsidiaries, to which AHL's other insurance subsidiaries and third-party ceding companies directly and indirectly reinsure a portion of their liabilities, including Athene Life Re Ltd. (ALRe), a Bermuda exempted company, Athene Annuity Re Ltd. (AARe) and Athene Life Re International Ltd. (ALReI); and
- Athene USA Corporation, an Iowa corporation (together with its subsidiaries, AUSA).

In addition, we consolidate certain variable interest entities (VIEs) for which we have determined we are the primary beneficiary. See *Note 5 – Variable Interest Entities* for further information on VIEs.

Consolidation and Basis of Presentation—We have prepared the accompanying condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. The accompanying condensed consolidated financial statements are unaudited and reflect all adjustments, consisting only of normal recurring items, considered necessary for fair statement of the results for the interim periods presented. All intercompany accounts and transactions have been eliminated. Interim operating results are not necessarily indicative of the results expected for the entire year.

For entities that are consolidated, but not wholly owned, we allocate a portion of the income or loss and corresponding equity to the owners other than us. We include the aggregate of the income or loss and corresponding equity that is not owned by us in noncontrolling interests in the condensed consolidated financial statements.

The condensed consolidated balance sheet as of December 31, 2021 has been derived from the audited financial statements, but does not include all of the information and footnotes required by GAAP for complete financial statements. Therefore, these condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021. The preparation of financial statements requires the use of management estimates. Actual results may differ from estimates used in preparing the condensed consolidated financial statements.

Merger – On January 1, 2022, we completed our merger with Apollo Global Management, Inc. (AGM, and together with its subsidiaries other than us or our subsidiaries, Apollo) and are now a direct wholly owned subsidiary of AGM. We have elected pushdown accounting in which we use AGM's basis of accounting, which reflects the fair market value of our assets and liabilities at the time of the merger, unless otherwise prescribed by GAAP. Our condensed consolidated financial statements are presented as Predecessor for the periods prior to the merger and Successor for subsequent periods. We, along with certain of our non-US subsidiaries, are Bermuda exempted companies that have historically not been subject to US corporate income taxes on earnings. Due to the merger, our non-US earnings will generally be subject to US corporate income taxes. See *Note 2 – Business Combination* for further information on the merger.

Segments—We operate our core business strategies out of one reportable segment. As a wholly owned subsidiary of AGM, we no longer report certain other operations in a corporate and other segment.

Significant Accounting Policies

Mortgage loans—Effective January 1, 2022, we elected the fair value option on our mortgage loan portfolio. Interest income is accrued on the principal amount of the loan based on its contractual interest rate. We accrue interest on loans until it is probable we will not receive interest, or the loan is 90 days past due unless guaranteed by US government-sponsored agencies. Interest income and prepayment fees are reported in net investment income on the condensed consolidated statements of income (loss). Changes in the fair value of the mortgage loan portfolio are reported in investment related gains (losses) on the condensed consolidated statements of income (loss).

Derivative Instruments

Embedded Derivatives – We issue and reinsure products, primarily indexed annuity products, or purchase investments that contain embedded derivatives. If we determine the embedded derivative has economic characteristics not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host contract and accounted for separately, unless the fair value option is elected on the host contract. Under the fair value option, bifurcation of the embedded derivative is not necessary as the entire contract is carried at fair value with all related gains and losses recognized in investment related gains (losses) on the condensed consolidated statements of income (loss). Embedded derivatives are carried on the condensed consolidated balance sheets at fair value in the same line item as the host contract.

Fixed indexed annuity, index-linked variable annuity and indexed universal life insurance contracts allow the policyholder to elect a fixed interest rate return or an equity market component for which interest credited is based on the performance of certain stock market indices. The equity market option is an embedded derivative. The benefit reserve is equal to the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives represents the present value of cash flows attributable to the indexed strategies. The embedded derivative cash flows are based on assumptions for future policy growth, which include assumptions for expected index credits on the next policy anniversary date, future equity option costs, volatility, interest rates and policyholder behavior assumptions including lapses and the use of benefit riders. The embedded derivative cash flows are discounted using a rate that reflects our own credit rating. The host contract is established at contract inception as the initial account value less the initial fair value of the embedded derivative and accreted over the policy's life. Contracts acquired through a business combination which contain an embedded derivative are re-bifurcated as of the acquisition date. Changes in the fair value of embedded derivatives associated with fixed indexed annuities, index-linked variable annuities and indexed universal life insurance contracts are included in interest sensitive contract benefits on the condensed consolidated statements of income (loss).

Additionally, reinsurance agreements written on a funds withheld or modco basis contain embedded derivatives. We have determined that the right to receive or obligation to pay the total return on the assets supporting the funds withheld at interest or funds withheld liability, respectively, represents a total return swap with a floating rate leg. The fair value of embedded derivatives on funds withheld and modco agreements is computed as the unrealized gain (loss) on the underlying assets and is included within funds withheld at interest and funds withheld liability on the condensed consolidated balance sheets for assumed and ceded agreements, respectively. The change in the fair value of the embedded derivatives is recorded in investment related gains (losses) on the condensed consolidated statements of income (loss). Assumed and ceded earnings from funds withheld at interest, funds withheld liability and changes in the fair value of embedded derivatives are reported in operating activities on the condensed consolidated statements of cash flows. Contributions to and withdrawals from funds withheld at interest and funds withheld liability are reported in operating activities on the condensed consolidated statements of cash flows.

Variable Interest Entities—An entity that does not have sufficient equity to finance its activities without additional financial support, or in which the equity investors, as a group, do not have the characteristics typically afforded to common shareholders is a VIE. The determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and may require significant judgment. Our investment funds typically qualify as VIEs and are evaluated for consolidation under the VIE model.

We are required to consolidate a VIE if we are the primary beneficiary, defined as the variable interest holder with both the power to direct the activities that most significantly impact the VIE's economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE. We determine whether we are the primary beneficiary of an entity based on a qualitative assessment of the VIE's capital structure, contractual terms, nature of the VIE's operations and purpose and our relative exposure to the related risks of the VIE. Since affiliates of AGM, a related party under common control, are the decision makers in certain of the investment funds and securitization vehicles, we and a member of our related party group may together have the characteristics of the primary beneficiary in a VIE. In this situation, we have concluded we must consolidate the VIE when we have significant economic exposure to the entity. We reassess the VIE and primary beneficiary determinations on an ongoing basis.

Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

Deferred Acquisition Costs and Deferred Sales Inducements – Costs related directly to the successful acquisition of new, or renewal of, insurance or investment contracts are deferred to the extent they are recoverable from future premiums or gross profits. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances, and are included in deferred acquisition costs (DAC), deferred sales inducements (DSI) and value of business acquired (VOBA) on the condensed consolidated balance sheets. We perform periodic tests, including at issuance, to determine if the deferred costs are recoverable. If we determine that the deferred costs are not recoverable, we record a cumulative charge to the current period.

Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds are amortized over the lives of the policies, based upon the proportion of the present value of actual and expected deferred costs to the present value of actual and expected gross profits to be earned over the life of the policies. Gross profits include investment spread margins, surrender charge income, policy administration charges and expenses, changes in the guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) reserves and realized gains and losses on investments. Current period gross profits for fixed indexed annuities also include the change in fair value of both freestanding and embedded derivatives. Estimates of the expected gross profits and margins are based on assumptions using accepted actuarial methods related to policyholder behavior, including lapses and the utilization of benefit riders, mortality, yields on investments supporting the liabilities, future interest credited amounts (including indexed related credited amounts on fixed indexed annuity products), and other policy changes as applicable, and the level of expenses necessary to maintain the policies over their expected lives. Each reporting period, we update estimated gross profits with actual gross profits as part of the amortization process and adjust the DAC and DSI balances due to the other comprehensive income (OCI) effects of unrealized investment gains and losses on AFS securities. We also periodically revise the key assumptions used in the amortization calculation, which results in revisions to the estimated future gross profits. The effects of changes in assumptions are recorded as unlocking in the period in which the changes are made.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of the policyholder funds are amortized using the effective interest method. The effective interest method amortizes the deferred costs by discounting the future liability cash flows at a break-even rate. The break-even rate is solved for such that the present value of future liability cash flows is equal to the net liability at the inception of the contract.

Value of Business Acquired – We establish VOBA for blocks of insurance contracts acquired through the acquisition of insurance entities and through application of pushdown accounting. We record the fair value of the liabilities assumed in two components: reserves and VOBA. Reserves are established using our best estimate assumptions consistent with our policies for future policy benefits and interest sensitive contract liabilities. VOBA is the difference between the fair value of the liabilities and the reserves. VOBA can be either positive or negative. Any negative VOBA is recorded to the same financial statement line on the condensed consolidated balance sheets as the associated reserves. Positive VOBA is recorded in deferred acquisition costs, deferred sales inducements and value of business acquired on the condensed consolidated balance sheets. We perform periodic tests to determine if the VOBA remains recoverable. If we determine that VOBA is not recoverable, we record a cumulative charge to the current period.

In connection with the application of pushdown accounting, we changed our VOBA amortization method such that all VOBA and negative VOBA balances are amortized in relation to applicable policyholder liabilities. Significant assumptions that impact VOBA and negative VOBA amortization are consistent with those that impact the measurement of policyholder liabilities. See *Note 7 – Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired* for further information.

Recognition of Revenues and Related Expenses—Revenues for universal life-type policies and investment contracts, including surrender and market value adjustments, costs of insurance, policy administration, GMDB, GLWB and no-lapse guarantee charges, are earned when assessed against policyholder account balances during the period. Interest credited to policyholder account balances and the change in fair value of embedded derivatives within fixed indexed annuity contracts is included in interest sensitive contract benefits on the condensed consolidated statements of income (loss).

Premiums for long-duration contracts, including products with fixed and guaranteed premiums and benefits, are recognized as revenue when due from policyholders. When premiums are due over a significantly shorter period than the period over which benefits are provided, such as immediate annuities with life contingencies (which includes pension group annuities), a deferred profit liability is established equal to the excess of the gross premium over the net premium. The deferred profit liability is recognized in future policy benefits on the condensed consolidated balance sheets and amortized into income in relation to applicable policyholder liabilities through future policy and other policy benefits on the condensed consolidated statements of income (loss).

All insurance related revenue is reported net of reinsurance ceded.

Recently Issued Accounting Pronouncements

Insurance – Targeted Improvements to the Accounting for Long-Duration Contracts (ASU 2020-11, ASU 2019-09, ASU 2018-12)
These updates amend four key areas pertaining to the accounting and disclosures for long-duration insurance and investment contracts.

- The update requires cash flow assumptions used to measure the liability for future policy benefits to be updated at least annually and no longer allows a provision for adverse deviation. The remeasurement of the liability associated with the update of assumptions is required to be recognized in net income. Loss recognition testing is eliminated for traditional and limited-payment contracts. The update also requires the discount rate used in measuring the liability to be an upper-medium grade fixed-income instrument yield, which is to be updated at each reporting date. The change in liability due to changes in the discount rate is to be recognized in other comprehensive income.
- The update simplifies the amortization of deferred acquisition costs and other balances amortized in proportion to premiums, gross profits, or gross margins, requiring such balances to be amortized on a constant level basis over the expected term of the contracts. Deferred costs are required to be written off for unexpected contract terminations but are not subject to impairment testing.
- The update requires certain contract features meeting the definition of market risk benefits to be measured at fair value. Among the features included in this definition are GLWB and GMDB riders attached to our annuity products. The change in fair value of the market risk benefits is to be recognized in net income, excluding the portion attributable to changes in instrument-specific credit risk which is recognized in other comprehensive income.
- The update also introduces disclosure requirements around the liability for future policy benefits, policyholder account balances, market risk benefits, separate account liabilities, and deferred acquisition costs. This includes disaggregated rollforwards of these balances and information about significant inputs, judgments, assumptions and methods used in their measurement.

We are required to adopt these updates on January 1, 2023. Certain provisions of the update are required to be adopted on a fully retrospective basis, while others may be adopted on a modified retrospective basis. Early adoption is permitted. We do not expect that the adoption of this standard will have a material effect on our shareholders' equity as of our transition date, which is January 1, 2022. We are currently evaluating the impact of this guidance on our condensed consolidated financial statements for periods subsequent to our transition date.

2. Business Combination

At the closing of the merger with AGM, each issued and outstanding AHL Class A common share (other than shares held by Apollo, the Apollo Operating Group (AOG) or the respective direct or indirect wholly owned subsidiaries of Athene or the AOG) was converted automatically into 1.149 shares of AGM common shares and any cash paid in lieu of fractional AGM common shares. In connection with the merger, AGM issued to AHL Class A common shareholders 158.2 million AGM common shares in exchange for 137.6 million AHL Class A common shares that were issued and outstanding as of the acquisition date, exclusive of the 54.6 million shares previously held by Apollo immediately before the acquisition date.

The consideration was calculated based on historical AGM's December 31, 2021 closing share price multiplied by the AGM common shares issued in the share exchange, as well as the fair value of stock-based compensation awards replaced, fair value of warrants converted to AGM common shares and other equity consideration, and effective settlement of pre-existing relationships and other consideration.

The following represents the calculation of consideration:

(In millions, except exchange ratio and share price data)		Consideration
AHL common shares purchased		138
Exchange ratio		1.149
Shares of common stock issued in exchange		158
AGM Class A shares closing price	$	72.43
Total merger consideration at closing	$	11,455
Fair value of estimated RSUs, options and warrants assumed and other equity consideration		699
Effective settlement of pre-existing relationships		896
Total merger consideration		13,050
Fair value of AHL common shares previously held by Apollo and other adjustments		4,554
Total AHL equity value held by AGM		17,604
Fair value of preferred stock		2,666
Noncontrolling interest		2,276
Total AHL equity value	$	22,546

The following represents the calculation of goodwill and fair value amounts recognized:

(In millions)	**Fair value and goodwill calculation**
Merger consideration	$ 13,050
Fair value of AHL common shares previously held by Apollo and other adjustments	4,554
Total AHL equity value held by AGM	17,604
Assets	
Investments	$ 175,987
Cash and cash equivalents	9,479
Restricted cash	796
Investment in related parties	33,786
Reinsurance recoverable	4,977
VOBA	4,547
Other assets	5,754
Assets of consolidated variable interest entities	3,635
Estimated fair value of total assets acquired by AGM	238,961
Liabilities	
Interest sensitive contract liabilities	160,205
Future policy benefits	47,120
Debt	3,295
Payables for collateral on derivatives and securities to repurchase	7,044
Other liabilities	2,443
Liabilities of consolidated variable interest entities	461
Estimated fair value of total liabilities assumed by AGM	220,568
Identifiable net assets	18,393
Less: Fair value of preferred stock	2,666
Less: Fair value of noncontrolling interests	2,276
Estimated fair value of net assets acquired by AGM, excluding goodwill	13,451
Goodwill attributable to AHL	$ 4,153

Included within the above are provisional amounts for (1) VOBA, (2) interest sensitive contract liabilities, (3) future policy benefits, and (4) other assets and other liabilities for the portion of our net assets AGM acquired relating to other identifiable intangible assets and deferred taxes, based on the availability of data as of the date the financial statements were available to be issued. Adjustments to provisional amounts are made prospectively as data becomes available. The income effects from changes to provisional amounts are recorded in the period the adjustment is made, as if the adjustment had been recorded on the merger date. In the second quarter of 2022, measurement period adjustments decreased provisional goodwill by $28 million, primarily relating to a decrease in interest sensitive contract liabilities and future policy benefits. The income statement effects of the measurement period adjustments were immaterial to the prior period. We expect to finalize pushdown accounting as soon as practicable but no later than one year from the merger date.

As part of pushdown accounting, we recorded the calculated goodwill based on the amount that our AHL equity value to be held by AGM exceeded the fair value of identifiable net assets less the amounts attributable to fair values of preferred stock and noncontrolling interests. Goodwill is primarily attributable to the scale, skill sets, operations, and synergies that can be achieved subsequent to the merger. The goodwill recorded is not expected to be deductible for tax purposes. We incurred transaction costs of $70 million associated with the merger which were included in policy and other operating expenses on the consolidated statements of income for the year ended December 31, 2021.

We also recorded VOBA and other identifiable intangible assets. Other identifiable intangible assets are included in other assets on the condensed consolidated balance sheets, as follows:

Distribution channels	These assets are valued using the excess earnings method, which derives value based on the present value of the cash flow attributable to the distribution channels, less returns for contributory assets.
Trade name	This represents the Athene trade name and was valued using the relief-from-royalty method considering publicly available third-party trade name royalty rates as well as expected premiums generated by the use of the trade name over its anticipated life.
Insurance licenses	Licenses are protected through registration and were valued using the market approach based on third-party market transactions from which the prices paid for state insurance licenses could be derived.

The fair value and weighted average estimated useful life of identifiable intangible assets consists of the following:

	Fair value *(in millions)*	Weighted average useful life *(in years)*
VOBA	$ 4,547	7
Distribution channels	1,870	18
Trade name	160	20
Insurance licenses	26	Indefinite
Total	$ 6,603	

3. Investments

AFS Securities—Our AFS investment portfolio includes bonds, collateralized loan obligations (CLO), asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS) and redeemable preferred stock. Our AFS investment portfolio includes related party investments that are primarily comprised of investments over which Apollo can exercise significant influence. These investments are presented as investments in related parties on the condensed consolidated balance sheets, and are separately disclosed below.

The following table represents the amortized cost, allowance for credit losses, gross unrealized gains and losses and fair value of our AFS investments by asset type:

	Successor				
	June 30, 2022				
(In millions)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities					
US government and agencies	$ 3,277	$ —	$ 1	$ (484)	$ 2,794
US state, municipal and political subdivisions	1,209	—	—	(209)	1,000
Foreign governments	1,199	(61)	4	(246)	896
Corporate	67,584	(70)	45	(11,341)	56,218
CLO	14,783	(107)	2	(1,193)	13,485
ABS	10,095	(14)	8	(542)	9,547
CMBS	3,181	(9)	16	(284)	2,904
RMBS	5,879	(348)	3	(367)	5,167
Total AFS securities	107,207	(609)	79	(14,666)	92,011
AFS securities – related party					
Corporate	1,043	—	2	(38)	1,007
CLO	2,945	(19)	1	(248)	2,679
ABS	5,441	(1)	1	(172)	5,269
Total AFS securities – related party	9,429	(20)	4	(458)	8,955
Total AFS securities including related party	$ 116,636	$ (629)	$ 83	$ (15,124)	$ 100,966

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Predecessor				
	December 31, 2021				
(In millions)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities					
US government and agencies	$ 231	$ —	$ 2	$ (10)	$ 223
US state, municipal and political subdivisions	1,081	—	134	(2)	1,213
Foreign governments	1,110	—	35	(17)	1,128
Corporate	62,817	—	4,060	(651)	66,226
CLO	13,793	—	44	(185)	13,652
ABS	8,890	(17)	151	(35)	8,989
CMBS	2,764	(3)	56	(59)	2,758
RMBS	5,772	(103)	326	(25)	5,970
Total AFS securities	96,458	(123)	4,808	(984)	100,159
AFS securities – related party					
Corporate	842	—	19	(2)	859
CLO	2,573	—	5	(29)	2,549
ABS	6,986	—	61	(53)	6,994
Total AFS securities – related party	10,401	—	85	(84)	10,402
Total AFS securities including related party	$ 106,859	$ (123)	$ 4,893	$ (1,068)	$ 110,561

The amortized cost and fair value of AFS securities, including related party, are shown by contractual maturity below:

	Successor	
	June 30, 2022	
(In millions)	Amortized Cost	Fair Value
AFS securities		
Due in one year or less	$ 926	$ 916
Due after one year through five years	9,672	8,931
Due after five years through ten years	19,820	17,071
Due after ten years	42,851	33,990
CLO, ABS, CMBS and RMBS	33,938	31,103
Total AFS securities	107,207	92,011
AFS securities – related party		
Due in one year or less	1	1
Due after one year through five years	23	22
Due after five years through ten years	777	749
Due after ten years	242	235
CLO and ABS	8,386	7,948
Total AFS securities – related party	9,429	8,955
Total AFS securities including related party	$ 116,636	$ 100,966

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

Unrealized Losses on AFS Securities—The following summarizes the fair value and gross unrealized losses for AFS securities, including related party, for which an allowance for credit losses has not been recorded, aggregated by asset type and length of time the fair value has remained below amortized cost:

	Successor					
	June 30, 2022					
	Less than 12 months		12 months or more		Total	
(In millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
AFS securities						
US government and agencies	$ 2,601	$ (484)	$ —	$ —	$ 2,601	$ (484)
US state, municipal and political subdivisions	994	(209)	—	—	994	(209)
Foreign governments	875	(246)	—	—	875	(246)
Corporate	55,289	(11,339)	—	—	55,289	(11,339)
CLO	12,194	(1,134)	—	—	12,194	(1,134)
ABS	5,975	(478)	—	—	5,975	(478)
CMBS	2,373	(274)	—	—	2,373	(274)
RMBS	2,989	(264)	—	—	2,989	(264)
Total AFS securities	83,290	(14,428)	—	—	83,290	(14,428)
AFS securities – related party						
Corporate	472	(31)	—	—	472	(31)
CLO	2,405	(233)	—	—	2,405	(233)
ABS	4,841	(160)	—	—	4,841	(160)
Total AFS securities – related party	7,718	(424)	—	—	7,718	(424)
Total AFS securities including related party	$ 91,008	$ (14,852)	$ —	$ —	$ 91,008	$ (14,852)

	Predecessor					
	December 31, 2021					
	Less than 12 months		12 months or more		Total	
(In millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
AFS securities						
US government and agencies	$ 164	$ (8)	$ 22	$ (2)	$ 186	$ (10)
US state, municipal and political subdivisions	122	(2)	1	—	123	(2)
Foreign governments	387	(17)	1	—	388	(17)
Corporate	18,995	(523)	863	(59)	19,858	(582)
CLO	7,685	(124)	1,537	(35)	9,222	(159)
ABS	4,038	(16)	165	(12)	4,203	(28)
CMBS	880	(29)	177	(22)	1,057	(51)
RMBS	437	(9)	274	(5)	711	(14)
Total AFS securities	32,708	(728)	3,040	(135)	35,748	(863)
AFS securities – related party						
Corporate	313	(2)	—	—	313	(2)
CLO	1,245	(20)	163	(3)	1,408	(23)
ABS	3,801	(52)	13	(1)	3,814	(53)
Total AFS securities – related party	5,359	(74)	176	(4)	5,535	(78)
Total AFS securities including related party	$ 38,067	$ (802)	$ 3,216	$ (139)	$ 41,283	$ (941)

The following summarizes the number of AFS securities that were in an unrealized loss position, including related party, for which an allowance for credit losses has not been recorded:

	Successor	
	June 30, 2022	
	Unrealized loss position	Unrealized loss position 12 months or more
AFS securities	8,475	—
AFS securities – related party	140	—

The unrealized losses on AFS securities can primarily be attributed to changes in market interest rates since application of pushdown accounting or acquisition. We did not recognize the unrealized losses in income as we intend to hold these securities and it is not more likely than not we will be required to sell a security before the recovery of its amortized cost.

Allowance for Credit Losses—The following table summarizes the activity in the allowance for credit losses for AFS securities by asset type:

	Successor					
	Three months ended June 30, 2022					
		Additions		Reductions		
(In millions)	Beginning Balance	Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	Ending Balance
AFS securities						
Foreign governments	$ 66	$ —	$ —	$ —	$ (5)	$ 61
Corporate	55	6	—	—	9	70
CLO	18	4	—	—	85	107
ABS	11	4	—	—	(1)	14
CMBS	6	8	—	—	(5)	9
RMBS	312	20	1	(9)	24	348
Total AFS securities	468	42	1	(9)	107	609
AFS securities – related party						
CLO	3	—	—	—	16	19
ABS	17	1	—	—	(17)	1
Total AFS securities – related party	20	1	—	—	(1)	20
Total AFS securities including related party	$ 488	$ 43	$ 1	$ (9)	$ 106	$ 629

	Predecessor					
	Three months ended June 30, 2021					
		Additions		Reductions		
(In millions)	Beginning balance	Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	Ending Balance
AFS securities						
Corporate	$ 8	$ 1	$ —	$ —	$ (4)	$ 5
CLO	—	3	—	—	—	3
ABS	11	—	—	—	(1)	10
CMBS	14	—	—	—	(8)	6
RMBS	78	—	4	(3)	4	83
Total AFS securities	111	4	4	(3)	(9)	107
AFS securities – related party, CLO	—	2	—	—	—	2
Total AFS securities including related party	$ 111	$ 6	$ 4	$ (3)	$ (9)	$ 109

	Successor					
	Six months ended June 30, 2022					
		Additions		Reductions		
(In millions)	January 1, 2022	Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	Ending Balance
AFS securities						
Foreign governments	$ —	$ 66	$ —	$ —	$ (5)	$ 61
Corporate	—	61	—	—	9	70
CLO	—	22	—	—	85	107
ABS	5	9	—	—	—	14
CMBS	—	14	—	—	(5)	9
RMBS	306	29	1	(17)	29	348
Total AFS securities	311	201	1	(17)	113	609
AFS securities – related party						
CLO	—	3	—	—	16	19
ABS	—	18	—	—	(17)	1
Total AFS securities – related party	—	21	—	—	(1)	20
Total AFS securities including related party	$ 311	$ 222	$ 1	$ (17)	$ 112	$ 629

	Predecessor					
	Six months ended June 30, 2021					
		Additions		Reductions		
(In millions)	Beginning balance	Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	Ending Balance
AFS securities						
Corporate	$ 6	$ 3	$ —	$ (2)	$ (2)	$ 5
CLO	1	3	—	—	(1)	3
ABS	6	5	—	—	(1)	10
CMBS	10	2	—	—	(6)	6
RMBS	80	—	6	(6)	3	83
Total AFS securities	103	13	6	(8)	(7)	107
AFS securities – related party, CLO	1	2	—	(1)	—	2
Total AFS securities including related party	$ 104	$ 15	$ 6	$ (9)	$ (7)	$ 109

Net Investment Income—Net investment income by asset class, including related party, consists of the following:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
AFS securities	$ 932	$ 939	$ 1,808	$ 1,799
Trading securities	49	60	112	123
Equity securities	9	3	24	7
Mortgage loans	297	189	534	367
Investment funds	104	701	408	1,143
Funds withheld at interest	476	172	813	378
Other	48	95	90	159
Investment revenue	1,915	2,159	3,789	3,976
Investment expenses	(189)	(142)	(380)	(290)
Net investment income	$ 1,726	$ 2,017	$ 3,409	$ 3,686

Investment Related Gains (Losses)—Investment related gains (losses) by asset class, including related party, consists of the following:

(In millions)	Successor Three months ended June 30, 2022	Predecessor Three months ended June 30, 2021	Successor Six months ended June 30, 2022	Predecessor Six months ended June 30, 2021
AFS securities				
Gross realized gains on investment activity	$ 217	$ 208	$ 320	$ 281
Gross realized losses on investment activity	(832)	(171)	(1,242)	(314)
Net realized investment gains (losses) on AFS securities	(615)	37	(922)	(33)
Net recognized investment gains (losses) on trading securities	(161)	61	(368)	(8)
Net recognized investment gains (losses) on equity securities	(271)	8	(248)	25
Net recognized investment losses on mortgage loans	(1,099)	—	(1,895)	—
Derivative gains (losses)	(3,932)	2,484	(6,973)	2,046
Provision for credit losses	(172)	2	(364)	60
Other gains	487	—	807	80
Investment related gains (losses)	$ (5,763)	$ 2,592	$ (9,963)	$ 2,170

Proceeds from sales of AFS securities were $1,614 million and $2,006 million for the three months ended June 30, 2022 and 2021, respectively, and $5,785 million and $2,898 million for the six months ended June 30, 2022 and 2021, respectively.

The following table summarizes the change in unrealized gains (losses) on trading and equity securities, including related party, we held as of the respective period end:

(In millions)	Successor Three months ended June 30, 2022	Predecessor Three months ended June 30, 2021	Successor Six months ended June 30, 2022	Predecessor Six months ended June 30, 2021
Trading securities	$ (160)	$ 66	$ (349)	$ (55)
Trading securities – related party	(3)	(4)	(7)	54
Equity securities	(255)	18	(238)	27
Equity securities – related party	(8)	(5)	(13)	1

Repurchase Agreements—The following table summarizes the maturities of our repurchase agreements:

	Successor June 30, 2022					
	Remaining Contractual Maturity					
(In millions)	Overnight and continuous	Less than 30 days	30-90 days	91 days to 1 year	Greater than 1 year	Total
Payables for repurchase agreements[1]	$ —	$ —	$ 1,680	$ 200	$ 2,229	$ 4,109

[1] *Included in payables for collateral on derivatives and securities to repurchase on the condensed consolidated balance sheets.*

	Predecessor December 31, 2021					
	Remaining Contractual Maturity					
(In millions)	Overnight and continuous	Less than 30 days	30-90 days	91 days to 1 year	Greater than 1 year	Total
Payables for repurchase agreements[1]	$ —	$ 2,512	$ —	$ —	$ 598	$ 3,110

[1] *Included in payables for collateral on derivatives and securities to repurchase on the condensed consolidated balance sheets.*

The following table summarizes the securities pledged as collateral for repurchase agreements:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
AFS securities				
U.S. government and agencies	$ 2,284	$ 1,919	$ —	$ —
Foreign governments	140	106	—	—
Corporate	1,746	1,476	2,923	3,208
CLO	271	258	—	—
ABS	470	417	—	—
Total securities pledged under repurchase agreements	$ 4,911	$ 4,176	$ 2,923	$ 3,208

Reverse Repurchase Agreements—As of June 30, 2022, amounts loaned under reverse repurchase agreements were $26 million, and collateral received was $616 million.

Mortgage Loans, including related party and VIEs—Mortgage loans includes both commercial and residential loans. In connection with the merger, we elected the fair value option on our mortgage loan portfolio. See *Note 6 – Fair Value* for further fair value option information. The following represents the mortgage loan portfolio, with fair value option loans presented at unpaid principal balance:

	Successor
(In millions)	June 30, 2022
Commercial mortgage loans	$ 19,898
Commercial mortgage loans under development	627
Total commercial mortgage loans	20,525
Mark to fair value	(1,186)
Commercial mortgage loans	19,339
Residential mortgage loans	9,723
Mark to fair value	(436)
Residential mortgage loans	9,287
Mortgage loans	$ 28,626

The following represents the mortgage loan portfolio based on amortized cost:

(In millions)	Predecessor December 31, 2021
Commercial mortgage loans	$ 16,565
Commercial mortgage loans under development	499
Total commercial mortgage loans	17,064
Allowance for credit losses on commercial mortgage loans	(167)
Commercial mortgage loans	16,897
Residential mortgage loans	7,321
Allowance for credit losses on residential mortgage loans	(70)
Residential mortgage loans	7,251
Mortgage loans	$ 24,148

We primarily invest in commercial mortgage loans on income producing properties including office and retail buildings, apartments, hotels and industrial properties. We diversify the commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. We evaluate mortgage loans based on relevant current information to confirm if properties are performing at a consistent and acceptable level to secure the related debt.

The distribution of commercial mortgage loans, including those under development, by property type and geographic region, is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except for percentages)	Net Carrying Value	Percentage of Total	Net Carrying Value	Percentage of Total
Property type				
Office building	$ 5,148	26.6 %	$ 4,870	28.8 %
Retail	1,929	10.0 %	2,022	12.0 %
Apartment	6,068	31.4 %	4,626	27.4 %
Hotels	1,730	8.9 %	1,727	10.2 %
Industrial	2,459	12.7 %	2,336	13.8 %
Other commercial	2,005	10.4 %	1,316	7.8 %
Total commercial mortgage loans	$ 19,339	100.0 %	$ 16,897	100.0 %
US region				
East North Central	$ 1,658	8.6 %	$ 1,697	10.0 %
East South Central	447	2.3 %	470	2.8 %
Middle Atlantic	4,118	21.3 %	3,637	21.5 %
Mountain	935	4.8 %	460	2.7 %
New England	1,118	5.8 %	453	2.7 %
Pacific	4,060	21.0 %	3,994	23.6 %
South Atlantic	2,886	14.9 %	2,817	16.7 %
West North Central	273	1.4 %	271	1.6 %
West South Central	1,203	6.2 %	997	5.9 %
Total US region	16,698	86.3 %	14,796	87.5 %
International region				
United Kingdom	1,703	8.8 %	1,279	7.6 %
Other International[1]	938	4.9 %	822	4.9 %
Total international region	2,641	13.7 %	2,101	12.5 %
Total commercial mortgage loans	$ 19,339	100.0 %	$ 16,897	100.0 %

[1] *Represents all other countries, with each individual country comprising less than 5% of the portfolio.*

Our residential mortgage loan portfolio includes first lien residential mortgage loans collateralized by properties in various geographic locations and is summarized by proportion of the portfolio in the following table:

	Successor	Predecessor
	June 30, 2022	December 31, 2021
US states		
California	31.6 %	28.4 %
Florida	10.0 %	11.4 %
New Jersey	5.1 %	5.1 %
Other[1]	39.8 %	43.3 %
Total US residential mortgage loan percentage	86.5 %	88.2 %
International		
United Kingdom	5.1 %	3.8 %
Ireland	4.1 %	6.4 %
Other[2]	4.3 %	1.6 %
Total international residential mortgage loan percentage	13.5 %	11.8 %
Total residential mortgage loan percentage	100.0 %	100.0 %

[1] *Represents all other states, with each individual state comprising less than 5% of the portfolio.*
[2] *Represents all other countries, with each individual country comprising less than 5% of the portfolio.*

Investment Funds—Our investment fund portfolio consists of funds that employ various strategies and include investments in origination platforms, insurance platforms, and equity, hybrid, yield and other funds. Investment funds can meet the definition of VIEs, which are discussed further in *Note 5 – Variable Interest Entities*. Our investment funds do not specify timing of distributions on the funds' underlying assets.

The following summarizes our investment funds, including related party and consolidated VIEs:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021[1]	
(In millions, except for percentages)	Carrying value	Percent of total	Carrying value	Percent of total
Investment funds				
Equity	$ 21	15.8 %	$ 410	34.8 %
Hybrid	93	69.9 %	667	56.6 %
Yield	19	14.3 %	99	8.4 %
Other	—	— %	2	0.2 %
Total investment funds	133	100.0 %	1,178	100.0 %
Investment funds – related parties				
Strategic origination platforms	267	17.4 %	1,338	18.1 %
Strategic insurance platforms	1,092	71.0 %	1,440	19.5 %
Apollo and other fund investments				
Equity	148	9.6 %	1,199	16.2 %
Hybrid	8	0.5 %	952	12.9 %
Yield	1	0.1 %	305	4.1 %
Other[2]	22	1.4 %	2,157	29.2 %
Total investment funds – related parties	1,538	100.0 %	7,391	100.0 %
Investment funds owned by consolidated VIEs				
Strategic origination platforms	2,883	30.4 %	264	20.3 %
Strategic insurance platforms	554	5.8 %	—	— %
Apollo and other fund investments				
Equity	2,575	27.1 %	229	17.7 %
Hybrid	2,154	22.7 %	56	4.3 %
Yield	1,288	13.6 %	748	57.7 %
Other	40	0.4 %	—	— %
Total investment funds owned by consolidated VIEs	9,494	100.0 %	1,297	100.0 %
Total investment funds including related party and funds owned by consolidated VIEs	$ 11,165		$ 9,866	

Note: During 2022, we contributed the majority of our investment funds to Apollo Aligned Alternatives, L.P. (AAA), which we consolidate as a VIE. See Note 10 – Related Parties for further information on AAA.

[1] *Certain reclassifications have been made to conform with current year presentation.*

[2] *Includes our investment in Apollo held as of December 31, 2021.*

Non-Consolidated Securities and Investment Funds

Fixed maturity securities – We invest in securitization entities as a debt holder or an investor in the residual interest of the securitization vehicle. These entities are deemed VIEs due to insufficient equity at risk within the structure and lack of control by the equity investors over the activities that significantly impact the economics of the entity. In general, we are a debt investor within these entities and, as such, hold a variable interest; however, due to the debt holders' lack of ability to control the decisions within the securitization entity that significantly impact the entity, and the fact the debt holders are protected from losses due to the subordination of the equity tranche, the debt holders are not deemed the primary beneficiary. Securitization vehicles in which we hold the residual tranche are not consolidated because we do not unilaterally have substantive rights to remove the general partner, or when assessing related party interests, we are not under common control, as defined by GAAP, with the related party, nor are substantially all of the activities conducted on our behalf; therefore, we are not deemed the primary beneficiary. Debt investments and investments in the residual tranche of securitization entities are considered debt instruments and are held at fair value on the balance sheets and classified as AFS or trading.

Investment funds – Investment funds include non-fixed income, alternative investments in the form of limited partnerships or similar legal structures.

Equity securities – We invest in preferred equity securities issued by entities deemed to be VIEs due to insufficient equity at risk within the structure.

Our risk of loss associated with our non-consolidated investments depends on the investment. Investment funds, equity securities and trading securities are limited to the carrying value plus unfunded commitments. AFS securities are limited to amortized cost plus unfunded commitments.

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The following summarizes the carrying value and maximum loss exposure of these non-consolidated investments:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions)	Carrying Value	Maximum Loss Exposure	Carrying Value	Maximum Loss Exposure
Investment funds	$ 133	$ 217	$ 1,178	$ 1,792
Investment in related parties – investment funds	1,538	1,776	7,391	10,922
Assets of consolidated VIEs – investment funds	9,494	15,121	1,297	1,647
Investment in fixed maturity securities	31,507	35,103	31,769	31,622
Investment in related parties – fixed maturity securities	8,846	9,313	11,324	12,681
Investment in related parties – equity securities	163	163	284	284
Total non-consolidated investments	$ 51,681	$ 61,693	$ 53,243	$ 58,948

Concentrations—The following represents our investment concentrations in excess of 10% of shareholders' equity:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Athene Freedom[1]	$ 1,323	$ 3,119
Athora[1]	975	*N/A*
PK AirFinance[1]	932	*N/A*
AP Tundra	918	*N/A*
SoftBank Vision Fund II	816	*N/A*
Cayman Universe	794	*N/A*
AOP Finance	735	*N/A*
AA Infrastructure	627	*N/A*
MidCap Financial[1]	553	*N/A*
Tiger Global	531	*N/A*
Bank of America	530	*N/A*
Venerable[1]	502	*N/A*
Morgan Stanley	495	*N/A*
Towd Point	476	*N/A*
AA Warehouse	443	*N/A*
Apollo Rose II (B), L.P.[2]	437	*N/A*
AT&T	418	*N/A*
JP Morgan Chase	406	*N/A*
FWD Group	400	*N/A*
HWIRE	397	*N/A*
Mileage Plus	391	*N/A*
Comcast	386	*N/A*

[1] *Related party amounts are representative of single issuer risk and may only include a portion of the total investments associated with a related party. See further discussion of these related parties in Note 10 – Related Parties.*

[2] *Represents a consolidated VIE investment in which an underlying investment includes a single issuer exceeding concentration threshold.*

N/A – Not applicable as investment did not meet single issuer concentration threshold for the period.

4. Derivative Instruments

We use a variety of derivative instruments to manage risks, primarily equity, interest rate, credit, foreign currency and market volatility. See *Note 6 – Fair Value* for information about the fair value hierarchy for derivatives.

The following table presents the notional amount and fair value of derivative instruments:

	Successor			**Predecessor**		
	June 30, 2022			December 31, 2021		
		Fair Value			Fair Value	
(In millions)	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Derivatives designated as hedges						
Foreign currency hedges						
Swaps	6,617	$ 678	$ 109	6,371	$ 281	$ 56
Forwards	5,009	427	3	6,395	189	2
Interest rate swaps	4,468	—	676	2,783	—	173
Forwards on net investments	235	7	—	231	—	4
Interest rate swaps	6,770	28	8	500	—	1
Total derivatives designated as hedges		1,140	796		470	236
Derivatives not designated as hedges						
Equity options	60,234	1,076	105	57,890	3,629	115
Futures	21	20	1	33	67	—
Total return swaps	137	—	14	231	10	—
Foreign currency swaps	2,928	149	90	2,592	57	19
Interest rate swaps	461	69	1	483	78	1
Credit default swaps	10	—	1	10	—	3
Foreign currency forwards	11,623	478	215	7,382	76	98
Embedded derivatives						
Funds withheld including related party		(5,087)	—		1,360	45
Interest sensitive contract liabilities		—	5,451		—	14,907
Total derivatives not designated as hedges		(3,295)	5,878		5,277	15,188
Total derivatives		$ (2,155)	$ 6,674		$ 5,747	$ 15,424

Derivatives Designated as Hedges

Cash Flow Hedges – We used foreign currency swaps to convert foreign currency denominated cash flows of investments or liabilities to US dollars to reduce cash flow fluctuations due to changes in currency exchange rates. Effective January 1, 2022, our cash flow hedges were redesignated to fair value hedges as they no longer qualified for cash flow hedge accounting. The following is a summary of the gains (losses) related to cash flow hedges:

	Predecessor	
(In millions)	Three months ended June 30, 2021	Six months ended June 30, 2021
Foreign currency swaps – Other comprehensive income	$ 88	$ 57
Foreign currency swaps – Investment related gains (losses)	27	27

There were no amounts deemed ineffective during the three and six months ended June 30, 2021.

Fair Value Hedges – We use foreign currency forward contracts, foreign currency swaps, foreign currency interest rate swaps and interest rate swaps that are designated and accounted for as fair value hedges to hedge certain exposures to foreign currency risk and interest rate risk. The foreign currency forward price is agreed upon at the time of the contract and payment is made at a specified future date.

The following represents the carrying amount and the cumulative fair value hedging adjustments included in the hedged assets or liabilities:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions)	Carrying amount of the hedged assets or liabilities[1]	Cumulative amount of fair value hedging gains (losses)	Carrying amount of the hedged assets or liabilities[1]	Cumulative amount of fair value hedging gains (losses)
AFS securities				
Foreign currency forwards	$ 3,966	$ (354)	$ 4,224	$ (136)
Foreign currency swaps	4,524	(441)	—	—
Mortgage loans – Foreign currency forwards	—	—	1,686	(44)
Interest sensitive contract liabilities				
Foreign currency swaps	1,067	93	—	—
Foreign currency interest rate swaps	4,348	495	2,773	121
Interest rate swaps	6,770	93	500	—

[1] *The carrying amount disclosed for AFS securities is amortized cost.*

The following is a summary of the gains (losses) related to the derivatives and related hedged items in fair value hedge relationships:

				Amount Excluded	
(In millions)	Derivatives	Hedged Items	Net	Recognized in income through amortization approach	Recognized in income through changes in fair value
Three months ended June 30, 2022 (Successor)					
Investment related gains (losses)					
Foreign currency forwards	$ 201	$ (232)	$ (31)	$ 16	$ —
Foreign currency swaps	242	(252)	(10)	—	—
Foreign currency interest rate swaps	(335)	298	(37)	—	—
Interest rate swaps	(5)	18	13	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	15	(14)	1	—	—
Three months ended June 30, 2021 (Predecessor)					
Investment related gains (losses)					
Foreign currency forwards	$ (13)	$ 29	$ 16	$ —	$ —
Foreign currency interest rate swaps	5	(9)	(4)	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	5	(4)	1	—	—

				Amount Excluded	
(In millions)	Derivatives	Hedged Items	Net	Recognized in income through amortization approach	Recognized in income through changes in fair value
Six months ended June 30, 2022 (Successor)					
Investment related gains (losses)					
Foreign currency forwards	$ 328	$ (358)	$ (30)	$ 30	$ 1
Foreign currency swaps	333	(347)	(14)	—	—
Foreign currency interest rate swaps	(494)	495	1	—	—
Interest rate swaps	(77)	93	16	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	25	(23)	2	—	—
Six months ended June 30, 2021 (Predecessor)					
Investment related gains (losses)					
Foreign currency forwards	$ 205	$ (188)	$ 17	$ —	$ —
Foreign currency interest rate swaps	(31)	32	1	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	6	(5)	1	—	—

The following is a summary of the gains (losses) excluded from the assessment of hedge effectiveness that were recognized in OCI:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Foreign currency forwards	$ 16	$ 4	$ (57)	$ 4
Foreign currency swaps	65	—	9	—

Net Investment Hedges – We use foreign currency forwards to hedge the foreign currency exchange rate risk of our investments in subsidiaries that have a reporting currency other than the US dollar. We assess hedge effectiveness based on the changes in forward rates. During the three months ended June 30, 2022 and 2021, these derivatives had gains of $23 million and $0 million, respectively. During the six months ended June 30, 2022 and 2021, these derivatives had gains of $25 million and losses of $2 million, respectively. These derivatives are included in foreign currency translation and other adjustments on the condensed consolidated statements of comprehensive income (loss). As of June 30, 2022 and December 31, 2021, the cumulative foreign currency translations recorded in accumulated other comprehensive income (loss) (AOCI) related to these net investment hedges were gains of $25 million and $1 million, respectively. During the three and six months ended June 30, 2022 and 2021, there were no amounts deemed ineffective.

Derivatives Not Designated as Hedges

Equity options – We use equity indexed options to economically hedge fixed indexed annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specified market index, primarily the S&P 500. To hedge against adverse changes in equity indices, we enter into contracts to buy equity indexed options. The contracts are net settled in cash based on differentials in the indices at the time of exercise and the strike price.

Futures – Futures contracts are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. We enter into exchange-traded futures with regulated futures commission clearing brokers who are members of a trading exchange. Under exchange-traded futures contracts, we agree to purchase a specified number of contracts with other parties and to post variation margin on a daily basis in an amount equal to the difference in the daily fair values of those contracts.

Total return swaps – We purchase total rate of return swaps to gain exposure and benefit from a reference asset or index without ownership. Total rate of return swaps are contracts in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying asset or index, which includes both the income it generates and any capital gains.

Interest rate swaps – We use interest rate swaps to reduce market risks from interest rate changes and to alter interest rate exposure arising from duration mismatches between assets and liabilities. With an interest rate swap, we agree with another party to exchange the difference between fixed-rate and floating-rate interest amounts tied to an agreed-upon notional principal amount at specified intervals.

Credit default swaps – Credit default swaps provide a measure of protection against the default of an issuer or allow us to gain credit exposure to an issuer or traded index. We use credit default swaps coupled with a bond to synthetically create the characteristics of a reference bond. These transactions have a lower cost and are generally more liquid relative to the cash market. We receive a periodic premium for these transactions as compensation for accepting credit risk.

Hedging credit risk involves buying protection for existing credit risk. The exposure resulting from the agreements, which is usually the notional amount, is equal to the maximum proceeds that must be paid by a counterparty for a defaulted security. If a credit event occurs on a reference entity, then a counterparty who sold protection is required to pay the buyer the trade notional amount less any recovery value of the security.

Embedded derivatives – We have embedded derivatives which are required to be separated from their host contracts and reported as derivatives. Host contracts include reinsurance agreements structured on a modified coinsurance (modco) or funds withheld basis and indexed annuity products.

The following is a summary of the gains (losses) related to derivatives not designated as hedges:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Equity options	$ (1,571)	$ 1,044	$ (2,279)	$ 1,546
Futures	(86)	44	(119)	55
Swaps	(74)	5	(11)	36
Foreign currency forwards	362	(19)	517	(50)
Embedded derivatives on funds withheld	(2,682)	1,391	(5,202)	258
Amounts recognized in investment related gains (losses)	(4,051)	2,465	(7,094)	1,845
Embedded derivatives in indexed annuity products[1]	1,487	(1,183)	2,444	(848)
Total net gains (losses) on derivatives not designated as hedges	$ (2,564)	$ 1,282	$ (4,650)	$ 997

[1] *Included in interest sensitive contract benefits on the condensed consolidated statements of income (loss).*

Credit Risk—We may be exposed to credit-related losses in the event of counterparty nonperformance on derivative financial instruments. Generally, the current credit exposure of our derivative contracts is the fair value at the reporting date less any collateral received from the counterparty.

We manage credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties. Where possible, we maintain collateral arrangements and use master netting agreements that provide for a single net payment from one counterparty to another at each due date and upon termination. We have also established counterparty exposure limits, where possible, in order to evaluate if there is sufficient collateral to support the net exposure.

Collateral arrangements typically require the posting of collateral in connection with its derivative instruments. Collateral agreements often contain posting thresholds, some of which may vary depending on the posting party's financial strength ratings. Additionally, a decrease in our financial strength rating to a specified level can result in settlement of the derivative position.

The estimated fair value of our net derivative and other financial assets and liabilities after the application of master netting agreements and collateral were as follows:

		Gross amounts not offset on the condensed consolidated balance sheets				
(In millions)	Gross amount recognized[1]	Financial instruments[2]	Collateral (received)/pledged	Net amount	Off-balance sheet securities collateral[3]	Net amount after securities collateral
June 30, 2022 (Successor)						
Derivative assets	$ 2,932	$ (1,204)	$ (1,904)	$ (176)	$ —	$ (176)
Derivative liabilities	(1,223)	1,204	304	285	—	285
December 31, 2021 (Predecessor)						
Derivative assets	$ 4,387	$ (430)	$ (3,934)	$ 23	$ —	$ 23
Derivative liabilities	(472)	430	32	(10)	—	(10)

[1] *The gross amounts of recognized derivative assets and derivative liabilities are reported on the condensed consolidated balance sheets. As of June 30, 2022 and December 31, 2021, amounts not subject to master netting or similar agreements were immaterial.*

[2] *Represents amounts offsetting derivative assets and derivative liabilities that are subject to an enforceable master netting agreement or similar agreement that are not netted against the gross derivative assets or gross derivative liabilities for presentation on the condensed consolidated balance sheets.*

[3] *For non-cash collateral received, we do not recognize the collateral on our balance sheet unless the obligor (transferor) has defaulted under the terms of the secured contract and is no longer entitled to redeem the pledged asset. Amounts do not include any excess of collateral pledged or received.*

5. Variable Interest Entities

As a result of our merger with AGM, we reassessed consolidation conclusions for VIEs. We determined that we are required to consolidate additional Apollo-managed investment funds. Since the criteria for the primary beneficiary are satisfied by our related party group, we are deemed the primary beneficiary. No arrangement exists requiring us to provide additional funding in excess of our committed capital investment, liquidity, or the funding of losses or an increase to our loss exposure in excess of our investment in any of the consolidated VIEs.

The following summarizes the income statement activity of the consolidated VIEs:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Mortgage loans	$ 23	$ 14	$ 43	$ 28
Investment funds	(6)	7	(9)	28
Other investments	13	—	13	—
Net investment income	$ 30	$ 21	$ 47	$ 56
Net recognized investment losses on mortgage loans	$ (47)	$ —	$ (159)	$ —
Provision for credit losses	—	18	—	(48)
Investment funds	48	—	118	—
Other gains (losses)	21	—	21	—
Investment related gains (losses)	$ 22	$ 18	$ (20)	$ (48)

6. Fair Value

Fair value is the price we would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. We determine fair value based on the following fair value hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Quoted prices for inactive markets or valuation techniques that require observable direct or indirect inputs for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets,
- Observable inputs other than quoted market prices, and
- Observable inputs derived principally from market data through correlation or other means.

Level 3 – Prices or valuation techniques with unobservable inputs significant to the overall fair value estimate. These valuations use critical assumptions not readily available to market participants. Level 3 valuations are based on market standard valuation methodologies, including discounted cash flows, matrix pricing or other similar techniques.

Net Asset Value (NAV) – Investment funds are typically measured using NAV as a practical expedient in determining fair value and are not classified in the fair value hierarchy. Our carrying value reflects our pro rata ownership percentage as indicated by NAV in the investment fund financial statements, which we may adjust if we determine NAV is not calculated consistent with investment company fair value principles. The underlying investments of the investment funds may have significant unobservable inputs, which may include but are not limited to, comparable multiples and weighted average cost of capital rates applied in valuation models or a discounted cash flow model.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the instrument's fair value measurement.

We use a number of valuation sources to determine fair values. Valuation sources can include quoted market prices; third-party commercial pricing services; third-party brokers; industry-standard, vendor modeling software that uses market observable inputs; and other internal modeling techniques based on projected cash flows. We periodically review the assumptions and inputs of third-party commercial pricing services through internal valuation price variance reviews, comparisons to internal pricing models, back testing to recent trades, or monitoring trading volumes.

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

The following represents the hierarchy for our assets and liabilities measured at fair value on a recurring basis:

	Successor				
	June 30, 2022				
(In millions)	Total	NAV	Level 1	Level 2	Level 3
Assets					
AFS securities					
US government and agencies	$ 2,794	$ —	$ 2,792	$ 2	$ —
US state, municipal and political subdivisions	1,000	—	—	1,000	—
Foreign governments	896	—	—	894	2
Corporate	56,218	—	—	54,630	1,588
CLO	13,485	—	—	13,485	—
ABS	9,547	—	—	5,953	3,594
CMBS	2,904	—	—	2,904	—
RMBS	5,167	—	—	5,099	68
Total AFS securities	92,011	—	2,792	83,967	5,252
Trading securities	1,735	—	25	1,652	58
Equity securities	1,108	—	105	941	62
Mortgage loans	25,218	—	—	—	25,218
Investment funds	25	6	—	—	19
Funds withheld at interest – embedded derivative	(3,958)	—	—	—	(3,958)
Derivative assets	2,932	—	20	2,912	—
Short-term investments	238	—	68	112	58
Other investments	142	—	—	142	—
Cash and cash equivalents	11,172	—	11,172	—	—
Restricted cash	753	—	753	—	—
Investments in related parties					
AFS securities					
Corporate	1,007	—	—	158	849
CLO	2,679	—	—	2,354	325
ABS	5,269	—	—	243	5,026
Total AFS securities – related party	8,955	—	—	2,755	6,200
Trading securities	898	—	—	7	891
Equity securities	163	—	—	—	163
Mortgage loans	1,416	—	—	—	1,416
Investment funds	818	—	—	—	818
Funds withheld at interest – embedded derivative	(1,129)	—	—	—	(1,129)
Reinsurance recoverable	1,580	—	—	—	1,580
Assets of consolidated VIEs					
Trading securities	386	—	—	56	330
Mortgage loans	1,626	—	—	—	1,626
Investment funds	9,494	8,153	5	283	1,053
Other investments	31	—	—	—	31
Cash and cash equivalents	198	—	198	—	—
Total assets measured at fair value	$ 155,812	$ 8,159	$ 15,138	$ 92,827	$ 39,688
Liabilities					
Interest sensitive contract liabilities					
Embedded derivative	$ 5,451	$ —	$ —	$ —	$ 5,451
Universal life benefits	943	—	—	—	943
Future policy benefits					
AmerUs Life Insurance Company (AmerUs) Closed Block	1,247	—	—	—	1,247
Indianapolis Life Insurance Company (ILICO) Closed Block and life benefits	623	—	—	—	623
Derivative liabilities	1,223	—	(9)	1,231	1
Total liabilities measured at fair value	$ 9,487	$ —	$ (9)	$ 1,231	$ 8,265

	Predecessor				
	December 31, 2021				
(In millions)	Total	NAV	Level 1	Level 2	Level 3
Assets					
AFS securities					
US government and agencies	$ 223	$ —	$ 214	$ 9	$ —
US state, municipal and political subdivisions	1,213	—	—	1,213	—
Foreign governments	1,128	—	—	1,126	2
Corporate	66,226	—	—	64,887	1,339
CLO	13,652	—	—	13,638	14
ABS	8,989	—	—	5,370	3,619
CMBS	2,758	—	—	2,715	43
RMBS	5,970	—	—	5,970	—
Total AFS securities	100,159	—	214	94,928	5,017
Trading securities	2,056	—	3	1,984	69
Equity securities	1,170	—	86	655	429
Mortgage loans	17	—	—	—	17
Investment funds	183	165	—	—	18
Funds withheld at interest – embedded derivative	782	—	—	—	782
Derivative assets	4,387	—	67	4,320	—
Short-term investments	139	—	49	61	29
Other investments	130	—	—	130	—
Cash and cash equivalents	9,479	—	9,479	—	—
Restricted cash	796	—	796	—	—
Investments in related parties					
AFS securities					
Corporate	859	—	—	189	670
CLO	2,549	—	—	2,347	202
ABS	6,994	—	—	549	6,445
Total AFS securities – related party	10,402	—	—	3,085	7,317
Trading securities	1,781	—	—	10	1,771
Equity securities	284	—	—	—	284
Investment funds	2,958	103	—	—	2,855
Funds withheld at interest – embedded derivative	578	—	—	—	578
Reinsurance recoverable	1,991	—	—	—	1,991
Assets of consolidated VIEs					
Investment funds	1,297	—	—	—	1,297
Cash and cash equivalents	154	—	154	—	—
Total assets measured at fair value	$ 138,743	$ 268	$ 10,848	$ 105,173	$ 22,454
Liabilities					
Interest sensitive contract liabilities					
Embedded derivative	$ 14,907	$ —	$ —	$ —	$ 14,907
Universal life benefits	1,235	—	—	—	1,235
Future policy benefits					
AmerUs Closed Block	1,520	—	—	—	1,520
ILICO Closed Block and life benefits	742	—	—	—	742
Derivative liabilities	472	—	—	469	3
Funds withheld liability – embedded derivative	45	—	—	45	—
Total liabilities measured at fair value	$ 18,921	$ —	$ —	$ 514	$ 18,407

Fair Value Valuation Methods—We used the following valuation methods and assumptions to estimate fair value:

AFS and trading securities – We obtain the fair value for most marketable securities without an active market from several commercial pricing services. These are classified as Level 2 assets. The pricing services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, trading activity, credit quality, issuer spreads, bids, offers and other reference data. This category typically includes US and non-US corporate bonds, US agency and government guaranteed securities, CLO, ABS, CMBS and RMBS.

We also have fixed maturity securities priced based on indicative broker quotes or by employing market accepted valuation models. For certain fixed maturity securities, the valuation model uses significant unobservable inputs and are included in Level 3 in our fair value hierarchy. Significant unobservable inputs used include: discount rates, issue specific credit adjustments, material non-public financial information, estimation of future earnings and cash flows, default rate assumptions, liquidity assumptions and indicative quotes from market makers. These inputs are usually considered unobservable, as not all market participants have access to this data.

We value privately placed fixed maturity securities based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer with similar characteristics. In some instances, we use a matrix-based pricing model. These models consider the current level of risk-free interest rates, corporate spreads, credit quality of the issuer and cash flow characteristics of the security. We also consider additional factors such as net worth of the borrower, value of collateral, capital structure of the borrower, presence of guarantees and our evaluation of the borrower’s ability to compete in its relevant market. Privately placed fixed maturity securities are classified as Level 2 or 3.

Equity securities – Fair values of publicly traded equity securities are based on quoted market prices and classified as Level 1. Other equity securities, typically private equities or equity securities not traded on an exchange, we value based on other sources, such as commercial pricing services or brokers, and are classified as Level 2 or 3.

Mortgage loans – We estimate fair value on a monthly basis using discounted cash flow analysis and rates being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The discounted cash flow model uses unobservable inputs, including estimates of discount rates and loan prepayments. Mortgage loans are classified as Level 3.

Investment funds – Certain investment funds for which we elected the fair value option are included in Level 3 and are priced based on market accepted valuation models. The valuation models use significant unobservable inputs, which include material non-public financial information, estimation of future distributable earnings and demographic assumptions. These inputs are usually considered unobservable, as not all market participants have access to this data.

Funds withheld at interest embedded derivative – We estimate the fair value of the embedded derivative based on the change in the fair value of the assets supporting the funds withheld payable under modco and funds withheld reinsurance agreements. As a result, the fair value of the embedded derivative is classified as Level 3 based on the valuation methods used for the assets held supporting the reinsurance agreements.

Derivatives – Derivative contracts can be exchange traded or over-the-counter. Exchange-traded derivatives typically fall within Level 1 of the fair value hierarchy depending on trading activity. Over-the-counter derivatives are valued using valuation models or an income approach using third-party broker valuations. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, measures of volatility, prepayment rates and correlation of the inputs. We consider and incorporate counterparty credit risk in the valuation process through counterparty credit rating requirements and monitoring of overall exposure. We also evaluate and include our own nonperformance risk in valuing derivatives. The majority of our derivatives trade in liquid markets; therefore, we can verify model inputs and model selection does not involve significant management judgment. These are typically classified within Level 2 of the fair value hierarchy.

Cash and cash equivalents, including restricted cash – The carrying amount for cash equals fair value. We estimate the fair value for cash equivalents based on quoted market prices. These assets are classified as Level 1.

Interest sensitive contract liabilities embedded derivative – Embedded derivatives related to interest sensitive contract liabilities with fixed indexed annuity products are classified as Level 3. The valuations include significant unobservable inputs associated with economic assumptions and actuarial assumptions for policyholder behavior.

AmerUs Closed Block – We elected the fair value option for the future policy benefits liability in the AmerUs Closed Block. Our valuation technique is to set the fair value of policyholder liabilities equal to the fair value of assets. There is an additional component which captures the fair value of the open block’s obligations to the closed block business. This component is the present value of the projected release of required capital and future earnings before income taxes on required capital supporting the AmerUs Closed Block, discounted at a rate which represents a market participant’s required rate of return, less the initial required capital. Unobservable inputs include estimates for these items. The AmerUs Closed Block policyholder liabilities and any corresponding reinsurance recoverable are classified as Level 3.

ILICO Closed Block – We elected the fair value option for the ILICO Closed Block. Our valuation technique is to set the fair value of policyholder liabilities equal to the fair value of assets. There is an additional component which captures the fair value of the open block’s obligations to the closed block business. This component uses the present value of future cash flows which include commissions, administrative expenses, reinsurance premiums and benefits, and an explicit cost of capital. The discount rate includes a margin to reflect the business and nonperformance risk. Unobservable inputs include estimates for these items. The ILICO Closed Block policyholder liabilities and corresponding reinsurance recoverable are classified as Level 3.

Universal life liabilities and other life benefits – We elected the fair value option for certain blocks of universal and other life business ceded to Global Atlantic. We use a present value of liability cash flows. Unobservable inputs include estimates of mortality, persistency, expenses, premium payments and a risk margin used in the discount rates that reflects the riskiness of the business. These universal life policyholder liabilities and corresponding reinsurance recoverable are classified as Level 3.

Fair Value Option—The following represents the gains (losses) recorded for instruments for which we have elected the fair value option, including related parties and consolidated VIEs:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Trading securities	$ (161)	$ 61	$ (368)	$ (8)
Mortgage loans	(1,149)	—	(2,065)	—
Investment funds	36	495	56	435
Future policy benefits	131	(54)	273	49
Total gains (losses)	$ (1,143)	$ 502	$ (2,104)	$ 476

Gains and losses on trading securities are recorded in investment related gains (losses) on the condensed consolidated statements of income (loss). For fair value option mortgage loans, we record interest income in net investment income and subsequent changes in fair value in investment related gains (losses) on the condensed consolidated statements of income (loss). Gains and losses related to investment funds, including related party investment funds, are recorded in net investment income on the condensed consolidated statements of income (loss). We record the change in fair value of future policy benefits to future policy and other policy benefits on the condensed consolidated statements of income (loss).

The following summarizes information for fair value option mortgage loans, including related parties and consolidated VIEs:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Unpaid principal balance	$ 29,883	$ 15
Mark to fair value	(1,623)	2
Fair value	$ 28,260	$ 17

The following represents our commercial mortgage loan portfolio 90 days or more past due and/or in non-accrual status:

(In millions)	Successor June 30, 2022
Unpaid principal balance of commercial mortgage loans 90 days or more past due and/or in non-accrual status	$ 127
Mark to fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status	(46)
Fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status	$ 81
Fair value of commercial mortgage loans 90 days or more past due	$ 132
Fair value of commercial mortgage loans in non-accrual status	81

The following represents our residential loan portfolio 90 days or more past due and/or in non-accrual status:

(In millions)	Successor June 30, 2022
Unpaid principal balance of residential mortgage loans 90 days or more past due and/or in non-accrual status	$ 581
Mark to fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	(36)
Fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	$ 545
Fair value of residential mortgage loans 90 days or more past due[1]	$ 545
Fair value of residential mortgage loans in non-accrual status	207

[1] *Includes $338 million of residential mortgage loans that are guaranteed by US government-sponsored agencies.*

There were no fair value option mortgage loans 90 days or more past due as of December 31, 2021.

The following is the estimated amount of gains (losses) included in earnings during the period attributable to changes in instrument-specific credit risk on our mortgage loan portfolio:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Mortgage loans	$ (34)	$ —	$ (52)	$ —

We estimated the portion of gains and losses attributable to changes in instrument-specific credit risk by identifying commercial loans with loan-to-value ratios meeting credit quality criteria, and residential mortgage loans with delinquency status meeting credit quality criteria.

Level 3 Financial Instruments—The following are reconciliations for Level 3 assets and liabilities measured at fair value on a recurring basis. All transfers in and out of Level 3 are based on changes in the availability of pricing sources, as described in the valuation methods above.

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Successor							
	Three months ended June 30, 2022							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets								
AFS securities								
Foreign governments	$ 2	$ —	$ —	$ —	$ —	$ 2	$ —	$ —
Corporate	1,499	—	(58)	40	107	1,588	—	(58)
CLO	5	—	(3)	(2)	—	—	—	—
ABS	3,783	2	(65)	148	(274)	3,594	—	(66)
CMBS	10	—	—	—	(10)	—	—	—
RMBS	—	—	—	68	—	68	—	—
Trading securities	90	(1)	—	2	(33)	58	—	—
Equity securities	438	8	—	(3)	(381)	62	8	—
Mortgage loans	23,696	(1,027)	—	2,549	—	25,218	(1,025)	—
Investment funds	19	—	—	—	—	19	—	—
Funds withheld at interest – embedded derivative	(1,882)	(2,076)	—	—	—	(3,958)	—	—
Short-term investments	59	—	(1)	—	—	58	—	—
Investments in related parties								
AFS securities								
Corporate	761	—	(7)	42	53	849	—	(7)
CLO	332	—	(7)	—	—	325	—	(7)
ABS	4,409	16	(125)	(1,096)	1,822	5,026	—	(126)
Trading securities	252	4	—	(808)	1,443	891	—	—
Equity securities	166	(9)	—	(119)	125	163	—	—
Mortgage loans	1,456	(72)	—	32	—	1,416	(73)	—
Investment funds	814	4	—	—	—	818	28	—
Funds withheld at interest – embedded derivative	(570)	(559)	—	—	—	(1,129)	—	—
Short-term investments	53	—	—	—	(53)	—	—	—
Reinsurance recoverable	1,814	(234)	—	—	—	1,580	—	—
Assets of consolidated VIEs								
Trading securities	—	—	—	—	330	330	—	—
Mortgage loans	1,880	(50)	—	(2)	(202)	1,626	(50)	—
Investment funds	10,577	33	—	(77)	(9,480)	1,053	27	—
Other investments	1,902	—	—	31	(1,902)	31	—	—
Total Level 3 assets	$ 51,565	$ (3,961)	$ (266)	$ 805	$ (8,455)	$ 39,688	$ (1,085)	$ (264)
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ (6,704)	$ 1,487	$ —	$ (234)	$ —	$ (5,451)	$ —	$ —
Universal life benefits	(1,096)	153	—	—	—	(943)	—	—
Future policy benefits								
AmerUs Closed Block	(1,378)	131	—	—	—	(1,247)	—	—
ILICO Closed Block and life benefits	(704)	81	—	—	—	(623)	—	—
Derivative liabilities	(3)	2	—	—	—	(1)	—	—
Total Level 3 liabilities	$ (9,885)	$ 1,854	$ —	$ (234)	$ —	$ (8,265)	$ —	$ —

[1] *Related to instruments held at end of period.*

	Predecessor							
	Three months ended June 30, 2021							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets								
AFS securities								
Foreign governments	$ 2	$ —	$ —	$ —	$ —	$ 2	$ —	$ —
Corporate	782	4	6	74	117	983	—	6
CLO	174	—	—	102	—	276	—	—
ABS	1,207	16	(5)	304	(41)	1,481	—	(5)
CMBS	48	1	—	2	—	51	—	1
Trading securities	94	(5)	—	5	5	99	(1)	—
Equity securities	14	8	—	—	—	22	7	—
Mortgage loans	18	—	—	—	—	18	—	—
Investment funds	17	1	—	—	—	18	1	—
Funds withheld at interest – embedded derivative	636	737	—	—	—	1,373	—	—
Investments in related parties								
AFS securities								
Corporate	201	—	—	—	(201)	—	—	—
ABS	4,131	5	2	99	—	4,237	—	2
Trading securities	1,685	1	—	31	(7)	1,710	—	—
Equity securities	114	(8)	—	9	—	115	(8)	—
Investment funds	1,970	482	—	—	—	2,452	483	—
Funds withheld at interest – embedded derivative	580	172	—	—	—	752	—	—
Reinsurance recoverable	1,880	66	—	—	—	1,946	—	—
Assets of consolidated VIEs								
Investment funds	154	13	—	250	—	417	12	—
Total Level 3 assets	$ 13,707	$ 1,493	$ 3	$ 876	$ (127)	$ 15,952	$ 494	$ 4
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ (12,473)	$ (1,183)	$ —	$ 21	$ —	$ (13,635)	$ —	$ —
Universal life benefits	(1,108)	(80)	—	—	—	(1,188)	—	—
Future policy benefits								
AmerUs Closed Block	(1,497)	(54)	—	—	—	(1,551)	—	—
ILICO Closed Block and life benefits	(757)	14	—	—	—	(743)	—	—
Derivative liabilities	(5)	1	—	—	—	(4)	1	—
Total Level 3 liabilities	$ (15,840)	$ (1,302)	$ —	$ 21	$ —	$ (17,121)	$ 1	$ —

[1] *Related to instruments held at end of period.*

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	Successor							
	Six months ended June 30, 2022							
		Total realized and unrealized gains (losses)						
(In millions)	Balance at January 1, 2022	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets								
AFS securities								
Foreign governments	$ 2	$ —	$ —	$ —	$ —	$ 2	$ —	$ —
Corporate	1,339	(3)	(77)	180	149	1,588	—	(76)
CLO	14	(2)	—	(12)	—	—	—	—
ABS	3,619	7	(95)	—	63	3,594	—	(89)
CMBS	43	—	(17)	—	(26)	—	—	1
RMBS	—	—	—	68	—	68	—	—
Trading securities	69	(6)	—	8	(13)	58	—	—
Equity securities	429	17	—	(3)	(381)	62	16	—
Mortgage loans	21,154	(1,771)	—	5,835	—	25,218	(1,767)	—
Investment funds	18	1	—	—	—	19	1	—
Funds withheld at interest – embedded derivative	—	(3,958)	—	—	—	(3,958)	—	—
Short-term investments	29	—	(1)	30	—	58	—	—
Investments in related parties								
AFS securities								
Corporate	670	(4)	(6)	136	53	849	—	(6)
CLO	202	—	(7)	130	—	325	—	(7)
ABS	6,445	(1)	(135)	(1,241)	(42)	5,026	—	(138)
Trading securities	1,771	(1)	—	(1,062)	183	891	—	—
Equity securities	284	(14)	—	(119)	12	163	—	—
Mortgage loans	1,369	(124)	—	171	—	1,416	(124)	—
Investment funds	2,855	28	—	(34)	(2,031)	818	28	—
Funds withheld at interest – embedded derivative	—	(1,129)	—	—	—	(1,129)	—	—
Short-term investments	—	—	—	53	(53)	—	—	—
Reinsurance recoverable	1,991	(411)	—	—	—	1,580	—	—
Assets of consolidated VIEs								
Trading securities	—	—	—	—	330	330	—	—
Mortgage loans	2,152	(170)	—	(154)	(202)	1,626	(170)	—
Investment funds	1,297	28	—	161	(433)	1,053	28	—
Other investments	—	—	—	31	—	31	—	—
Total Level 3 assets	$ 45,752	$ (7,513)	$ (338)	$ 4,178	$ (2,391)	$ 39,688	$ (1,988)	$ (315)
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ (7,559)	$ 2,444	$ —	$ (336)	$ —	$ (5,451)	$ —	$ —
Universal life benefits	(1,235)	292	—	—	—	(943)	—	—
Future policy benefits								
AmerUs Closed Block	(1,520)	273	—	—	—	(1,247)	—	—
ILICO Closed Block and life benefits	(742)	119	—	—	—	(623)	—	—
Derivative liabilities	(3)	2	—	—	—	(1)	—	—
Total Level 3 liabilities	$ (11,059)	$ 3,130	$ —	$ (336)	$ —	$ (8,265)	$ —	$ —

[1] *Related to instruments held at end of period.*

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Predecessor							
	Six months ended June 30, 2021							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets								
AFS securities								
US state, municipal and political subdivisions	$ 34	$ —	$ (1)	$ (1)	$ (32)	$ —	$ —	$ (1)
Foreign governments	2	—	—	—	—	2	—	—
Corporate	778	8	21	56	120	983	—	22
CLO	208	—	1	67	—	276	—	1
ABS	800	1	27	743	(90)	1,481	—	35
CMBS	43	—	5	3	—	51	—	4
Trading securities	86	(8)	—	1	20	99	(3)	—
Equity securities	11	11	—	—	—	22	11	—
Mortgage loans	19	—	—	(1)	—	18	—	—
Investment funds	17	1	—	—	—	18	1	—
Funds withheld at interest – embedded derivative	1,944	(571)	—	—	—	1,373	—	—
Short-term investments	2	—	—	—	(2)	—	—	—
Investments in related parties								
AFS securities								
Corporate	195	—	6	—	(201)	—	—	—
ABS	4,109	—	(25)	214	(61)	4,237	—	(25)
Trading securities	1,525	52	—	162	(29)	1,710	58	—
Equity securities	72	1	—	42	—	115	1	—
Investment funds	2,033	419	—	—	—	2,452	419	—
Funds withheld at interest – embedded derivative	862	(110)	—	—	—	752	—	—
Reinsurance recoverable	2,100	(154)	—	—	—	1,946	—	—
Assets of consolidated VIEs –investment funds	—	15	—	293	109	417	15	—
Total Level 3 assets	$ 14,840	$ (335)	$ 34	$ 1,579	$ (166)	$ 15,952	$ 502	$ 36
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ (12,873)	$ (848)	$ —	$ 86	$ —	$ (13,635)	$ —	$ —
Universal life benefits	(1,308)	120	—	—	—	(1,188)	—	—
Future policy benefits								
AmerUs Closed Block	(1,600)	49	—	—	—	(1,551)	—	—
ILICO Closed Block and life benefits	(776)	33	—	—	—	(743)	—	—
Derivative liabilities	(4)	—	—	—	—	(4)	—	—
Total Level 3 liabilities	$ (16,561)	$ (646)	$ —	$ 86	$ —	$ (17,121)	$ —	$ —

[1] *Related to instruments held at end of period.*

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

The following represents the gross components of purchases, issuances, sales and settlements, net, and net transfers in (out) shown above:

	Successor							
	Three months ended June 30, 2022							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers in[1]	Transfers out[2]	Net transfers in (out)
Assets								
AFS securities								
Corporate	$ 129	$ —	$ (2)	$ (87)	$ 40	$ 150	$ (43)	$ 107
CLO	—	—	—	(2)	(2)	—	—	—
ABS	746	—	(341)	(257)	148	30	(304)	(274)
CMBS	—	—	—	—	—	—	(10)	(10)
RMBS	68	—	—	—	68	—	—	—
Trading securities	2	—	—	—	2	9	(42)	(33)
Equity securities	—	—	(3)	—	(3)	19	(400)	(381)
Mortgage loans	3,386	—	(48)	(789)	2,549	—	—	—
Short-term investments	29	—	—	(29)	—	—	—	—
Investments in related parties								
AFS securities								
Corporate	52	—	—	(10)	42	53	—	53
ABS	899	—	(6)	(1,989)	(1,096)	1,822	—	1,822
Trading securities	7	—	(787)	(28)	(808)	1,443	—	1,443
Equity securities	—	—	(119)	—	(119)	125	—	125
Mortgage loans	36	—	—	(4)	32	—	—	—
Short-term investments	—	—	—	—	—	—	(53)	(53)
Assets of consolidated VIEs								
Trading securities	—	—	—	—	—	330	—	330
Mortgage loans	—	—	—	(2)	(2)	21	(223)	(202)
Investment funds	33	—	(110)	—	(77)	1,006	(10,486)	(9,480)
Other investments	31	—	—	—	31	—	(1,902)	(1,902)
Total Level 3 assets	$ 5,418	$ —	$ (1,416)	$ (3,197)	$ 805	$ 5,008	$ (13,463)	$ (8,455)
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ —	$ (361)	$ —	$ 127	$ (234)	$ —	$ —	$ —
Total Level 3 liabilities	$ —	$ (361)	$ —	$ 127	$ (234)	$ —	$ —	$ —

[1] *Transfers in are primarily fixed maturity securities we hold that are issued by VIEs that we consolidated as of March 31, 2022 and did not consolidate at June 30, 2022.*
[2] *Transfers out are primarily the deconsolidation of certain VIEs that we consolidated as of March 31, 2022.*

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Predecessor							
	Three months ended June 30, 2021							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers in	Transfers out	Net transfers in (out)
Assets								
AFS securities								
Foreign governments	$ 1	$ —	$ —	$ (1)	$ —	$ —	$ —	$ —
Corporate	132	—	(8)	(50)	74	203	(86)	117
CLO	110	—	—	(8)	102	—	—	—
ABS	1,128	—	(20)	(804)	304	3	(44)	(41)
CMBS	3	—	—	(1)	2	—	—	—
Trading securities	40	—	(35)	—	5	7	(2)	5
Investments in related parties								
AFS securities								
Corporate	—	—	—	—	—	—	(201)	(201)
ABS	365	—	—	(266)	99	—	—	—
Trading securities	113	—	—	(82)	31	12	(19)	(7)
Equity securities	11	—	—	(2)	9	—	—	—
Assets of consolidated VIEs – investment funds	250	—	—	—	250	—	—	—
Total Level 3 assets	$ 2,153	$ —	$ (63)	$ (1,214)	$ 876	$ 225	$ (352)	$ (127)
Liabilities								
Interest sensitive contract liabilities – embedded derivative	$ —	$ (197)	$ —	$ 218	$ 21	$ —	$ —	$ —
Total Level 3 liabilities	$ —	$ (197)	$ —	$ 218	$ 21	$ —	$ —	$ —

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Successor							
	Six months ended June 30, 2022							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers in[1]	Transfers out[2]	Net transfers in (out)
Assets								
AFS securities								
Corporate	$ 453	$ —	$ (170)	$ (103)	$ 180	$ 193	$ (44)	$ 149
CLO	—	—	—	(12)	(12)	—	—	—
ABS	2,235	—	(1,791)	(444)	—	368	(305)	63
CMBS	—	—	—	—	—	—	(26)	(26)
RMBS	68	—	—	—	68	—	—	—
Trading securities	8	—	—	—	8	39	(52)	(13)
Equity securities	—	—	(3)	—	(3)	19	(400)	(381)
Mortgage loans	7,477	—	(130)	(1,512)	5,835	—	—	—
Short-term investments	59	—	—	(29)	30	—	—	—
Investments in related parties								
AFS securities								
Corporate	367	—	(217)	(14)	136	53	—	53
CLO	130	—	—	—	130	—	—	—
ABS	1,273	—	(93)	(2,421)	(1,241)	1,822	(1,864)	(42)
Trading securities	36	—	(1,052)	(46)	(1,062)	1,443	(1,260)	183
Equity securities	—	—	(119)	—	(119)	125	(113)	12
Mortgage loans	182	—	—	(11)	171	—	—	—
Investment funds	—	—	(34)	—	(34)	—	(2,031)	(2,031)
Short-term investments	53	—	—	—	53	—	(53)	(53)
Assets of consolidated VIEs								
Trading securities	—	—	—	—	—	330	—	330
Mortgage loans	—	—	—	(154)	(154)	21	(223)	(202)
Investment funds	286	—	(125)	—	161	11,087	(11,520)	(433)
Other investments	31	—	—	—	31	1,902	(1,902)	—
Total Level 3 assets	$ 12,658	$ —	$ (3,734)	$ (4,746)	$ 4,178	$ 17,402	$ (19,793)	$ (2,391)
Liabilities								
Interest sensitive contract liabilities								
Embedded derivative	$ —	$ (616)	$ —	$ 280	$ (336)	$ —	$ —	$ —
Total Level 3 liabilities	$ —	$ (616)	$ —	$ 280	$ (336)	$ —	$ —	$ —

[1] *Transfers in are primarily assets of VIEs that we consolidated in 2022.*
[2] *Transfers out are primarily assets of VIEs that changed consolidation status in 2022.*

ATHENE HOLDING LTD.
Notes to Condensed Consolidated Financial Statements *(Unaudited)*

	Predecessor							
	Six months ended June 30, 2021							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers in	Transfers out	Net transfers in (out)
Assets								
AFS securities								
US state, municipal and political subdivisions	$ —	$ —	$ —	$ (1)	$ (1)	$ —	$ (32)	$ (32)
Foreign governments	1	—	—	(1)	—	—	—	—
Corporate	110	—	(9)	(45)	56	235	(115)	120
CLO	110	—	—	(43)	67	—	—	—
ABS	935	—	—	(192)	743	57	(147)	(90)
CMBS	3	—	—	—	3	—	—	—
Trading securities	40	—	(39)	—	1	23	(3)	20
Mortgage loans	—	—	—	(1)	(1)	—	—	—
Short-term investments	—	—	—	—	—	—	(2)	(2)
Investments in related parties								
AFS securities								
Corporate	—	—	—	—	—	—	(201)	(201)
ABS	1,026	—	(751)	(61)	214	—	(61)	(61)
Trading securities	236	—	(1)	(73)	162	—	(29)	(29)
Equity securities	45	—	—	(3)	42	—	—	—
Assets of consolidated VIEs – investment funds	293	—	—	—	293	109	—	109
Total Level 3 assets	$ 2,799	$ —	$ (800)	$ (420)	$ 1,579	$ 424	$ (590)	$ (166)
Liabilities								
Interest sensitive contract liabilities – embedded derivative	$ —	$ (372)	$ —	$ 458	$ 86	$ —	$ —	$ —
Total Level 3 liabilities	$ —	$ (372)	$ —	$ 458	$ 86	$ —	$ —	$ —

Significant Unobservable Inputs—Significant unobservable inputs occur when we could not obtain or corroborate the quantitative detail of the inputs. This applies to fixed maturity securities, equity securities, mortgage loans and certain derivatives, as well as embedded derivatives in liabilities. Additional significant unobservable inputs are described below.

AFS and trading securities – We use discounted cash flow models to calculate the fair value for certain fixed maturity securities. The discount rate is a significant unobservable input because the credit spread includes adjustments made to the base rate. The base rate represents a market comparable rate for securities with similar characteristics. This excludes assets for which fair value is provided by independent broker quotes, but includes assets for which fair value is provided by affiliated quotes.

Mortgage loans – We use discounted cash flow models from independent commercial pricing services to calculate the fair value of our mortgage loan portfolio. The discount rate is a significant unobservable input. This approach uses market transaction information and client portfolio-oriented information, such as prepayments or defaults, to support the valuations.

Interest sensitive contract liabilities – embedded derivative – Significant unobservable inputs we use in the fixed indexed annuities embedded derivative of the interest sensitive contract liabilities valuation include:

1. Nonperformance risk – For contracts we issue, we use the credit spread, relative to the US Department of the Treasury (US Treasury) curve based on our public credit rating as of the valuation date. This represents our credit risk for use in the estimate of the fair value of embedded derivatives.
2. Option budget – We assume future hedge costs in the derivative's fair value estimate. The level of option budgets determines the future costs of the options and impacts future policyholder account value growth.
3. Policyholder behavior – We regularly review the lapse and withdrawal assumptions (surrender rate). These are based on our initial pricing assumptions updated for actual experience. Actual experience may be limited for recently issued products.

The following summarizes the unobservable inputs for AFS and trading securities, mortgage loans and the embedded derivatives of fixed indexed annuities:

	Successor							
	June 30, 2022							
(In millions, except for percentages)	Fair value		Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
AFS and trading securities	$	10,186	Discounted cash flow	Discount rate	1.6 %	22.0 %	5.3 % [1]	Decrease
Mortgage loans	$	28,259	Discounted cash flow	Discount rate	2.5 %	23.9 %	5.2 % [1]	Decrease
Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives	$	5,451	Discounted cash flow	Nonperformance risk	0.4 %	2.0 %	1.3 % [2]	Decrease
				Option budget	0.5 %	4.1 %	1.7 % [3]	Increase
				Surrender rate	5.0 %	10.9 %	7.9 % [4]	Decrease

	Predecessor							
	December 31, 2021							
(In millions, except for percentages)	Fair value		Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
AFS and trading securities	$	10,167	Discounted cash flow	Discount rate	1.4 %	19.4 %	5.2 % [1]	Decrease
Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives	$	14,907	Option budget method	Nonperformance risk	0.1 %	1.0 %	0.6 % [2]	Decrease
				Option budget	0.4 %	3.4 %	1.9 % [3]	Increase
				Surrender rate	5.9 %	10.7 %	8.0 % [4]	Decrease

[1] *The discount rate weighted average is calculated based on the relative fair values of the securities or loans.*
[2] *The nonperformance risk weighted average is based on the projected excess benefits of reserves used in the calculation of the embedded derivative.*
[3] *The option budget weighted average is calculated based on the indexed account values.*
[4] *The surrender rate weighted average is calculated based on projected account values.*

Financial Instruments Without Readily Determinable Fair Values—We have elected the measurement alternative for certain equity securities that do not have a readily determinable fair value. As of June 30, 2022 and December 31, 2021, the carrying amount of the equity securities was $400 million and $0 million, respectively, with no cumulative recorded impairment.

Fair Value of Financial Instruments Not Carried at Fair Value—The following represents our financial instruments not carried at fair value on the condensed consolidated balance sheets:

	Successor					
	June 30, 2022					
(In millions)	Carrying Value	Fair Value	NAV	Level 1	Level 2	Level 3
Financial assets						
Investment funds	$ 108	$ 108	$ 108	$ —	$ —	$ —
Policy loans	358	358	—	—	358	—
Funds withheld at interest	41,596	41,596	—	—	—	41,596
Short-term investments	26	26	—	—	—	26
Other investments	713	713	—	—	—	713
Investments in related parties						
Investment funds	720	720	720	—	—	—
Funds withheld at interest	11,804	11,804	—	—	—	11,804
Other investments	272	272	—	—	—	272
Assets of consolidated VIEs						
Mortgage loans	366	366	—	—	—	366
Other investments	80	80	—	—	—	80
Total financial assets not carried at fair value	$ 56,043	$ 56,043	$ 828	$ —	$ 358	$ 54,857
Financial liabilities						
Interest sensitive contract liabilities	$ 116,164	$ 105,039	$ —	$ —	$ —	$ 105,039
Debt	3,279	2,586	—	—	2,586	—
Securities to repurchase	4,109	4,109	—	—	4,109	—
Total financial liabilities not carried at fair value	$ 123,552	$ 111,734	$ —	$ —	$ 6,695	$ 105,039

	Predecessor					
	December 31, 2021					
(In millions)	Carrying Value	Fair Value	NAV	Level 1	Level 2	Level 3
Financial assets						
Mortgage loans	$ 20,731	$ 21,138	$ —	$ —	$ —	$ 21,138
Investment funds	995	995	995	—	—	—
Policy loans	312	312	—	—	312	—
Funds withheld at interest	43,125	43,125	—	—	—	43,125
Other investments	1,343	1,343	—	—	—	1,343
Investments in related parties						
Mortgage loans	1,360	1,369	—	—	—	1,369
Investment funds	4,433	4,433	4,433	—	—	—
Funds withheld at interest	11,629	11,629	—	—	—	11,629
Other investments	222	223	—	—	—	223
Assets of consolidated VIEs – mortgage loans	2,040	2,152	—	—	—	2,152
Total financial assets not carried at fair value	$ 86,190	$ 86,719	$ 5,428	$ —	$ 312	$ 80,979
Financial liabilities						
Interest sensitive contract liabilities	$ 105,293	$ 108,621	$ —	$ —	$ —	$ 108,621
Debt	2,964	3,295	—	—	3,295	—
Securities to repurchase	3,110	3,110	—	—	3,110	—
Funds withheld liability	394	394	—	—	394	—
Total financial liabilities not carried at fair value	$ 111,761	$ 115,420	$ —	$ —	$ 6,799	$ 108,621

We estimate the fair value for financial instruments not carried at fair value using the same methods and assumptions as those we carry at fair value. The financial instruments presented above are reported at carrying value on the condensed consolidated balance sheets; however, in the case of policy loans, short-term investments, funds withheld at interest and liability, securities to repurchase, and debt of consolidated VIEs, the carrying amount approximates fair value.

Other investments – The fair value of other investments is determined using a discounted cash flow model using discount rates for similar investments.

Interest sensitive contract liabilities – The carrying and fair value of interest sensitive contract liabilities above includes fixed indexed and traditional fixed annuities without mortality or morbidity risks, funding agreements and payout annuities without life contingencies. The embedded derivatives within fixed indexed annuities without mortality or morbidity risks are excluded, as they are carried at fair value. The valuation of these investment contracts is based on discounted cash flow methodologies using significant unobservable inputs. The estimated fair value is determined using current market risk-free interest rates, adding a spread to reflect our nonperformance risk and subtracting a risk margin to reflect uncertainty inherent in the projected cash flows.

Debt – We obtain the fair value of debt from commercial pricing services. These are classified as Level 2. The pricing services incorporate a variety of market observable information in their valuation techniques including benchmark yields, trading activity, credit quality, issuer spreads, bids, offers and other reference data.

7. Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

The following represents a rollforward of DAC, DSI and VOBA:

	Successor			
(In millions)	DAC	DSI	VOBA	Total
Balance at January 1, 2022	$ —	$ —	$ 4,547	$ 4,547
Additions	434	162	—	596
Amortization	(1)	—	(249)	(250)
Other	—	—	(3)	(3)
Balance at June 30, 2022	$ 433	$ 162	$ 4,295	$ 4,890

	Predecessor			
(In millions)	DAC	DSI	VOBA	Total
Balance at December 31, 2020	$ 3,236	$ 857	$ 813	$ 4,906
Additions	287	115	—	402
Amortization	(303)	(106)	(91)	(500)
Impact of unrealized investment (gains) losses	85	27	44	156
Balance at June 30, 2021	$ 3,305	$ 893	$ 766	$ 4,964

The expected amortization of VOBA for the next five years is as follows:

(In millions)	Expected Amortization
2022[1]	$ 239
2023	447
2024	410
2025	377
2026	342
2027	304

[1] *Expected amortization for the remainder of 2022.*

8. Debt

Liquidity Facility—In the third quarter of 2022, we entered into a revolving credit facility with Wells Fargo Bank, National Association, as administrative agent, which matures on June 30, 2023, subject to additional 364-day extensions (Liquidity Facility). The Liquidity Facility will be used for liquidity and working capital needs to meet short-term cash flow and investment timing differences. The borrowing capacity under the Liquidity Facility is $2.5 billion, with potential increases up to $3.0 billion. The Liquidity Facility contains various standard covenants with which we must comply, including the following:

1. ALRe minimum consolidated net worth of no less than $9.3 billion; and
2. Restrictions on our ability to incur debt and liens, in each case with certain exceptions.

Interest accrues on outstanding borrowings at either the secured overnight financing rate (Adjusted Term SOFR, as defined in the Liquidity Facility) plus a margin or a base rate plus a margin, with applicable margin varying based on ALRe's Financial Strength Rating (as defined in the Liquidity Facility).

As of August 5, 2022, there were no amounts outstanding under the Liquidity Facility.

9. Equity

Distributions to Parent—In the first quarter of 2022, we distributed our investment in AOG units to AGM. See *Note 10 – Related Parties* for further information on the investment in AOG units. The AOG distribution resulted in a reduction of additional paid-in capital of $1,916 million and an increase in accumulated deficit of $26 million. In connection with the AOG distribution to AGM, we also issued a stock dividend of 11.6 million shares to the Apollo Group shareholders other than AGM. Additionally, we recorded a reestablishment of the liabilities that were considered effectively settled upon merger of $810 million, as these liabilities were settled during the first quarter of 2022 in the normal course of business as intercompany payables to AGM.

Accumulated Other Comprehensive Income (Loss)—The following provides the details and changes in AOCI:

	Successor					
(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI, VOBA and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at March 31, 2022	$ (4,747)	$ (65)	$ 211	$ (79)	$ 6	$ (4,674)
Other comprehensive income (loss) before reclassifications	(7,568)	(94)	282	96	(58)	(7,342)
Less: Reclassification adjustments for gains (losses) realized[1]	(116)	7	2	15	—	(92)
Less: Income tax expense (benefit)	(1,341)	(18)	59	17	—	(1,283)
Less: Other comprehensive loss attributable to noncontrolling interests	(862)	(10)	—	13	5	(854)
Balance at June 30, 2022	$ (9,996)	$ (138)	$ 432	$ (28)	$ (57)	$ (9,787)

[1] *Recognized in investment related gains (losses) on the condensed consolidated statements of income (loss).*

	Predecessor					
(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI, VOBA and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at March 31, 2021	$ 2,808	$ (29)	$ (717)	$ (49)	$ 8	$ 2,021
Other comprehensive income (loss) before reclassifications[1]	2,205	(15)	(471)	119	1	1,839
Less: Reclassification adjustments for gains (losses) realized in net income[1,2]	39	(3)	(9)	27	—	54
Less: Income tax expense (benefit)	421	(2)	(97)	23	—	345
Less: Other comprehensive income (loss) attributable to noncontrolling interests	130	(3)	—	(3)	—	124
Balance at June 30, 2021	$ 4,423	$ (36)	$ (1,082)	$ 23	$ 9	$ 3,337

[1] *Previously reported amounts have been revised to correct a misstatement, which was not material, in the classification of activity between other comprehensive income (loss) before reclassifications and reclassification adjustments for gains (losses) realized.*

[2] *Recognized in investment related gains (losses) on the condensed consolidated statements of income (loss).*

	Successor					
(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at January 1, 2022	$ —	$ —	$ —	$ —	$ —	$ —
Other comprehensive income (loss) before reclassifications	(14,213)	(191)	550	(33)	(54)	(13,941)
Less: Reclassification adjustments for gains (losses) realized in net income[1]	(154)	—	3	15	—	(136)
Less: Income tax expense (benefit)	(2,525)	(34)	115	(9)	—	(2,453)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(1,538)	(19)	—	(11)	3	(1,565)
Balance at June 30, 2022	$ (9,996)	$ (138)	$ 432	$ (28)	$ (57)	$ (9,787)

[1] *Recognized in investment related gains (losses) on the condensed consolidated statements of income (loss).*

	Predecessor					
(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI, VOBA and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at December 31, 2020	$ 5,352	$ (53)	$ (1,310)	$ (26)	$ 8	$ 3,971
Other comprehensive income (loss) before reclassifications[1]	(1,130)	17	270	88	1	(754)
Less: Reclassification adjustments for gains (losses) realized[1,2]	78	(3)	(19)	27	—	83
Less: Income tax expense (benefit)	(232)	4	61	16	—	(151)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(47)	(1)	—	(4)	—	(52)
Balance at June 30, 2021	$ 4,423	$ (36)	$ (1,082)	$ 23	$ 9	$ 3,337

[1] *Previously reported amounts have been revised to correct a misstatement, which was not material, in the classification of activity between other comprehensive income (loss) before reclassifications and reclassification adjustments for gains (losses) realized.*

[2] *Recognized in investment related gains (losses) on the condensed consolidated statements of income (loss).*

10. Related Parties

Apollo

Fee structure – Substantially all of our investments are managed by Apollo. Apollo provides us a full suite of services that includes: direct investment management; asset sourcing and allocation; mergers and acquisition sourcing, execution and asset diligence; and strategic support and advice. Apollo also provides certain operational support services for our investment portfolio including investment compliance, tax, legal and risk management support.

Apollo has extensive experience managing our investment portfolio and its knowledge of our liability profile enables it to tailor an asset management strategy to fit our specific needs. This strategy has proven responsive to changing market conditions and focuses on earning incremental yield by taking liquidity risk and complexity risk, rather than assuming solely credit risk. Our partnership has enabled us to take advantage of investment opportunities that would likely not otherwise have been available to us.

Under our fee agreement with Apollo, we pay Apollo a base management fee of (1) 0.225% per year on a monthly basis equal to the lesser of (A) $103.4 billion, which represents the aggregate fair market value of substantially all of the assets in substantially all of the accounts of or relating to us (collectively, the Accounts) as of December 31, 2018 (Backbook Value), and (B) the aggregate book value of substantially all of the assets in the Accounts at the end of the respective month, plus (2) 0.15% per year of the amount, if any, by which the aggregate book value of substantially all of the assets in the Accounts at the end of the respective month exceeds the Backbook Value, subject to certain adjustments. Additionally, we pay a sub-allocation fee based on specified asset class tiers ranging from 0.065% to 0.70% of the book value of such assets, with the higher percentages in this range for asset classes that are designed to have more alpha generating abilities.

During the three months ended June 30, 2022 and 2021, we incurred management fees, inclusive of the base and sub-allocation fees, of $182 million and $140 million, respectively. During the six months ended June 30, 2022 and 2021, we incurred management fees, inclusive of the base and sub-allocation fees, of $368 million and $284 million, respectively. Management fees are included within net investment income on the condensed consolidated statements of income (loss). As of June 30, 2022 and December 31, 2021, management fees payable were $72 million and $59 million, respectively, and are included in other liabilities on the condensed consolidated balance sheets. Such amounts include fees incurred attributable to ACRA including all of the noncontrolling interest in ACRA.

In addition to the assets on our condensed consolidated balance sheets managed by Apollo, Apollo manages the assets underlying our funds withheld receivable. For these assets, the third-party cedants pay Apollo fees based upon the same fee construct we have with Apollo. Such fees directly reduce the settlement payments that we receive from the third-party cedant and, as such, we indirectly pay those fees. Finally, Apollo charges management fees and carried interest on Apollo-managed funds and other entities in which we invest. Neither the fees paid by such third-party cedants nor the fees or carried interest paid by such Apollo-managed funds or other entities are included in the investment management fee amounts noted above.

Termination of ACRA investment management agreements (IMA) – Our bye-laws currently provide that, with respect to IMAs covering assets backing reserves and surplus in ACRA, whether from internal reinsurance, third-party reinsurance, or inorganic transactions, among us or any of our subsidiaries, on the one hand, and Apollo Insurance Solutions Group LP (ISG), on the other hand, we may not, and will not cause our subsidiaries to, terminate any such IMA with Apollo other than at specified termination dates and with relevant board approvals of independent directors and written notice.

Governance – We have a management investment and asset liability committee, which includes members of our senior management and reports to the risk committee of our board of directors. The committee focuses on strategic decisions involving our investment portfolio, such as approving investment limits, new asset classes and our allocation strategy, reviewing large asset transactions, as well as monitoring our credit risk, and the management of our assets and liabilities.

Prior to our merger with AGM on January 1, 2022, a significant voting interest in the Company was held by shareholders who are members of the Apollo Group. James Belardi, our Chief Executive Officer, also serves as a member of the board of directors and an executive officer of AGM and as Chief Executive Officer of ISG. Mr. Belardi also owns a profit interest in ISG and in connection with such interest receives quarterly distributions equal to 3.35% of base management fees and 4.5% of subadvisory fees, as such fees are defined in our fee agreement with Apollo. Additionally, six of the sixteen members of our board of directors (including Mr. Belardi) are employees of or consultants to Apollo. In order to protect against potential conflicts of interest resulting from transactions into which we have entered and will continue to enter into with the Apollo Group, our bye-laws require us to maintain a conflicts committee comprised solely of directors who are not general partners, directors (other than independent directors of AGM), managers, officers or employees of any member of the Apollo Group. The conflicts committee reviews and approves material transactions between us and the Apollo Group, subject to certain exceptions.

Other related party transactions

AAA Investment – During the second quarter of 2022, we contributed $7,845 million of certain of our alternative investments to AAA in exchange for limited partnership interests in AAA. We consolidate AAA as a VIE. Apollo established AAA for the purpose of providing a single vehicle through which we and third-party investors can participate in a portfolio of alternative investments. Additionally, we believe AAA enhances Apollo's ability to increase alternative assets under management (AUM) by raising capital from third parties, which will allow Athene to achieve greater scale and diversification for alternatives. Third-party investors began to invest in AAA on July 1, 2022.

Athene Freedom – We contributed our limited partnership investment in Athene Freedom, for which an Apollo affiliate is the general partner, to AAA during the second quarter of 2022. Athene Freedom indirectly invests in both Wheels, Inc. (Wheels) and Donlen, LLC (Donlen). We own ABS and corporate debt securities issued by Wheels and Donlen of $931 million and $2,419 million as of June 30, 2022 and December 31, 2021, respectively, which are held as related party AFS securities on the condensed consolidated balance sheets. During the second quarter 2022, we received redemptions on Wheels securities of $1,479 million.

MidCap Financial – We have various investments in MidCap Financial including profit participating notes, senior unsecured notes and redeemable preferred stock. During the second quarter of 2022, we contributed our profit participating notes to AAA. We previously held these investments as related party AFS or trading securities on the condensed consolidated balance sheets.

The following summarizes the Predecessor investments in MidCap Financial:

	Predecessor
(In millions)	December 31, 2021
Profit participating notes	$ 635
Senior unsecured notes	158
Redeemable preferred stock	7
Total investment in MidCap Financial	$ 800

Additionally, we hold ABS and CLO securities issued by MidCap Financial affiliates of $996 million and $897 million as of June 30, 2022 and December 31, 2021, respectively, which are included in related party AFS securities on the condensed consolidated balance sheets.

Athora – We have a cooperation agreement with Athora, pursuant to which, among other things, (1) for a period of 30 days from the receipt of notice of a cession, we have the right of first refusal to reinsure (i) up to 50% of the liabilities ceded from Athora's reinsurance subsidiaries to Athora Life Re Ltd. and (ii) up to 20% of the liabilities ceded from a third party to any of Athora's insurance subsidiaries, subject to a limitation in the aggregate of 20% of Athora's liabilities, (2) Athora agreed to cause its insurance subsidiaries to consider the purchase of certain funding agreements and/or other spread instruments issued by our insurance subsidiaries, subject to a limitation that the fair market value of such funding agreements purchased by any of Athora's insurance subsidiaries may generally not exceed 3% of the fair market value of such subsidiary's total assets, (3) we provide Athora with a right of first refusal to pursue acquisition and reinsurance transactions in Europe (other than the United Kingdom (UK)) and (4) Athora provides us and our subsidiaries with a right of first refusal to pursue acquisition and reinsurance transactions in North America and the UK. Notwithstanding the foregoing, pursuant to the cooperation agreement, Athora is only required to use its reasonable best efforts to cause its subsidiaries to adhere to the provisions set forth in the cooperation agreement and therefore Athora's ability to cause its subsidiaries to act pursuant to the cooperation agreement may be limited by, among other things, legal prohibitions or the inability to obtain the approval of the board of directors or other applicable governing body of the applicable subsidiary, which approval is solely at the discretion of such governing body. As of June 30, 2022, we have not exercised our right of first refusal to reinsure liabilities ceded to Athora's insurance or reinsurance subsidiaries.

The following table summarizes our investments in Athora:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Investment fund	$ 818	$ 743
Non-redeemable preferred equity securities	157	171
Total investment in Athora	$ 975	$ 914

Additionally, as of June 30, 2022 and December 31, 2021, we had $58 million and $63 million, respectively, of funding agreements outstanding to Athora. We also have commitments to make additional investments in Athora of $472 million as of June 30, 2022.

Venerable – We have coinsurance and modco agreements with Venerable Insurance and Annuity Company (VIAC). VIAC is a related party due to our minority equity investment in its holding company's parent, VA Capital, which was $230 million and $219 million as of June 30, 2022 and December 31, 2021, respectively. The minority equity investment in VA Capital is included in related party investment funds on the condensed consolidated balance sheets and accounted for as an equity method investment. VA Capital is owned by a consortium of investors, led by affiliates of Apollo, Crestview Partners III Management , LLC and Reverence Capital Partners L.P., and is the parent of Venerable, which is the parent of VIAC.

We also have term loans receivable from Venerable due in 2033, which are included in related party other investments on the condensed consolidated balance sheets. The loans are held at the principal balance less allowances and were $272 million and $222 million as of June 30, 2022 and December 31, 2021, respectively. While management views the overall transactions with Venerable as favorable to us, the stated interest rate of 6.257% on the initial term loan to Venerable represented a below-market interest rate, and management considered such rate as part of its evaluation and pricing of the reinsurance transactions.

Strategic Partnership – We have an agreement pursuant to which we may invest up to $2.875 billion over three years in funds managed by Apollo entities (Strategic Partnership). This arrangement is intended to permit us to invest across the Apollo alternatives platform into credit-oriented, strategic and other alternative investments in a manner and size that is consistent with our existing investment strategy. Fees for such investments payable by us to Apollo would be more favorable to us than market rates, and consistent with our existing alternative investments, investments made under the Strategic Partnership require approval of ISG and remain subject to our existing governance processes, including approval by our conflicts committee where applicable. During the second quarter of 2022, we contributed the majority of our Strategic Partnership investments to AAA. As of June 30, 2022 and December 31, 2021, we had $144 million and $415 million, respectively, of investments under the Strategic Partnership and these investments are typically included as consolidated VIEs or related party investment funds on the condensed consolidated balance sheets.

PK AirFinance – We have investments in PK AirFinance (PK Air), an aviation lending business with a portfolio of loans (Aviation Loans). The Aviation Loans are generally fully secured by aircraft leases and aircraft. Apollo owns the PK Air loan origination platform, including personnel and systems and, pursuant to certain agreements entered into between us, Apollo, and certain entities managed by Apollo, the Aviation Loans are securitized by a special purpose vehicle (SPV) for which Apollo acts as ABS manager (ABS-SPV). The ABS-SPV issues tranches of senior notes and subordinated notes, which are secured by the Aviation Loans. We have purchased both senior and subordinated notes of PK Air, which are included in related party AFS or trading securities on the condensed consolidated balance sheets. During the first quarter of 2022, we contributed our investment in the subordinated notes to PK Air Holdings, LP (PK Air Holdings) and then contributed PK Air Holdings to AAA during the second quarter of 2022. The following summarizes our investments in PK Air notes:

	Successor	**Predecessor**
(In millions)	June 30, 2022	December 31, 2021
AFS or trading securities	$ 1,102	$ 1,401

We also have commitments to make additional investments in PK Air of $1,548 million as of June 30, 2022.

Apollo/Athene Dedicated Investment Program (ADIP) – Our subsidiary, Athene Co-Invest Reinsurance Affiliate Holding Ltd. (together with its subsidiaries, ACRA) is partially owned by ADIP, a series of funds managed by Apollo. ALRe currently holds 36.55% of the economic interests in ACRA and all of ACRA's voting interests, with ADIP holding the remaining 63.45% of the economic interests. During the three months ended June 30, 2022 and 2021, we received capital contributions of $400 million and $85 million, respectively, from ADIP. During the six months ended June 30, 2022 and 2021, we received capital contributions of $711 million and $320 million, respectively, from ADIP. Additionally, as of June 30, 2022 and December 31, 2021, we had $135 million and $81 million, respectively, of related party payables for contingent investment fees payable by ACRA to Apollo. ACRA is obligated to pay the contingent investment fees on behalf of ADIP and, as such, the balance is attributable to noncontrolling interest.

Apollo Share Exchange and Related Transactions – On February 28, 2020, we closed a strategic transaction with AGM and certain affiliates of AGM which collectively comprise the Apollo Operating Group (AOG), pursuant to which we sold 27,959,184 newly issued Class A common shares to the AOG for an investment in Apollo of 29,154,519 newly issued AOG units valued at $1.1 billion and we sold 7,575,758 newly issued Class A common shares to the AOG for $350 million. As of December 31, 2021, the investment in Apollo was $2,112 million, which was included in related party investment funds on the condensed consolidated balance sheets. Subsequent to our merger with AGM, our investment in Apollo was distributed to AGM in the first quarter of 2022.

11. Commitments and Contingencies

Contingent Commitments—We had commitments to make investments, primarily capital contributions to investment funds, inclusive of related party commitments discussed previously and those of consolidated VIEs, of $16,345 million as of June 30, 2022. We expect most of our current commitments will be invested over the next five years; however, these commitments could become due any time upon counterparty request.

Funding Agreements—We are a member of the Federal Home Loan Bank of Des Moines (FHLB) and, through membership, we have issued funding agreements to the FHLB in exchange for cash advances. As of June 30, 2022 and December 31, 2021, we had $3,046 million and $2,751 million, respectively, of FHLB funding agreements outstanding. We are required to provide collateral in excess of the funding agreement amounts outstanding, considering any discounts to the securities posted and prepayment penalties.

We have a funding agreement backed notes (FABN) program, which allows Athene Global Funding, a special-purpose, unaffiliated statutory trust, to offer its senior secured medium-term notes. Athene Global Funding uses the net proceeds from each sale to purchase one or more funding agreements from us. As of June 30, 2022 and December 31, 2021, we had $23,009 million and $19,728 million, respectively, of board-authorized FABN funding agreements outstanding. We had $11,448 million of board-authorized FABN capacity remaining as of June 30, 2022.

We also established a secured funding agreement backed repurchase agreement (FABR) program, in which a special-purpose, unaffiliated entity enters into repurchase agreements with a bank and the proceeds of the repurchase agreements were used by the special-purpose entity to purchase funding agreements from us. As of June 30, 2022 and December 31, 2021, we had $2,000 million and $1,000 million, respectively, of FABR funding agreements outstanding.

Pledged Assets and Funds in Trust (Restricted Assets)—The total restricted assets included on the condensed consolidated balance sheets are as follows:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
AFS securities	$ 11,038	$ 9,111
Trading securities	54	75
Equity securities	46	30
Mortgage loans	7,024	5,033
Investment funds	102	174
Derivative assets	52	96
Short-term investments	3	—
Other investments	142	130
Restricted cash	753	796
Total restricted assets	$ 19,214	$ 15,445

The restricted assets are primarily related to reinsurance trusts established in accordance with coinsurance agreements and the FHLB and FABR funding agreements described above.

Letters of Credit—We have undrawn letters of credit totaling $1,358 million as of June 30, 2022. These letters of credit were issued for our reinsurance program and expire between May 22, 2023 and December 10, 2023.

Litigation, Claims and Assessments

Corporate-owned Life Insurance (COLI) Matter – In 2000 and 2001, two insurance companies which were subsequently merged into AAIA, purchased broad based variable COLI policies from American General Life Insurance Company (American General). In January 2012, the COLI policy administrator delivered to AAIA a supplement to the existing COLI policies and advised that American General and ZC Resource Investment Trust (ZC Trust) had unilaterally implemented changes set forth in the supplement that, if effective, would: (1) potentially negatively impact the crediting rate for the policies and (2) change the exit and surrender protocols set forth in the policies. In March 2013, AAIA filed suit against American General, ZC Trust, and ZC Resource LLC in Chancery Court in Delaware, seeking, among other relief, a declaration that the changes set forth in the supplement were ineffectual and in breach of the parties' agreement. The parties filed cross motions for judgment as a matter of law, and the court granted defendants' motion and dismissed without prejudice on ripeness grounds. The issue that negatively impacts the crediting rate for one of the COLI policies has subsequently been triggered and, on April 3, 2018, we filed suit against the same defendants in Chancery Court in Delaware seeking substantially similar relief. Defendants moved to dismiss and the court heard oral arguments on February 13, 2019. The court issued an opinion on July 31, 2019 that did not address the merits, but found that the Chancery Court did not have jurisdiction over our claims and directed us to either amend our complaint or transfer the matter to Delaware Superior Court. The matter was transferred to the Delaware Superior Court. Defendants renewed their motion to dismiss and the Superior Court heard oral arguments on December 18, 2019. The Superior Court issued an opinion on May 18, 2020 in which it granted in part and denied in part defendants' motion. The Superior Court denied defendants' motion with respect to the issue that negatively impacts the crediting rate for one of the COLI policies, which issue proceeded to discovery. The Superior Court granted defendants' motion and dismissed without prejudice on ripeness grounds claims related to the exit and surrender protocols set forth in the policies, and dismissed defendant ZC Resource LLC. If the supplement were to have been deemed effective, the purported changes to the policies could have impaired AAIA's ability to access the value of guarantees associated with the policies. The parties engaged in discovery as well as discussions concerning whether the matter could be resolved without further litigation and, at the request of the parties, on August 11, 2021, the court entered an Amended Scheduling Order setting the trial date for June 2023. On December 27, 2021, the parties agreed in principle to a settlement, pursuant to which we will be able to surrender the policies at any time and receive proceeds within six months. During the year ended December 31, 2021, we recorded an impairment of the COLI asset of $53 million, and an adjustment to deferred tax liabilities of $47 million, to reflect the terms of the settlement.

Regulatory Matters – From 2015 to 2018, our US insurance subsidiaries experienced increased complaints related to the conversion and administration of the block of life insurance business acquired in connection with our acquisition of Aviva USA and reinsured to affiliates of Global Atlantic. The life insurance policies included in this block have been and are currently being administered by AllianceOne Inc. (AllianceOne), a subsidiary of DXC Technology Company, which was retained by such Global Atlantic affiliates to provide third party administration services on such policies. AllianceOne also administers a small block of annuity policies that were on Aviva USA's legacy policy administration systems that were also converted in connection with the acquisition of Aviva USA and have experienced some similar service and administration issues, but to a lesser degree.

As a result of the difficulties experienced with respect to the administration of such policies, we have received notifications from several state regulators, including but not limited to New York State Department of Financial Services (NYSDFS), the California Department of Insurance (CDI) and the Texas Department of Insurance (TDI), indicating, in each case, that the respective regulator planned to undertake a market conduct examination or enforcement proceeding of the applicable US insurance subsidiary relating to the treatment of policyholders subject to our reinsurance agreements with affiliates of Global Atlantic and the conversion of the life and annuity policies, including the administration of such blocks by AllianceOne. We entered into consent orders with several state regulators, including the NYSDFS, the CDI and the TDI, to resolve underlying matters in the respective states. All fines and costs, including those associated with remediation plans, paid in connection with the consent orders are subject to indemnification by Global Atlantic or affiliates of Global Atlantic.

Pursuant to the terms of the reinsurance agreements between us and the relevant affiliates of Global Atlantic, the applicable affiliates of Global Atlantic have financial responsibility for the ceded life block and are subject to significant administrative service requirements, including compliance with applicable law. The agreements also provide for indemnification to us, including for administration issues.

In addition to the examinations and proceedings initiated to date, it is possible that other regulators may pursue similar formal examinations, inquiries or enforcement proceedings and that any examinations, inquiries and/or enforcement proceedings may result in fines, administrative penalties and payments to policyholders.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading financial services company specializing in retirement services that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. We generate attractive financial results for our policyholders and shareholders by combining our two core competencies of (1) sourcing long-term, generally illiquid liabilities and (2) investing in a high-quality investment portfolio, which takes advantage of the illiquid nature of our liabilities. Our steady and significant base of earnings generates capital that we opportunistically invest across our business to source attractively-priced liabilities and capitalize on opportunities. Effective January 1, 2022, as a result of the closing of the merger involving us and Apollo, Apollo Global Management, Inc. (NYSE: APO) became the beneficial owner of 100% of our Class A common shares and controls all of the voting power to elect members to our board of directors.

We have established a significant base of earnings and, as of June 30, 2022, have an expected annual net investment spread, which measures our investment performance plus strategic capital management fees less the total cost of our liabilities, of 1–2% over the 8.6 year weighted-average life of our net reserve liabilities. The weighted-average life includes deferred annuities, pension group annuities, funding agreements, payout annuities and other products.

Our total assets have grown to $234.3 billion as of June 30, 2022. For the six months ended June 30, 2022 and the year ended December 31, 2021, we generated an annualized net investment spread of 1.59% and 1.94%, respectively.

The following table presents the inflows generated from our organic and inorganic channels:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Retail	$ 3,748	$ 1,749	$ 6,613	$ 3,506
Flow reinsurance	1,038	279	2,039	578
Funding agreements[1]	1,755	4,074	7,451	7,300
Pension group annuities	5,508	1,474	7,502	4,367
Gross organic inflows	12,049	7,576	23,605	15,751
Gross inorganic inflows	—	—	—	—
Total gross inflows	12,049	7,576	23,605	15,751
Gross outflows[2]	(4,925)	(4,635)	(9,808)	(8,757)
Net flows	$ 7,124	$ 2,941	$ 13,797	$ 6,994
Inflows attributable to Athene	$ 8,889	$ 5,895	$ 18,222	$ 12,600
Inflows attributable to ACRA noncontrolling interest	3,160	1,681	5,383	3,151
Total gross inflows	$ 12,049	$ 7,576	$ 23,605	$ 15,751
Outflows attributable to Athene	$ (4,062)	$ (3,941)	$ (8,134)	$ (7,422)
Outflows attributable to ACRA noncontrolling interest	(863)	(694)	(1,674)	(1,335)
Total gross outflows[2]	$ (4,925)	$ (4,635)	$ (9,808)	$ (8,757)

[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 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.

Our organic channels, including retail, flow reinsurance and institutional products, provided gross inflows of $23.6 billion and $15.8 billion for the six months ended June 30, 2022 and 2021, respectively, which were underwritten to attractive, above target returns. Gross organic inflows increased $7.9 billion, or 50% from the prior year, reflecting the strength of our multi-channel distribution platform and our ability to quickly pivot into optimal and profitable channels as opportunities arise. Withdrawals on our deferred annuities, maturities of our funding agreements, payments on payout annuities and pension group annuity payments (collectively, gross outflows), in the aggregate were $9.8 billion and $8.8 billion for the six months ended June 30, 2022 and 2021, respectively. The increase in gross outflows was primarily driven by the maturity of funding agreement issuances in 2022. We believe that our credit profile, our current product offerings and product design capabilities as well as our growing reputation as both a seasoned funding agreement issuer and a reliable pension group annuity counterparty will continue to enable us to grow our existing organic channels and allow us to source additional volumes of profitably underwritten liabilities in various market environments. We plan to continue to grow organically by expanding each of our retail, flow reinsurance and institutional distribution channels. We believe that we have the right people, infrastructure, scale and capital discipline to position us for continued growth.

Within our retail channel, we had fixed annuity sales of $6.6 billion and $3.5 billion for the six months ended June 30, 2022 and 2021, respectively. The increase in our retail channel was driven by the strong performance of our indexed annuity and MYGA products across our bank, independent marketing organization (IMO) and broker-dealer channels, exhibiting strong sales execution as interest rates have risen in the current year, and our expansion into large financial institutions. We have maintained our disciplined approach to pricing, including with respect to targeted underwritten returns. We aim to continue to grow our retail channel by deepening our relationships with our approximately 53 IMOs; approximately 72,000 independent agents; and our growing network of 18 banks and 122 regional broker-dealers. Our strong financial position and diverse, capital efficient products allow us to be dependable partners with IMOs, banks and broker-dealers as well as consistently write new business. We expect our retail channel to continue to benefit from our credit profile and recent product launches. We believe this should support growth in sales at our desired cost of funds through increased volumes via current IMOs, while also allowing us to continue to expand our bank and broker-dealer channels. Additionally, we continue to focus on hiring and training a specialized sales force and creating products to capture new potential distribution opportunities.

In our flow reinsurance channel, we target reinsurance business consistent with our preferred liability characteristics and, as such, flow reinsurance provides another opportunistic channel for us to source liabilities with attractive crediting rates. We generated inflows through our flow reinsurance channel of $2.0 billion and $578 million for the six months ended June 30, 2022 and 2021, respectively. The increase in our flow reinsurance channel from prior year was driven by strong volumes from our new Japanese partner added during the second half of 2021 as well as volumes from existing partnerships as rising rates have led to more favorable pricing. We expect that our credit profile and our reputation as a solutions provider will help us continue to source additional reinsurance partners, which will further diversify our flow reinsurance channel.

Within our institutional channel, we generated inflows of $15.0 billion and $11.7 billion for the six months ended June 30, 2022 and 2021, respectively. The increase in our institutional channel was driven by higher pension group annuity and funding agreement inflows. During the six months ended June 30, 2022, we closed five pension group annuity transactions and issued annuity contracts in the aggregate principal amount of $7.5 billion, compared to $4.4 billion during the six months ended June 30, 2021. Since entering the pension group annuity channel in 2017, we have closed 38 deals involving more than 410,000 plan participants resulting in the issuance or reinsurance of group annuities of $37.7 billion to date. We issued funding agreements in the aggregate principal amount of $7.5 billion and $7.3 billion for the six months ended June 30, 2022 and 2021, respectively, which included nine FABN issuances in four different currencies for the first half of the year. Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and repurchase agreements with maturities exceeding one year at issuance, with inflows in the aggregate principal amount of $4.3 billion, $1.0 billion, $495 million and $1.6 billion, respectively, for the six months ended June 30, 2022 and issuances outstanding of $23.0 billion, $2.0 billion, $3.0 billion and $2.2 billion, respectively, as of June 30, 2022. We expect to grow our institutional channel by continuing to engage in pension group annuity transactions and programmatic issuances of funding agreements.

Our inorganic channel has contributed significantly to our growth through both acquisitions and block reinsurance transactions. We believe our internal transactions team, with support from Apollo, has an industry-leading ability to source, underwrite and expeditiously close transactions. With support from Apollo, we are a solutions provider with a proven track record of closing transactions, which we believe makes us the ideal partner to insurance companies seeking to restructure their business. We expect that our inorganic channel will continue to be an important source of profitable growth in the future.

Executing our growth strategy requires that we have sufficient capital available to deploy. We believe that we have significant capital available to us to support our growth aspirations. As of June 30, 2022, we estimate that we have approximately $6.6 billion in capital available to deploy, consisting of approximately $3.2 billion in excess capital, $2.8 billion in untapped debt capacity (assuming a peer average adjusted debt to capitalization ratio of 25%) and $0.6 billion in available undrawn capital at ACRA, subject, in the case of debt capacity, to favorable market conditions and general availability.

In order to support our growth strategies and capital deployment opportunities, we established ACRA as a long-duration, on-demand capital vehicle. We own 36.55% of the economic interests in ACRA, with the remaining 63.45% of the economic interests being owned by ADIP, a series of funds managed by an affiliate of Apollo. ACRA participates in certain transactions by drawing a portion of the required capital for such transactions from third-party investors equal to ADIP’s proportionate economic interest in ACRA. This shareholder-friendly, strategic capital solution allows us the flexibility to simultaneously deploy capital across multiple accretive avenues, while maintaining a strong financial position.

Merger with Apollo

On January 1, 2022, we completed our merger with AGM and are now a direct wholly owned subsidiary of AGM. The total consideration for the transaction was $13.1 billion. The consideration was calculated based on historical AGM’s December 31, 2021 closing share price multiplied by the AGM common shares issued in the share exchange, as well as the fair value of stock-based compensation awards replaced, fair value of warrants converted to AGM common shares and other equity consideration, and effective settlement of pre-existing relationships and other consideration.

At the closing of the merger with AGM, each issued and outstanding AHL Class A common share (other than shares held by Apollo, the AOG or the respective direct or indirect wholly owned subsidiaries of Athene or the AOG) was converted automatically into 1.149 shares of AGM common shares with cash paid in lieu of any fractional AGM common shares. In connection with the merger, AGM issued to AHL Class A common shareholders 158.2 million AGM common shares in exchange for 137.6 million AHL Class A common shares that were issued and outstanding as of the acquisition date, exclusive of the 54.6 million shares previously held by Apollo immediately before the acquisition date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

AAA Investment

On April 1, 2022, we contributed certain of our alternative investments to AAA in exchange for limited partnership interests in AAA. Apollo established AAA for the purpose of providing a single vehicle through which we and third-party investors can participate in a portfolio of alternative investments. Additionally, we believe AAA enhances Apollo's ability to increase alternative AUM by raising capital from third parties, which will allow Athene to achieve greater scale and diversification for alternatives. Third-party investors began to invest in AAA on July 1, 2022.

Industry Trends and Competition

Market Conditions

As a leading financial services company specializing in retirement services, we are affected by numerous factors, including the condition of global financial markets and the economy. Price fluctuations within equity, credit, commodity and foreign exchange markets, as well as interest rates, which may be volatile and mixed across geographies, can significantly impact the performance of our business including but not limited to the valuation of investments and related income we may recognize.

We carefully monitor economic and market conditions that could potentially give rise to global market volatility and affect our business operations, investment portfolio and derivatives, which includes global inflation. We have seen US inflation continue to rise during the second quarter of 2022. The US Bureau of Labor Statistics reported the annual US inflation rate increased to 9.1% as of June 30, 2022, compared to 8.5% as of March 31, 2022 and continues to be the highest rate since the 1980s. The increase in US inflation rate has been driven by various factors, including the armed conflict between Ukraine and Russia, supply chain disruptions, consumer demand, tight labor markets, historically low albeit rising mortgage interest rates, a severely distorted supply/demand housing imbalance, and residential vacancy rates. During the second quarter of 2022, the US Federal Reserve (Federal Reserve) followed through with its commitment to take action to lessen inflation transpiring widely through the US economy, resulting in considerable market volatility. The Federal Reserve voted to increase the federal funds rate during the second quarter of 2022. Further, the increasing yield disparity globally drove the strength of the US dollar, with the US dollar achieving near parity to the Euro in the last weeks of the second quarter.

Adverse economic conditions may result from domestic and global economic and political developments, including plateauing or decreasing economic growth and business activity, civil unrest, geopolitical tensions or military action, such as the armed conflict between Ukraine and Russia and corresponding sanctions imposed by the US and other countries, and new or evolving legal and regulatory requirements on business investment, hiring, migration, labor supply and global supply chains.

Equity markets dropped in the second quarter of 2022 as recession concerns grew, and credit markets faced similar underperformance. The Bureau of Economic Analysis reported real GDP decreased at an annual rate of 0.9% in the second quarter of 2022. As it appears likely that negative GDP growth has existed for more than a quarter thus far, one technical definition for a recession appears to have been met. However, the US unemployment rate remained unchanged at 3.6% as of June 30, 2022, as reported by the US Bureau of Labor Statistics, and low unemployment poses an unusual situation for a recession. As of July 2022, the International Monetary Fund estimated the US will expand by 2.3% in 2022 and 1.0% in 2023. The price of crude oil appreciated by 5.5% during the quarter, after appreciating by 33.3% the first quarter of 2022, in large part due to constrained supply due to the ongoing conflict between Ukraine and Russia, and is expected to remain elevated in the foreseeable future.

Interest Rate Environment

Rates have already moved meaningfully higher than most predictions for 2022, although the end of the second quarter found the ten-year US Treasury within the 2.80% – 3.20% range. Given the Federal Reserve's continued focus on curbing inflation and the recessionary concerns discussed previously, it is difficult to predict rates in the short term.

Our investment portfolio consists predominantly of fixed maturity investments. See – *Investment Portfolio*. If prevailing interest rates were to rise, we believe the yield on our new investment purchases may also rise and our investment income from floating rate investments would increase, while the value of our existing investments may decline. If prevailing interest rates were to decline, it is likely that the yield on our new investment purchases may decline and our investment income from floating rate investments would decrease, while the value of our existing investments may increase.

We address interest rate risk through managing the duration of the liabilities we source with assets we acquire through ALM modeling. As part of our investment strategy, we purchase floating rate investments, which we expect would perform well in a rising interest rate environment, as we are currently experiencing, and which we expect would underperform in a declining rate environment. As of June 30, 2022, our net invested asset portfolio includes $38.9 billion of floating rate investments, or 21% of our net invested assets, and our net reserve liabilities include $14.3 billion of floating rate liabilities at notional, or 8% of our net invested assets, translating to $24.6 billion of net floating rate assets, or 13% of our net invested assets.

If prevailing interest rates were to rise, we believe our products would be more attractive to consumers and our sales would likely increase. If prevailing interest rates were to decline, it is likely that our products would be less attractive to consumers and our sales would likely decrease. In periods of prolonged low interest rates, the net investment spread may be negatively impacted by reduced investment income to the extent that we are unable to adequately reduce policyholder crediting rates due to policyholder guarantees in the form of minimum crediting rates or otherwise due to market conditions. As of June 30, 2022, most of our products were deferred annuities with 20% of our FIAs at the minimum guarantees and 35% of our fixed rate annuities at the minimum crediting rates. As of June 30, 2022, minimum guarantees on all of our deferred annuities, including those with crediting rates already at their minimum guarantees, were, on average, greater than 115 basis points below the crediting rates on such deferred annuities, allowing us room to reduce rates before reaching the minimum guarantees. Our remaining liabilities are associated with immediate annuities, pension group annuity obligations, funding agreements and life contracts for which we have little to no discretionary ability to change the rates of interest payable to the respective policyholder or institution. A significant majority of our deferred annuity products have crediting rates that we may reset annually upon renewal, following the expiration of the current guaranteed period. While we have the contractual ability to lower these crediting rates to the guaranteed minimum levels, our willingness to do so may be limited by competitive pressures.

See *Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risks* to this report and *Part II—Item 7A. Quantitative and Qualitative Disclosures About Market Risks* in our 2021 Annual Report, which includes a discussion regarding interest rate and other significant risks and our strategies for managing these risks.

Discontinuation of certain IBORs (including LIBOR)

On December 31, 2021, (1) most LIBOR settings (i.e., 24 out of 35, including 1-week and 2-month US Dollar (USD) LIBOR as well as all other non-USD LIBOR settings) ceased to be published and (2) a few of the most widely used GBP and JPY LIBOR settings (i.e., 1-, 3- and 6- month GBP and JPY LIBOR settings) were deemed permanently unrepresentative, but will continue to be published on a synthetic basis, for a limited time period for the purpose of all legacy contracts (except for cleared derivatives). The remaining USD LIBOR settings (i.e., 1-, 3-, 6- and 12-month USD LIBOR settings) will continue to be published, subject to limitations on use, and cease or become unrepresentative on June 30, 2023. Without the intervention of the UK Financial Conduct Authority using enhanced powers provided by the UK Government to compel continued panel bank contribution by the IBA, the LIBOR administrator, LIBOR will cease publication after June 30, 2023. Similar developments have occurred with respect to other IBORs.

As a result of the expected discontinuation of certain IBORs, including LIBOR, regulators and market participants in various jurisdictions have been working to identify alternative reference rates that are compliant with the International Organization of Securities Commission’s standards for transaction-based benchmarks. In the U.S., the Alternative Reference Rates Committee (ARRC), a group of market and official sector participants, identified the Secured Overnight Financing Rate (SOFR) as its recommended alternative benchmark rate. Other alternative reference rates have been recommended in other jurisdictions (e.g., in the United Kingdom, the alternative benchmark rate for GBP LIBOR is the Sterling Overnight Interbank Average Rate).

The discontinuation of IBORs could have a significant impact on the financial markets and represents a material uncertainty to our business. In particular, to manage the uncertainty surrounding the discontinuation of LIBOR, we have established a LIBOR transition team and a transition plan. We have created an Executive Steering Committee composed of senior executives to coordinate and oversee the execution of our plan.

It is difficult to predict the full impact of the transition away from LIBOR on our contracts whose value is tied to LIBOR. The value or profitability of these contracts may be adversely affected.

As of June 30, 2022, we had contracts tied to LIBOR in the notional amounts set forth in the table below:

(In millions)	Total Exposure	Extending Beyond June 30, 2023
Investments	$ 32,966	$ 28,932
Product Liabilities	10,696	3,878
Derivatives Hedging Product Liabilities	15,317	6,898
Other Derivatives	3,552	3,552
Other Contracts	1,663	1,113
Total notional of contracts tied to LIBOR	$ 64,194	$ 44,373

Investments

As of June 30, 2022, our investments tied to LIBOR were in the following asset classes:

(In millions)	Total Exposure	Extending Beyond June 30, 2023
Multi-lateral Arrangements		
Corporates	$ 793	$ 625
RMBS	2,897	2,835
CMBS	635	483
CLO	14,899	14,687
ABS	5,725	5,291
Bank Loans	1,341	1,198
Total Multi-lateral Arrangements	26,290	25,119
Bi-lateral Arrangements		
CML	6,551	3,688
RML	125	125
Total Bi-lateral Arrangements	6,676	3,813
Total investments tied to LIBOR	$ 32,966	$ 28,932

Of the total notional value of investment-related contracts tied to LIBOR extending beyond June 30, 2023, $25.1 billion, or 86.8%, relate to multi-lateral arrangements. These arrangements are typically characterized by a large, diverse set of unrelated holders, the majority or all of whom must consent to amendments to the terms of the underlying investment instrument. Generally, when the amendments concern a material term such as the determination of interest, consent must be unanimous. Given the collective action issues inherent in such structures, such consent is typically impracticable and beyond our control. The existence and character of fallback provisions affected by the discontinuation of LIBOR vary widely from instrument to instrument. Many of our legacy contracts may not contemplate the permanent discontinuation of LIBOR and upon LIBOR's discontinuation may result in the conversion of the instrument from a floating- to a fixed-rate instrument or may involve a significant degree of uncertainty as to the method of determining interest. To the extent that such legacy arrangements do not contemplate the permanent discontinuation of LIBOR, we would most likely look to some broad-based solution, such as the New York or US federal LIBOR transition law, to rectify such deficiency. To the extent that such a solution is ineffective, for example as a result of being ruled unconstitutional, we would likely be required to undertake a re-evaluation of affected investments, which might result in the disposition of individual positions. To the extent that individual positions are retained, we may incur adverse financial consequences, including any mark-to-market impacts resulting from those investments that convert from a floating to a fixed rate. To the extent that the fallback rates ultimately used to determine interest payable on structured securities do not align with the fallback rates used to determine interest payable on the underlying assets, economic losses could be sustained on the overall structure.

The remaining notional value of investment-related contracts tied to LIBOR extending beyond June 30, 2023 of $3.8 billion, or 13.2%, relates to bi-lateral arrangements that are capable of being amended through negotiation with the relevant counterparty.

As our investment manager, Apollo maintains the documentation associated with the assets in our investment portfolio. We are therefore dependent upon Apollo for the successful completion of our LIBOR transition efforts relating to our investment portfolio. See *Part I–Item 1A. Risk Factors–Risks Relating to Our Business Operations–Uncertainty relating to the LIBOR Calculation process and the phasing out of LIBOR after a future date may adversely affect the value of our investment portfolio, our ability to achieve our hedging objectives and our ability to issue funding agreements bearing a floating rate of interest* included in our 2021 Annual Report. Apollo's failure to fulfill its responsibilities could have an adverse impact on our results of operations and ability to timely report accurate financial information.

Product Liabilities and Associated Hedging Instruments

As of June 30, 2022, we had product liabilities with a notional value of approximately $10.7 billion for which LIBOR is a component in the determination of interest credited, of which we expect $3.9 billion to have a current crediting term that extends beyond June 30, 2023. For purposes of evaluating our exposure to LIBOR, we only consider our exposure to the current crediting term, which is typically one to two years. Upon renewal of the crediting term, we have the ability to migrate policyholders into new strategies not involving LIBOR. Generally, there are two categories of indices that use LIBOR in the determination of interest credited, "excess return" indices (return of index in excess of LIBOR) and indices that use LIBOR as a means to control volatility. The indices to which these products are tied are primarily proprietary indices for which key inputs are determined by the index sponsor. The index sponsor generally has the right to unilaterally change the reference rate upon the discontinuation of LIBOR. As a result, we do not anticipate any administrative concerns in connection with the transition from LIBOR to a replacement rate with respect to these products.

As of June 30, 2022, we held derivatives with a notional value of approximately $15.3 billion to hedge our exposure to these product liabilities, of which we expect $6.9 billion to extend beyond June 30, 2023. Included within this category are $4.9 billion of Eurodollar futures, of which we expect $3.2 billion to extend beyond June 30, 2023. Exchange traded products, such as Eurodollar futures, will follow the CME Group Inc.'s approach regarding the discontinuation of LIBOR. The remaining derivatives in this category are primarily purchased to hedge the current crediting period. We will be required to purchase new derivatives in future periods to hedge future crediting periods associated with the related existing product liabilities, which will expose us to potential basis mismatch to the extent that the reference rate for the product liability is not the same as the reference rate for the derivative instrument. These derivatives are entered into pursuant to an ISDA Master Agreement and will transition to SOFR in accordance with the process described below under the caption *Other Derivatives*.

Other Derivatives

Our other derivative contracts tied to LIBOR are generally entered into pursuant to an ISDA Master Agreement. ISDA published the ISDA 2020 IBOR Fallbacks Protocol (Protocol) and released Supplement 70 to the 2006 ISDA Definitions (Supplement) on October 23, 2020. The Protocol and Supplement include appropriate fallbacks that contemplate the permanent discontinuation of LIBOR and certain other IBORs. In January 2021, we joined industry peers by adhering to the Protocol and terms of the Supplement, each of which became effective on January 25, 2021. With respect to future transactions, we anticipate adoption of the 2021 ISDA Interest Rate Definitions. To the extent that the fallbacks incorporated into our other derivative contracts result in the use of a replacement rate that differs from that employed in the contract being hedged, we may experience basis mismatch. The Protocol contains templates for possible bilateral amendments to legacy contracts for situations in which the fallbacks contemplated by the Protocol give rise to potential basis risk. We intend to evaluate whether and the extent to which we are subject to such basis risk, as well as the possibility of using the available templates to mitigate such risk.

Other Contracts and Other Sources of Exposure

The "Other Contracts" category is comprised of our LIBOR-based floating rate funding agreements, fixed-to-float Series A preference shares, and our credit agreement, if any amounts were to be outstanding, all of which contemplate the permanent discontinuation of LIBOR. These agreements are tied to LIBOR in a manner that is not expected to have a significant impact upon LIBOR's discontinuation or have fallback provisions in place that provide for the determination of interest after the discontinuation of LIBOR. In addition to the other contracts for which we have quantified our exposure, we are party to contracts that are tied to LIBOR based upon the occurrence of some remote contingency, such as the accrual of penalty interest, or for which LIBOR is otherwise not a material term of the contract. These contracts do not lend themselves to quantification and are lower in priority in our LIBOR remediation efforts. Finally, LIBOR is used as a component in our internal derivative valuation models. We are in the process of transitioning the benchmark yield curve in such models from LIBOR to SOFR and we expect to complete the transition prior to the discontinuation of LIBOR. Such transition may affect the valuation of our derivative instruments.

We can provide no assurance that we will be successful at fully implementing our plan prior to the discontinuation of LIBOR. Completion of certain components of our plan are contingent upon market developments and are therefore not fully within our control. To the extent management effort and attention is focused on other matters, the timely completion of our plan could become more difficult. Failure to fully implement our plan prior to the discontinuation of LIBOR may have a material adverse effect on our business, financial position, results of operations and cash flows and on our ability to timely report accurate financial information.

Demographics

Over the next four decades, the retirement-age population is expected to experience unprecedented growth. Technological advances and improvements in healthcare are projected to continue to contribute to increasing average life expectancy, and aging individuals must be prepared to fund retirement periods that will last longer than ever before. Further, many working households in the United States do not have adequate retirement savings. As a tool for addressing the unmet need for retirement planning, we believe that many Americans have begun to look to tax-efficient savings products with low-risk or guaranteed return features and potential equity market upside. Our tax-efficient savings products are well positioned to meet this increasing customer demand.

Competition

We operate in highly competitive markets. We face a variety of large and small industry participants, including diversified financial institutions, insurance and reinsurance companies and private equity firms. These companies compete in one form or another for the growing pool of retirement assets driven by a number of external factors such as the continued aging of the population and the reduction in safety nets provided by governments and private employers. In the markets in which we operate, scale and the ability to provide value-added services and build long-term relationships are important factors to compete effectively. We believe that our leading presence in the retirement market, diverse range of capabilities and broad distribution network uniquely position us to effectively serve consumers' increasing demand for retirement solutions, particularly in the FIA market.

According to LIMRA, total fixed annuity market sales in the United States were $35.2 billion for the three months ended March 31, 2022, a 13.5% increase from the same time period in 2021, as a rise in interest rates spurred continued growth in the US annuity market. In the total fixed annuity market, for the three months ended March 31, 2022 (the most recent period for which specific market share data is available), we were the fourth largest company based on sales of $2.6 billion, translating to a 7.5% market share. For the three months ended March 31, 2021, our market share was 5.4% with sales of $1.7 billion.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

According to LIMRA, total fixed-indexed annuity market sales in the United States were $16.3 billion for the three months ended March 31, 2022, a 20.7% increase from the same time period in 2021. For the three months ended March 31, 2022 (the most recent period for which specific market share data is available), we were the largest provider of FIAs based on sales of $2.2 billion, and our market share for the same period was 13.7%. For the three months ended March 31, 2021, we were the largest provider of FIAs based on sales of $1.6 billion, translating to a 12.1% market share.

According to LIMRA, total registered indexed linked annuity (RILA) market sales in the United States were $9.6 billion for the three months ended March 31, 2022, a 6.0% increase from the same time period in 2021. For the three months ended March 31, 2022 (the most recent period for which specific market share data is available), we were the ninth largest provider of RILAs based on sales of $235 million, and our market share for the same period was 2.4%. For the three months ended March 31, 2021, we were the tenth largest provider of RILAs based on sales of $78 million, translating to a 0.9% market share. We believe RILAs represent a significant growth opportunity for Athene.

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.

Spread Related Earnings (SRE)

Spread related earnings is a pre-tax non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our spread related earnings equals net income (loss) available to AHL common shareholder adjusted to eliminate the impact of the following:

- **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 mortgage loans, investments held under the fair value option and our investment in Apollo, 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 and DSI 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 market value adjustments (MVA) 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 and DSI 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, including long-term incentive expenses, 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 —**Consists of the income tax effect of all income statement adjustments, including our Apollo investment, and is computed by applying the appropriate jurisdiction's tax rate to all adjustments subject to income tax.

We consider these adjustments to be meaningful adjustments to net income (loss) available to AHL common shareholder 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 shareholder, we believe spread related earnings provides a meaningful financial metric that helps investors understand our underlying results and profitability. Spread related earnings should not be used as a substitute for net income (loss) available to AHL common shareholder.

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 changes in fair value of funds withheld and modco reinsurance assets as well as mortgage loan assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total long-term and short-term debt at notional value divided by adjusted capitalization. Adjusted capitalization includes our adjusted AHL common shareholder’s equity, preferred stock and the notional value of our debt. Adjusted AHL common shareholder’s equity is calculated as the ending AHL shareholders’ equity excluding AOCI, the cumulative changes in fair value of funds withheld and modco reinsurance assets and mortgage loan assets as well as preferred stock. 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 changes in fair value of funds withheld and modco reinsurance assets as well as mortgage loan assets are useful in analyzing trends in our operating results. 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.

Net Investment Spread and Other Operating Expenses

Net investment spread is a key measure of profitability. Net investment spread measures our investment performance plus our strategic capital management fees from ACRA, less our total cost of funds. 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.

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, 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. 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 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. 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, premiums, product charges and other revenues. Cost of funds is computed as the total liability costs divided by the average net invested assets, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. We believe a measure like cost of funds is useful in analyzing the trends of our core business operations and profitability. While we believe cost of funds 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, and net investment spread 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 or total benefits and expenses presented under GAAP.

Other operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation and long-term incentive plan expenses, interest expense and policy acquisition expenses. We believe a measure like other operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe other 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 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 for prior periods. Our net invested assets 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) 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 do 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

We completed our merger with AGM on January 1, 2022 and have elected pushdown accounting in which we used AGM's basis of accounting that reflects the fair market value of our assets and liabilities as of the date of the merger. The resulting change in the value of our assets and liabilities limits the comparability of our financial results for the Predecessor and Successor periods.

The following summarizes the consolidated results of operations for two periods, Predecessor and Successor, which relate to the period preceding and period succeeding our merger with AGM, respectively.

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenues	$ 1,795	$ 6,423	$ 1,526	$ 10,814
Benefits and expenses	5,471	4,433	7,975	8,685
Income (loss) before income taxes	(3,676)	1,990	(6,449)	2,129
Income tax expense (benefit)	(484)	184	(891)	246
Net income (loss)	(3,192)	1,806	(5,558)	1,883
Less: Net income (loss) attributable to noncontrolling interests	(1,072)	389	(1,955)	(148)
Net income (loss) attributable to Athene Holding Ltd.	(2,120)	1,417	(3,603)	2,031
Less: Preferred stock dividends	35	35	70	71
Net income (loss) available to AHL common shareholder	$ (2,155)	$ 1,382	$ (3,673)	$ 1,960

Three Months Ended June 30, 2022 Compared to the Three Months Ended June 30, 2021

In this section, references to 2022 refer to the three months ended June 30, 2022 and references to 2021 refer to the three months ended June 30, 2021.

Net Income (Loss) Available to AHL Common Shareholder

Net income (loss) available to AHL common shareholder decreased by $3.5 billion, or 256%, to $(2.2) billion in 2022 from $1.4 billion in 2021. The decrease in net income (loss) available to AHL common shareholder was driven by a $4.6 billion decrease in revenues and a $1.0 billion increase in benefits and expenses, partially offset by a $1.5 billion decrease in noncontrolling interests and a $668 million decrease in income tax expense.

Revenues

Revenues decreased by $4.6 billion to $1.8 billion in 2022 from $6.4 billion in 2021. The decrease was driven by a decrease in investment related gains and (losses) and a decrease in net investment income, partially offset by an increase in premiums.

Investment related gains and (losses) decreased by $8.4 billion to $(5.8) billion in 2022 from $2.6 billion in 2021, primarily due to the changes in the fair value of reinsurance assets, FIA hedging derivatives, mortgage loans, trading and equity securities, realized losses on AFS securities and an increase in the provision for credit losses, partially offset by foreign exchange gains on derivatives. The change in fair value of reinsurance assets decreased $4.1 billion primarily driven by the change in the value of the underlying assets mainly related to credit spread widening compared to credit spread tightening in the prior year and an increase in US Treasury rates compared to a decrease in the prior year. The change in fair value of FIA hedging derivatives decreased $2.7 billion primarily driven by the unfavorable performance of the indices upon which our call options are based. The majority of our call options are based on the S&P 500 index which decreased 16.4% in 2022, compared to an increase of 8.2% in 2021. The $1.1 billion unfavorable change in mortgage loans was primarily due to credit spread widening and an increase in US Treasury rates in the current year as well as unfavorable foreign exchange impacts. Additionally, at the beginning of the year, and in conjunction with our merger with Apollo, we elected the fair value option on our mortgage loans, while in prior periods they were stated at unpaid principal, adjusted for any unamortized premium or discount, net of an allowance for credit losses. The unfavorable changes in realized gains and losses on AFS securities of $652 million and fair value of trading and equity securities of $501 million were primarily due to credit spread widening compared to credit spread tightening in the prior year, an increase in US Treasury rates compared to a decrease in prior year and unfavorable economics. The unfavorable change in the provision for credit losses of $174 million was primarily driven by unfavorable economics, including higher allowances on CLO and ABS securities due to credit spread widening, impacts from the conflict between Russia and Ukraine and exposure to China's real estate market. The increase in foreign exchange gains on derivatives reflects additional business denominated in foreign currencies and the strengthening of the US dollar in the current quarter.

Net investment income decreased by $291 million to $1.7 billion in 2022 from $2.0 billion in 2021, primarily driven by the prior year favorable change in the fair value of our investment in Apollo of $472 million, which was distributed to AGM following the merger, less favorable alternative investment performance and lower new money rates throughout 2021. As a result of purchase accounting, the book value of our investment portfolio was marked up to fair value resulting in an adverse impact to our net investment income. These decreases were partially offset by growth in our investment portfolio attributed to strong inflows during the previous twelve months and higher floating rate income related to higher short-term interest rates.

Premiums increased by $4.0 billion to $5.6 billion in 2022 from $1.6 billion in 2021, driven by higher pension group annuity premiums compared to the prior year.

Benefits and Expenses

Benefits and expenses increased by $1.0 billion to $5.5 billion in 2022 from $4.4 billion in 2021. The increase was driven by an increase in future policy and other policy benefits and an increase in policy and other operating expenses, partially offset by a decrease in interest sensitive contract benefits and a decrease in DAC, DSI and VOBA amortization.

Future policy and other policy benefits increased by $3.7 billion to $5.6 billion in 2022 from $2.0 billion in 2021, primarily attributable to higher pension group annuity obligations, partially offset by a decrease in the change in rider reserves, a decrease in the change in the AmerUs Closed Block fair value liability and higher negative VOBA amortization resulting from purchase accounting. The favorable change in rider reserves of $214 million was primarily driven by the unfavorable change in reinsurance assets. The change in the AmerUs Closed Block fair value liability was primarily due to unrealized losses on the underlying investments, credit spreads widening and an increase in US Treasury rates.

Policy and other operating expenses increased by $106 million to $358 million in 2022 from $252 million in 2021, primarily driven by significant growth in the business and the amortization of newly established intangible assets as a result of the merger.

Interest sensitive contract benefits decreased by $2.6 billion to $(621) million in 2022 from $2.0 billion in 2021 primarily driven by a decrease in the change in FIA fair value embedded derivatives of $2.7 billion and higher negative VOBA amortization resulting from purchase accounting, partially offset by growth in the block of business. As a result of purchase accounting, we marked our reserve liabilities to fair value resulting in a favorable impact to our interest sensitive contract benefits. The change in the FIA fair value embedded derivatives was primarily due to the performance of the equity indices to which our FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 16.4% in 2022, compared to an increase of 8.2% in 2021, as well as the favorable change in discount rates, partially offset by unfavorable economics impacting policyholder projected benefits.

DAC, DSI and VOBA amortization decreased by $127 million to $125 million in 2022 from $252 million in 2021, primarily due to the unfavorable changes in investment related gains and losses as a result of an unfavorable change in fair value of reinsurance assets as well as impacts from purchase accounting reflecting the removal of historical DAC and DSI, partially offset by the establishment of a new VOBA asset.

Taxes

Income tax expense (benefit) decreased by $668 million to $(484) million in 2022 from $184 million in 2021. The income tax benefit for 2022 was calculated by applying the 21% US statutory rate to the loss of our US and foreign subsidiaries (net of noncontrolling interests), and was primarily driven by the unfavorable changes in fair value of reinsurance assets and mortgage loans.

Our effective tax rate in the second quarter of 2022 was a benefit of 13% compared to an expense of 9% in 2021. The effective tax rate in 2022 was due to the change in fair value of reinsurance assets and mortgage loans subject to tax. Our effective tax rate in 2021 was dependent upon the relationship of income or loss subject to tax compared to the consolidated income or loss before income taxes.

Noncontrolling Interests

Noncontrolling interests decreased by $1.5 billion to $(1.1) billion in 2022 from $389 million in 2021, primarily due to the unfavorable change in fair value of reinsurance assets as a result of additional unrealized losses within reinsurance investment portfolios.

Six Months Ended June 30, 2022 Compared to the Six Months Ended June 30, 2021

In this section, references to 2022 refer to the six months ended June 30, 2022 and references to 2021 refer to the six months ended June 30, 2021.

Net Income (Loss) Available to AHL Common Shareholder

Net income (loss) available to AHL common shareholder decreased by $5.6 billion, or 287%, to $(3.7) billion in 2022 from $2.0 billion in 2021. The decrease in net income (loss) available to AHL common shareholder was driven by a $9.3 billion decrease in revenues, partially offset by a $1.8 billion decrease in noncontrolling interests, a $1.1 billion decrease in income tax expense and a $710 million decrease in benefits and expenses.

Revenues

Revenues decreased by $9.3 billion to $1.5 billion in 2022 from $10.8 billion in 2021. The decrease was driven by a decrease in investment related gains and losses and a decrease in net investment income, partially offset by an increase in premiums.

Investment related gains and losses decreased by $12.1 billion to $(10.0) billion in 2022 from $2.2 billion in 2021, primarily due to the changes in fair value of reinsurance assets, FIA hedging derivatives, mortgage loans, trading and equity securities, realized losses on AFS securities and an increase in the provision for credit losses, partially offset by foreign exchange gains on derivatives. The change in fair value of reinsurance assets decreased $5.5 billion primarily driven by the change in the value of the underlying assets mainly related to credit spread widening compared to credit spread tightening in the prior year and a larger increase in US Treasury rates in the current year. The change in fair value of FIA hedging derivatives decreased $4.0 billion primarily driven by the unfavorable performance of the indices upon which our call options are based. The majority of our call options are based on the S&P 500 index which decreased 20.6% in 2022, compared to an increase of 14.4% in 2021. The $1.9 billion unfavorable change in mortgage loans was primarily due to credit spread widening and an increase in US Treasury rates in the current year as well as unfavorable foreign exchange impacts. Additionally, at the beginning of the year, and in conjunction with our merger with Apollo, we elected the fair value option on our mortgage loans, while in prior periods they were stated at unpaid principal, adjusted for any unamortized premium or discount, net of an allowance for credit losses. The unfavorable changes in realized gains and losses on AFS securities of $889 million and fair value of trading and equity securities of $633 million were primarily due to credit spread widening compared to credit spread tightening in the prior year, a larger increase in US Treasury rates in the current year and unfavorable economics. The unfavorable change in the provision for credit losses of $424 million was primarily driven by unfavorable economics, including impacts from the conflict between Russia and Ukraine, exposure to China’s real estate market and higher allowances on CLO and ABS securities due to credit spread widening. The increase in foreign exchange gains on derivatives reflects additional business denominated in foreign currencies and the strengthening of the US dollar during the period.

Net investment income decreased by $277 million to $3.4 billion in 2022 from $3.7 billion in 2021, primarily driven by the favorable prior year change in fair value of our investment in Apollo of $414 million, which as distributed to AGM following the merger, less favorable alternative investment performance and lower new money rates throughout 2021. As a result of purchase accounting, the book value of our investment portfolio was marked up to fair value resulting in an adverse impact to our net investment income. These decreases were partially offset by growth in our investment portfolio attributed to strong inflows during the previous twelve months and higher floating rate income related to higher short-term interest rates.

Premiums increased by $3.1 billion to $7.7 billion in 2022 from $4.6 billion in 2021, driven by higher pension group annuity premiums compared to the prior year.

Benefits and Expenses

Benefits and expenses decreased by $710 million to $8.0 billion in 2022 from $8.7 billion in 2021. The decrease was driven by a decrease in interest sensitive contract benefits and a decrease in DAC, DSI and VOBA amortization. These decreases were offset by an increase in future policy and other policy benefits and an increase in policy and other operating expenses.

Interest sensitive contract benefits decreased by $3.0 billion to $(662) million in 2022 from $2.4 billion in 2021, primarily driven by a decrease in the change in FIA fair value embedded derivatives of $3.3 billion and higher negative VOBA amortization resulting from purchase accounting, partially offset by growth in the block of business. As a result of purchase accounting, we marked our reserve liabilities to fair value resulting in a favorable impact to our interest sensitive contract benefits. The change in the FIA fair value embedded derivatives was primarily due to the performance of the equity indices to which our FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 20.6% in 2022, compared to an increase of 14.4% in 2021, as well as the favorable change in discount rates, partially offset by unfavorable economics impacting policyholder projected benefits.

DAC, DSI and VOBA amortization decreased by $250 million to $250 million in 2022 from $500 million in 2021, primarily due to the unfavorable change in net FIA derivatives as a result of the unfavorable equity market performance as well as impacts from purchase accounting reflecting the removal of historical DAC and DSI, partially offset by the establishment of a new VOBA asset.

Future policy and other policy benefits increased by $2.4 billion to $7.7 billion in 2022 from $5.3 billion in 2021, primarily attributable to higher pension group annuity obligations, partially offset by a decrease in the change in rider reserves, a decrease in the change in the AmerUs Closed Block fair value liability and higher negative VOBA amortization resulting from purchase accounting. The favorable change in rider reserves of $498 million was primarily driven by the unfavorable change in reinsurance assets and net FIA derivatives. The change in the AmerUs Closed Block fair value liability was primarily due to unrealized losses on the underlying investments reflecting credit spreads widening and an increase in US Treasury rates.

Policy and other operating expenses increased by $148 million to $693 million in 2022 from $545 million in 2021, primarily driven by significant growth in the business and the amortization of newly established intangible assets as a result of the merger, partially offset by the costs incurred in the prior year related to our merger with Apollo.

Taxes

Income tax (benefit) expense decreased by $1.1 billion to $(891) million in 2022 from $246 million in 2021. The income tax benefit for 2022 was calculated by applying the 21% US statutory rate to the loss of our US and foreign subsidiaries (net of noncontrolling interests), and was primarily driven by the unfavorable changes in fair value of reinsurance assets and mortgage loans.

Our effective tax rate in 2022 was a benefit of 14% compared to an expense of 12% in 2021. The effective tax rate in 2022 was due to the change in fair value of reinsurance assets and mortgage loans subject to tax. Our effective tax rate in 2021 was dependent upon the relationship of income or loss subject to tax compared to the consolidated income or loss before income taxes.

Noncontrolling Interests

Noncontrolling interests decreased by $1.8 billion to $2.0 billion in 2022 from $148 million in 2021, primarily due to the unfavorable change in fair value of reinsurance assets as a result of more unrealized losses within reinsurance investment portfolios.

Summary of Non-GAAP Earnings

The following summarizes our spread related earnings:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Fixed income and other investment income, net	$ 1,302	$ 1,395	$ 2,509	$ 2,681
Alternative investment income	186	331	634	1,043
Net investment earnings	1,488	1,726	3,143	3,724
Strategic capital management fees	13	8	25	17
Cost of funds	(886)	(925)	(1,712)	(1,935)
Net investment spread	615	809	1,456	1,806
Other operating expenses	(109)	(85)	(218)	(175)
Interest and other financing costs	(64)	(62)	(126)	(124)
Spread related earnings	$ 442	$ 662	$ 1,112	$ 1,507

Three Months Ended June 30, 2022 Compared to the Three Months Ended June 30, 2021

Spread Related Earnings

SRE decreased by $220 million, or 33%, to $442 million in 2022 from $662 million in 2021. The decrease in SRE was driven by lower net investment earnings, partially offset by lower cost of funds. Net investment earnings decreased $238 million primarily driven by unfavorable purchase accounting adjustments, less favorable alternative investment performance compared to prior year, lower new money rates throughout 2021 and prior year early redemptions of two loans, partially offset by $30.0 billion of growth in our average net invested assets and higher floating rate income. Cost of funds were $39 million lower primarily driven by favorable purchase accounting adjustments, actuarial experience and an adjustment to exclude changes in the value of corporate-owned life insurance from SRE, partially offset by growth in the block of business, an unfavorable change in market impacts, an increase in rates on recent funding agreement issuances and pension group annuity transactions and higher rates on existing floating rate funding agreements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net Investment Spread

	Successor	Predecessor
	Three months ended June 30, 2022	Three months ended June 30, 2021
Fixed income and other investment earned rate	2.97 %	3.75 %
Alternative investment earned rate	6.38 %	16.73 %
Net investment earned rate	3.19 %	4.40 %
Strategic capital management fees	0.03 %	0.02 %
Cost of funds	1.90 %	2.36 %
Net investment spread	1.32 %	2.06 %

Net investment spread decreased 74 basis points to 1.32% in 2022 from 2.06% in 2021. Our net investment earned rate was 3.19% in 2022, a decrease from 4.40% in 2021, primarily due to less favorable performance in our alternative investment portfolio compared to prior year as well as lower returns in our fixed and other investment portfolio. Alternative net investment earned rate was 6.38% in 2022, a decrease from 16.73% in 2021, primarily driven by unfavorable economics and the alternative outperformance in the prior year, partially offset by strong real estate and yield fund returns. The prior year outperformance was mainly due to higher Venerable returns attributed to a valuation increase driven by a reinsurance agreement with Equitable Financial Life Insurance Company as well as strong returns on natural resources, credit funds and private equity funds due to favorable economics. Fixed and other net investment earned rate was 2.97% in 2022, a decrease from 3.75% in 2021, primarily driven by unfavorable purchase accounting impacts, lower new money rates throughout 2021 and prior year early redemptions of two loans, partially offset by favorable floating rate income.

Cost of funds decreased by 46 basis points to 1.90% in 2022, from 2.36% in 2021, primarily driven by favorable purchase accounting impacts, actuarial experience and an adjustment to exclude changes in the value of corporate-owned life insurance from SRE, partially offset by the unfavorable change in market impacts, higher cost of crediting rates on recent funding agreement issuances and pension group annuity transactions and higher rates on existing floating rate funding agreements.

Adjustments to Net Income (Loss) Available to Athene Holding Ltd. Common Shareholder

Adjustments to net income (loss) available to AHL common shareholder are comprised of investment gains (losses), net of offsets, change in fair value of derivatives and embedded derivatives - FIAs, net of offsets, integration, restructuring and other non-operating expenses and stock compensation expense. The decrease in adjustments to net income (loss) available to AHL common shareholder compared to 2021 was primarily driven by the change in investment related gains and losses and the net change in FIA derivatives. Investment related gains and losses, net of offsets were unfavorable $3.7 billion primarily due to the change in fair value of reinsurance assets, the change in fair value of mortgage loan assets, the prior year favorable change in the fair value of our investment in Apollo of $472 million, which was distributed to AGM following the merger, and the change in the provision for credit losses. The unfavorable changes in fair value of reinsurance assets of $2.2 billion and mortgage loans were primarily due to credit spread widening compared to credit spread tightening in the prior year and an increase in US Treasury rates compared to a decrease in the prior year. Additionally, at the beginning of the year, and in conjunction with our merger with Apollo, we elected the fair value option on our mortgage loans, while in prior periods they were stated at unpaid principal, adjusted for any unamortized premium or discount, net of an allowance for credit losses. The unfavorable change in the provision for credit losses of $147 million (net of noncontrolling interests) was primarily driven by unfavorable economics, including higher allowances on CLO and ABS securities due to credit spread widening, impacts from the conflict between Russia and Ukraine and exposure to China's real estate market. Net FIA derivatives were unfavorable $313 million primarily due to unfavorable performance of the equity indices to which our FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 16.4% in 2022, compared to an increase of 8.2% in 2021, as well as unfavorable economics impacting policyholder projected benefits, partially offset by the favorable change in discount rates.

Six Months Ended June 30, 2022 Compared to the Six Months Ended June 30, 2021

Spread Related Earnings

SRE decreased by $395 million, or 26%, to $1.1 billion in 2022 from $1.5 billion in 2021. The decrease in SRE was driven by lower net investment earnings, partially offset by lower cost of funds. Net investment earnings decreased $581 million primarily driven by less favorable alternative investment performance compared to prior year, unfavorable purchase accounting adjustments, lower new money rates throughout 2021 and the prior year early redemptions of two loans, partially offset by $29.9 billion of growth in our average net invested assets and higher floating rate income. Cost of funds were $223 million lower primarily driven by favorable purchase accounting adjustments and actuarial experience, partially offset by growth in the block of business and an unfavorable change in market impacts.

Net Investment Spread

	Successor	Predecessor
	Six months ended June 30, 2022	Six months ended June 30, 2021
Fixed income and other investment earned rate	2.90 %	3.66 %
Alternative investment earned rate	11.39 %	27.67 %
Net investment earned rate	3.42 %	4.83 %
Strategic capital management fees	0.03 %	0.02 %
Cost of funds	1.86 %	2.51 %
Net investment spread	1.59 %	2.34 %

Net investment spread decreased 75 basis points to 1.59% in 2022 from 2.34% in 2021. Our net investment earned rate was 3.42% in 2022, a decrease from 4.83% in 2021, primarily due to less favorable performance in our alternative investment portfolio compared to prior year as well as lower returns in our fixed and other investment portfolio. Alternative net investment earned rate was 11.39% in 2022, a decrease from 27.67% in 2021, primarily driven by significant outperformance in the prior year, partially offset by strong real estate returns and a higher Athora return in the current year. The prior year outperformance was mainly due to a higher return on AmeriHome Mortgage Company, LLC (AmeriHome) related to a valuation increase resulting from the eventual sale in the second quarter of 2021 and higher Venerable returns attributed to a valuation increase driven by a reinsurance agreement with Equitable Financial Life Insurance Company. Fixed and other net investment earned rate was 2.90% in 2022, a decrease from 3.66% in 2021, primarily driven by unfavorable purchase accounting impacts, lower new money rates throughout 2021 and the prior year early redemptions of two loans, partially offset by favorable floating rate income.

Cost of funds decreased by 65 basis points to 1.86% in 2022, from 2.51% in 2021, primarily driven by favorable purchase accounting impacts and actuarial experience, partially offset by an unfavorable change in market impacts.

Adjustments to Net Income (Loss) Available to Athene Holding Ltd. Common Shareholder

The decrease in adjustments to net income (loss) available to AHL common shareholder compared to 2021 was primarily driven by the change in investment related gains and losses and the net change in FIA derivatives. Investment related gains and losses, net of offsets were unfavorable $5.5 billion primarily due to the change in fair value of reinsurance assets, the change in fair value of mortgage loan assets, the prior year favorable change in the fair value of our investment in Apollo of $414 million, which was distributed to AGM following the merger, the change in the provision for credit losses and realized losses on the sale of AFS securities related to unfavorable economics in the current period. The change in fair value of reinsurance assets was unfavorable $3.0 billion primarily due to credit spread widening compared to credit spread tightening in the prior year. The unfavorable change in mortgage loans was primarily due to credit spread widening compared to credit spread tightening in the prior year and an increase in US Treasury rates in the current year. Additionally, at the beginning of the year, and in conjunction with our merger with Apollo, we elected the fair value option on our mortgage loans, while in prior periods they were stated at unpaid principal, adjusted for any unamortized premium or discount, net of an allowance for credit losses. The unfavorable change in the provision for credit losses of $323 million (net of noncontrolling interests) was primarily driven by unfavorable economics, including impacts from the conflict between Russia and Ukraine, exposure to China's real estate market and higher allowances on CLO and ABS securities due to credit spread widening. Net FIA derivatives were unfavorable $882 million primarily due to the unfavorable performance of the equity indices to which our FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 20.6% in 2022, compared to an increase of 14.4% in 2021, as well as unfavorable economics impacting the policyholder projected benefits, partially offset by the change in discount rates.

Investment Portfolio

We had consolidated investments, including related parties and VIEs, of $198.6 billion and $212.5 billion as of June 30, 2022 and December 31, 2021, respectively. Our investment strategy seeks to achieve sustainable risk-adjusted returns through the disciplined management of our investment portfolio against our long-duration liabilities, coupled with the diversification of risk. The investment strategies utilized by our investment manager focuses primarily on a buy and hold asset allocation strategy that may be adjusted periodically in response to changing market conditions and the nature of our liability profile. Substantially all of our investment portfolio is managed by Apollo, which provides a full suite of services, including direct investment management, asset allocation, mergers and acquisition asset diligence, and certain operational support services, including investment compliance, tax, legal and risk management support. Our relationship with Apollo allows us to take advantage of our generally illiquid liability profile by identifying investment opportunities with an emphasis on earning incremental yield by taking liquidity and complexity risk rather than assuming solely credit risk. Apollo's investment team and credit portfolio managers utilize their deep experience to assist us in sourcing and underwriting complex asset classes. Apollo has selected a diverse array of corporate bonds and more structured, but highly rated asset classes. We also maintain holdings in floating rate and less rate-sensitive instruments, including CLOs, non-agency RMBS and various types of structured products. In addition to our fixed income portfolio, we opportunistically allocate approximately 5%-6% of our portfolio to alternative investments where we primarily focus on fixed income-like, cash flow-based investments.

Net investment income on the condensed consolidated statements of income (loss) included management fees under our investment management arrangements with Apollo. We incurred management fees, inclusive of base and sub-allocation fees, of $182 million and $140 million, respectively, during the three months ended June 30, 2022 and 2021, and $368 million and $284 million, respectively, during the six months ended June 30, 2022, and 2021. The total amounts we incurred, directly and indirectly, from Apollo and its affiliates were $248 million, and $222 million, respectively, for the three months ended June 30, 2022 and 2021, and $548 million and $463 million, respectively, for the six months ended June 30, 2022, and 2021. Such amounts include (1) fees associated with investment management agreements, which exclude sub-advisory fees paid to ISG for the benefit of third-party sub-advisors but include fees charged by Apollo to third-party cedants with respect to assets supporting obligations reinsured to us (such fees directly reduce the settlement payments that we receive from the third-party cedant and, as such, we, as beneficiaries of the services performed, indirectly pay such fees), (2) fees associated with fund investments (including those fund investments held by AAA), which include total management fees, carried interest (including unrealized but accrued carried interest fees) and other fees on Apollo-managed funds and our other alternative investments and (3) other fees resulting from shared services, advisory and other agreements with Apollo or its affiliates; net of fees incurred directly and indirectly attributable to ACRA, based upon the economic ownership of the noncontrolling interest in ACRA.

Our net invested assets, which are those that directly back our net reserve liabilities as well as surplus assets, were $189.3 billion and $175.3 billion as of June 30, 2022 and December 31, 2021, respectively. Apollo’s knowledge of our funding structure and regulatory requirements allows it to design customized strategies and investments for our portfolio. Apollo manages our asset portfolio within the limits and constraints set forth in our Investment and Credit Risk Policy. Under this policy, we set limits on investments in our portfolio by asset class, such as corporate bonds, emerging markets securities, municipal bonds, non-agency RMBS, CMBS, CLOs, commercial mortgage whole loans and mezzanine loans and investment funds. We also set credit risk limits for exposure to a single issuer that vary based on the issuer’s ratings. In addition, our investment portfolio is constrained by its scenario-based capital ratio limit and its stressed liquidity limit.

The following table presents the carrying values of our total investments including related party and VIEs:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Carrying Value	Percent of Total	Carrying Value	Percent of Total
AFS securities, at fair value	$ 92,011	46.3 %	$ 100,159	47.1 %
Trading securities, at fair value	1,735	0.9 %	2,056	1.0 %
Equity securities	1,508	0.7 %	1,170	0.5 %
Mortgage loans	25,218	12.7 %	20,748	9.8 %
Investment funds	133	0.1 %	1,178	0.6 %
Policy loans	358	0.2 %	312	0.1 %
Funds withheld at interest	37,638	19.0 %	43,907	20.7 %
Derivative assets	2,932	1.5 %	4,387	2.1 %
Short-term investments	264	0.1 %	139	0.1 %
Other investments	855	0.4 %	1,473	0.7 %
Total investments	162,652	81.9 %	175,529	82.7 %
Investments in related parties				
AFS securities, at fair value	8,955	4.5 %	10,402	4.9 %
Trading securities, at fair value	898	0.4 %	1,781	0.8 %
Equity securities, at fair value	163	0.1 %	284	0.1 %
Mortgage loans	1,416	0.7 %	1,360	0.6 %
Investment funds	1,538	0.8 %	7,391	3.5 %
Funds withheld at interest	10,675	5.4 %	12,207	5.7 %
Other investments	272	0.1 %	222	0.1 %
Total related party investments	23,917	12.0 %	33,647	15.7 %
Total investments including related party	186,569	93.9 %	209,176	98.4 %
Investments owned by consolidated VIEs				
Trading securities, at fair value	386	0.2 %	—	— %
Mortgage loans	1,992	1.0 %	2,040	1.0 %
Investment funds	9,494	4.8 %	1,297	0.6 %
Other investments	111	0.1 %	—	— %
Total investments owned by consolidated VIEs	11,983	6.1 %	3,337	1.6 %
Total investments including related party and VIEs	$ 198,552	100.0 %	$ 212,513	100.0 %

The decrease in our total investments, including related party and VIEs, as of June 30, 2022 of $14.0 billion compared to December 31, 2021 was primarily driven by unrealized losses on AFS securities in the six months ended June 30, 2022 of $14.4 billion, unrealized losses within our funds withheld portfolio, the distribution of our $2.1 billion investment in Apollo to AGM following the merger, a decrease in the change in fair value of mortgage loan assets of $1.9 billion attributed to an increase in US Treasury rates and credit spread widening and a decrease in equity securities and derivative assets related to unfavorable economics. This was partially offset by growth from gross organic inflows of $23.6 billion in excess of gross liability outflows of $9.8 billion as well as an increase in investments from the consolidation of additional VIEs in conjunction with our merger with Apollo.

Our investment portfolio consists largely of high quality fixed maturity securities, loans and short-term investments, as well as additional opportunistic holdings in investment funds and other instruments, including equity holdings. Fixed maturity securities and loans include publicly issued corporate bonds, government and other sovereign bonds, privately placed corporate bonds and loans, mortgage loans, CMBS, RMBS, CLOs and ABS.

While the substantial majority of our investment portfolio has been allocated to corporate bonds and structured credit products, a key component of our investment strategy is the opportunistic acquisition of investment funds with attractive risk and return profiles. Our investment fund portfolio consists of funds that employ various strategies including real estate and other real asset funds, credit funds and private equity funds. We have a strong preference for assets that have some or all of the following characteristics, among others: (1) investments that constitute a direct investment or an investment in a fund with a high degree of co-investment; (2) investments with credit- or debt-like characteristics (for example, a stipulated maturity and par value), or alternatively, investments with reduced volatility when compared to pure equity; or (3) investments that we believe have less downside risk.

We hold derivatives for economic hedging purposes to reduce our exposure to the cash flow variability of assets and liabilities, equity market risk, interest rate risk, credit risk and foreign exchange risk. Our primary use of derivative instruments relates to providing the income needed to fund the annual indexed credits on our FIA products. We primarily use fixed indexed options to economically hedge index annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specific market index.

With respect to derivative positions, we transact with highly rated counterparties, and expect the counterparties to fulfill their obligations under the contracts. We generally use industry standard agreements and annexes with bilateral collateral provisions to further reduce counterparty credit exposure.

Related Party Investments

We hold investments in related party assets primarily comprised of AFS securities, trading securities, investment funds and funds withheld at interest reinsurance receivables which are primarily a result of investments over which Apollo can exercise influence. As of June 30, 2022, these investments totaled $33.2 billion, or 14.2% of our total assets. Related party AFS and trading securities primarily consist of structured securities for which Apollo is the manager of the underlying securitization vehicle and securities issued by Apollo direct origination platforms including Wheels Donlen and MidCap Financial. In each case, the underlying collateral, borrower or other credit party is generally unaffiliated with us. Related party investment funds include strategic investments in direct origination platforms and insurance companies and investments in Apollo managed funds. The funds withheld at interest related party amounts are primarily comprised of the Venerable reinsurance portfolios, which are considered related party even though a significant majority of the underlying assets within the investment portfolios do not have a related party affiliation.

A summary of our related party investments reflecting the nature of the affiliation is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Carrying Value	Percent of Total Assets	Carrying Value	Percent of Total Assets
Venerable funds withheld reinsurance portfolio	$ 10,675	4.6 %	$ 12,207	5.2 %
Securitizations of unaffiliated assets where Apollo is manager	8,704	3.7 %	9,495	4.0 %
Investments in Apollo funds	9,081	3.9 %	3,785	1.6 %
Strategic investments in Apollo direct origination platforms	2,636	1.1 %	5,704	2.4 %
Strategic investment in Apollo	—	— %	2,112	0.9 %
Strategic investments in insurance companies	2,099	0.9 %	1,626	0.7 %
Other	16	— %	17	— %
Total related party investments	$ 33,211	14.2 %	$ 34,946	14.8 %

As of June 30, 2022, a $10.7 billion funds withheld reinsurance asset with Venerable was included in our GAAP related party assets. Venerable is a related party due to our minority equity investment in its holding company's parent, VA Capital. For GAAP, each funds withheld and modified coinsurance reinsurance portfolio is treated as one asset rather than reporting the underlying investments in the portfolio. For our non-GAAP measure of net invested assets, we provide visibility into the underlying assets within these reinsurance portfolios. The below table looks through to the underlying assets within our reinsurance portfolios to determine the related party status. As of June 30, 2022, $26.5 billion, or 14.1% of our total net invested assets were related party investments. Of these, approximately $11.8 billion, or 6.3% of our net invested assets were structured securities for which Apollo or an affiliated direct origination platform was the manager of the underlying securitization vehicle, but the underlying collateral, borrower or other credit party is generally unaffiliated with us. Related party investments in strategic affiliated companies or Apollo funds represented $14.7 billion, or 7.8% of our net invested assets.

A summary of our related party net invested assets reflecting the nature of the affiliation is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021[1]	
(In millions, except percentages)	Net Invested Asset Value	Percent of Net Invested Assets	Net Invested Asset Value	Percent of Net Invested Assets
Securitizations of unaffiliated assets where Apollo is manager	$ 11,850	6.3 %	$ 13,736	7.8 %
Investments in Apollo funds	9,223	4.9 %	3,802	2.2 %
Strategic investments in Apollo direct origination platforms	3,360	1.8 %	6,074	3.5 %
Strategic investment in Apollo	—	— %	2,112	1.2 %
Strategic investments in insurance companies	2,099	1.1 %	1,626	0.9 %
Other	16	— %	17	— %
Total related party investments	$ 26,548	14.1 %	$ 27,367	15.6 %

[1] *Prior year related party net invested asset values have been revised.*

AFS Securities

We invest in AFS securities and attempt to source investments that match our future cash flow needs. However, we may sell any of our investments in advance of maturity to timely satisfy our liabilities as they become due or in order to respond to a change in the credit profile or other characteristics of the particular investment.

AFS securities are carried at fair value, less allowances for expected credit losses, on our condensed consolidated balance sheets. Changes in fair value of our AFS securities, net of related DAC and DSI amortization and the change in rider reserves, are charged or credited to other comprehensive income, net of tax. All changes in the allowance for expected credit losses, whether due to passage of time, change in expected cash flows, or change in fair value are recorded through credit loss expense within investment related gains (losses) on the condensed consolidated statements of income (loss).

The distribution of our AFS securities, including related party, by type is as follows:

	Successor					
	June 30, 2022					
(In millions, except percentages)	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Fair Value	Percent of Total
AFS securities						
US government and agencies	$ 3,277	$ —	$ 1	$ (484)	$ 2,794	2.8 %
US state, municipal and political subdivisions	1,209	—	—	(209)	1,000	1.0 %
Foreign governments	1,199	(61)	4	(246)	896	0.9 %
Corporate	67,584	(70)	45	(11,341)	56,218	55.6 %
CLO	14,783	(107)	2	(1,193)	13,485	13.3 %
ABS	10,095	(14)	8	(542)	9,547	9.5 %
CMBS	3,181	(9)	16	(284)	2,904	2.9 %
RMBS	5,879	(348)	3	(367)	5,167	5.1 %
Total AFS securities	107,207	(609)	79	(14,666)	92,011	91.1 %
AFS securities – related party						
Corporate	1,043	—	2	(38)	1,007	1.0 %
CLO	2,945	(19)	1	(248)	2,679	2.7 %
ABS	5,441	(1)	1	(172)	5,269	5.2 %
Total AFS securities – related party	9,429	(20)	4	(458)	8,955	8.9 %
Total AFS securities including related party	$ 116,636	$ (629)	$ 83	$ (15,124)	$ 100,966	100.0 %

	Predecessor					
	December 31, 2021					
(In millions, except percentages)	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Fair Value	Percent of Total
AFS securities						
US government and agencies	$ 231	$ —	$ 2	$ (10)	$ 223	0.2 %
US state, municipal and political subdivisions	1,081	—	134	(2)	1,213	1.1 %
Foreign governments	1,110	—	35	(17)	1,128	1.0 %
Corporate	62,817	—	4,060	(651)	66,226	59.9 %
CLO	13,793	—	44	(185)	13,652	12.4 %
ABS	8,890	(17)	151	(35)	8,989	8.1 %
CMBS	2,764	(3)	56	(59)	2,758	2.5 %
RMBS	5,772	(103)	326	(25)	5,970	5.4 %
Total AFS securities	96,458	(123)	4,808	(984)	100,159	90.6 %
AFS securities – related party						
Corporate	842	—	19	(2)	859	0.8 %
CLO	2,573	—	5	(29)	2,549	2.3 %
ABS	6,986	—	61	(53)	6,994	6.3 %
Total AFS securities – related party	10,401	—	85	(84)	10,402	9.4 %
Total AFS securities including related party	$ 106,859	$ (123)	$ 4,893	$ (1,068)	$ 110,561	100.0 %

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

We maintain a diversified AFS portfolio of corporate fixed maturity securities across industries and issuers, and a diversified portfolio of structured securities. The composition of our AFS securities, including related parties, is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Fair Value	Percent of Total
Corporate				
Industrial other[1]	$ 20,899	20.7 %	$ 23,882	21.6 %
Financial	18,003	17.8 %	21,537	19.5 %
Utilities	11,823	11.7 %	14,290	12.9 %
Communication	2,725	2.7 %	3,492	3.2 %
Transportation	3,775	3.7 %	3,884	3.5 %
Total corporate	57,225	56.6 %	67,085	60.7 %
Other government-related securities				
US state, municipal and political subdivisions	1,000	1.0 %	1,213	1.1 %
Foreign governments	896	0.9 %	1,128	1.0 %
US government and agencies	2,794	2.8 %	223	0.2 %
Total non-structured securities	61,915	61.3 %	69,649	63.0 %
Structured securities				
CLO	16,164	16.0 %	16,201	14.7 %
ABS	14,816	14.7 %	15,983	14.4 %
CMBS	2,904	2.9 %	2,758	2.5 %
RMBS				
Agency	14	— %	23	— %
Non-agency	5,153	5.1 %	5,947	5.4 %
Total structured securities	39,051	38.7 %	40,912	37.0 %
Total AFS securities including related party	$ 100,966	100.0 %	$ 110,561	100.0 %

[1] *Includes securities within various industry segments including capital goods, basic industry, consumer cyclical, consumer non-cyclical, industrial and technology.*

The fair value of our AFS securities, including related parties, was $101.0 billion and $110.6 billion as of June 30, 2022 and December 31, 2021, respectively. The decrease was mainly driven by unrealized losses on AFS securities in the six months ended June 30, 2022 of $14.4 billion attributed to an increase in US Treasury rates and credit spread widening, partially offset by growth from organic inflows in excess of liability outflows.

The Securities Valuation Office (SVO) of the NAIC is responsible for the credit quality assessment and valuation of securities owned by state regulated insurance companies. Insurance companies report ownership of securities to the SVO when such securities are eligible for filing on the relevant schedule of the NAIC Financial Statement. The SVO conducts credit analysis on these securities for the purpose of assigning an NAIC designation and/or unit price. Generally, the process for assigning an NAIC designation varies based upon whether a security is considered "filing exempt" (General Designation Process). Subject to certain exceptions, a security is typically considered "filing exempt" if it has been rated by a Nationally Recognized Statistical Rating Organization (NRSRO). For securities that are not "filing exempt," insurance companies assign temporary designations based upon a subjective evaluation of credit quality. The insurance company generally must then submit the securities to the SVO within 120 days of acquisition to receive an NAIC designation. For securities considered "filing exempt," the SVO utilizes the NRSRO rating and assigns an NAIC designation based upon the following system:

NAIC designation	NRSRO equivalent rating
1 A-G	AAA/AA/A
2 A-C	BBB
3 A-C	BB
4 A-C	B
5 A-C	CCC
6	CC and lower

An important exception to the General Designation Process occurs in the case of certain loan-backed and structured securities (LBaSS). The NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par, regardless of an investor's carrying value. In effect, the NRSRO rating assumes that the holder is the original purchaser at par. In contrast, the SVO's LBaSS methodology is focused on determining the risk associated with the recovery of the amortized cost of each security. Because the NAIC's methodology explicitly considers amortized cost and the likelihood of recovery of such amount, we view the NAIC's methodology as the most appropriate means of evaluating the credit quality of our fixed maturity portfolio since a large portion of our holdings were purchased and are carried at significant discounts to par.

The SVO has developed a designation process and provides instruction on modeled LBaSS. For modeled LBaSS, the process is specific to the non-agency RMBS and CMBS asset classes. In order to establish ratings at the individual security level, the SVO obtains loan-level analysis of each RMBS and CMBS using a selected vendor's proprietary financial model. The SVO ensures that the vendor has extensive internal quality-control processes in place and the SVO conducts its own quality-control checks of the selected vendor's valuation process. The SVO has retained the services of Blackrock, Inc. (Blackrock) to model non-agency RMBS and CMBS owned by US insurers for all years presented herein. Blackrock provides five prices (breakpoints), based on each US insurer's statutory book value price, to utilize in determining the NAIC designation for each modeled LBaSS.

The NAIC designation determines the associated level of risk-based capital that an insurer is required to hold for all securities owned by the insurer. In general, under the modeled LBaSS process, the larger the discount to par value at the time of determination, the higher the NAIC designation the LBaSS will have.

A summary of our AFS securities, including related parties, by NAIC designation is as follows:

	Successor			Predecessor		
	June 30, 2022			December 31, 2021		
(In millions, except percentages)	Amortized Cost	Fair Value	Percent of Total	Amortized Cost	Fair Value	Percent of Total
NAIC designation						
1 A-G	$ 58,226	$ 50,906	50.4 %	$ 49,639	$ 51,514	46.6 %
2 A-C	53,190	45,525	45.1 %	51,587	53,398	48.3 %
Total investment grade	111,416	96,431	95.5 %	101,226	104,912	94.9 %
3 A-C	3,806	3,373	3.3 %	4,199	4,247	3.8 %
4 A-C	988	873	0.9 %	1,113	1,100	1.0 %
5 A-C	52	46	0.1 %	94	88	0.1 %
6	374	243	0.2 %	227	214	0.2 %
Total below investment grade	5,220	4,535	4.5 %	5,633	5,649	5.1 %
Total AFS securities including related party	$ 116,636	$ 100,966	100.0 %	$ 106,859	$ 110,561	100.0 %

A significant majority of our AFS portfolio, 95.5% and 94.9% as of June 30, 2022 and December 31, 2021, respectively, was invested in assets considered investment grade with an NAIC designation of 1 or 2.

A summary of our AFS securities, including related parties, by NRSRO ratings is set forth below:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating agency designation				
AAA/AA/A	$ 44,391	44.0 %	$ 44,501	40.2 %
BBB	40,942	40.5 %	47,636	43.1 %
Non-rated[1]	9,353	9.3 %	10,754	9.7 %
Total investment grade	94,686	93.8 %	102,891	93.0 %
BB	3,005	3.0 %	3,713	3.4 %
B	742	0.7 %	946	0.9 %
CCC	1,119	1.1 %	1,356	1.2 %
CC and lower	640	0.6 %	755	0.7 %
Non-rated[1]	774	0.8 %	900	0.8 %
Total below investment grade	6,280	6.2 %	7,670	7.0 %
Total AFS securities including related party	$ 100,966	100.0 %	$ 110,561	100.0 %

[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 rating methodology.*

Consistent with the NAIC Process and Procedures Manual, an NRSRO rating was assigned based on the following criteria: (a) the equivalent S&P rating when the security is rated by one NRSRO; (b) the equivalent S&P rating of the lowest NRSRO when the security is rated by two NRSROs; and (c) the equivalent S&P rating of the second lowest NRSRO when the security is rated by three or more NRSROs. If the lowest two NRSRO ratings are equal, then such rating will be the assigned rating. NRSRO ratings available for the periods presented were S&P, Fitch, Moody's Investor Service, DBRS, and Kroll Bond Rating Agency, Inc.

The portion of our AFS portfolio that was considered below investment grade based on NRSRO ratings was 6.2% and 7.0% as of June 30, 2022 and December 31, 2021, respectively. The primary driver of the difference in the percentage of securities considered below investment grade by NRSRO as compared to the securities considered below investment grade by the NAIC is the difference in methodologies between the NRSRO and NAIC for RMBS due to investments acquired and/or carried at a discount to par value, as discussed above.

As of June 30, 2022 and December 31, 2021, non-rated securities were comprised of 86% and 73%, respectively, of corporate private placement securities for which we have not sought individual ratings from an NRSRO, and 17% for each of June 30, 2022 and December 31, 2021, of RMBS, many of which were acquired at a significant discount to par. We rely on internal analysis and designations assigned by the NAIC to evaluate the credit risk of our portfolio. As of each of June 30, 2022 and December 31, 2021, 92% of the non-rated securities were designated NAIC 1 or 2.

Asset-backed Securities – We invest in ABS which are securitized by pools of assets such as consumer loans, automobile loans, student loans, insurance-linked securities, operating cash flows of corporations and cash flows from various types of business equipment. Our ABS holdings were $14.8 billion and $16.0 billion as of June 30, 2022 and December 31, 2021, respectively.

A summary of our ABS portfolio, including related parties, by NAIC designations and NRSRO quality ratings is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation				
1 A-G	$ 8,255	55.7 %	$ 8,089	50.6 %
2 A-C	5,762	38.9 %	7,047	44.1 %
Total investment grade	14,017	94.6 %	15,136	94.7 %
3 A-C	602	4.1 %	643	4.0 %
4 A-C	184	1.2 %	200	1.3 %
5 A-C	4	— %	4	— %
6	9	0.1 %	—	— %
Total below investment grade	799	5.4 %	847	5.3 %
Total AFS ABS including related party	$ 14,816	100.0 %	$ 15,983	100.0 %
NRSRO rating agency designation				
AAA/AA/A	$ 8,221	55.5 %	$ 7,892	49.4 %
BBB	5,749	38.8 %	6,975	43.5 %
Non-rated	47	0.3 %	232	1.5 %
Total investment grade	14,017	94.6 %	15,099	94.4 %
BB	602	4.1 %	680	4.3 %
B	192	1.3 %	200	1.3 %
CCC	5	— %	4	— %
CC and lower	—	— %	—	— %
Non-rated	—	— %	—	— %
Total below investment grade	799	5.4 %	884	5.6 %
Total AFS ABS including related party	$ 14,816	100.0 %	$ 15,983	100.0 %

As of June 30, 2022 and December 31, 2021, a substantial majority of our AFS ABS portfolio, 94.6% and 94.7%, respectively, was invested in assets considered to be investment grade based upon application of the NAIC's methodology while 94.6% and 94.4%, respectively, of securities were considered investment grade based on NRSRO ratings. The decrease in our ABS portfolio was primarily driven by unrealized losses due to an increase in US Treasury rates and credit spread widening.

Collateralized Loan Obligations – We also invest in CLOs which pay principal and interest from cash flows received from underlying corporate loans. These holdings were $16.2 billion as of each of June 30, 2022 and December 31, 2021.

A summary of our AFS CLO portfolio, including related parties, by NAIC designations and NRSRO quality ratings is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation				
1 A-G	$ 9,920	61.4 %	$ 9,957	61.5 %
2 A-C	6,105	37.8 %	6,096	37.6 %
Total investment grade	16,025	99.2 %	16,053	99.1 %
3 A-C	121	0.7 %	124	0.8 %
4 A-C	18	0.1 %	24	0.1 %
5 A-C	—	— %	—	— %
6	—	— %	—	— %
Total below investment grade	139	0.8 %	148	0.9 %
Total AFS CLO including related party	$ 16,164	100.0 %	$ 16,201	100.0 %
NRSRO rating agency designation				
AAA/AA/A	$ 9,904	61.3 %	$ 9,943	61.4 %
BBB	6,052	37.5 %	6,101	37.6 %
Non-rated	72	0.4 %	—	— %
Total investment grade	16,028	99.2 %	16,044	99.0 %
BB	118	0.7 %	130	0.8 %
B	18	0.1 %	27	0.2 %
CCC	—	— %	—	— %
CC and lower	—	— %	—	— %
Non-rated	—	— %	—	— %
Total below investment grade	136	0.8 %	157	1.0 %
Total AFS CLO including related party	$ 16,164	100.0 %	$ 16,201	100.0 %

As of June 30, 2022 and December 31, 2021, 99.2% and 99.1% respectively, of our AFS CLO portfolio was invested in assets considered to be investment grade based upon application of the NAIC's methodology.

Commercial Mortgage-backed Securities – A portion of our AFS portfolio is invested in CMBS. CMBS are constructed from pools of commercial mortgages. These holdings were $2.9 billion and $2.8 billion as of June 30, 2022 and December 31, 2021, respectively. As of June 30, 2022 and December 31, 2021, our CMBS portfolio included $2.3 billion (78% of the total) and $2.0 billion (74% of the total), respectively, of securities that are considered investment grade based on NAIC designations, while $2.3 billion (78% of the total) and $2.1 billion (75% of the total), respectively, of securities were considered investment grade based on NRSRO ratings.

Residential Mortgage-backed Securities – A portion of our AFS portfolio is invested in RMBS, which are securities constructed from pools of residential mortgages. These holdings were $5.2 billion and $6.0 billion as of June 30, 2022 and December 31, 2021, respectively.

A summary of our AFS RMBS portfolio by NAIC designations and NRSRO quality ratings is as follows:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Fair Value	Percent of Total
NAIC designation				
1 A-G	$ 4,458	86.3 %	$ 5,097	85.4 %
2 A-C	288	5.6 %	331	5.5 %
Total investment grade	4,746	91.9 %	5,428	90.9 %
3 A-C	268	5.2 %	327	5.5 %
4 A-C	136	2.6 %	172	2.9 %
5 A-C	16	0.3 %	29	0.5 %
6	1	— %	14	0.2 %
Total below investment grade	421	8.1 %	542	9.1 %
Total AFS RMBS	$ 5,167	100.0 %	$ 5,970	100.0 %
NRSRO rating agency designation				
AAA/AA/A	$ 1,191	23.1 %	$ 1,110	18.6 %
BBB	388	7.5 %	522	8.7 %
Non-rated[1]	1,452	28.1 %	1,648	27.6 %
Total investment grade	3,031	58.7 %	3,280	54.9 %
BB	87	1.7 %	184	3.1 %
B	120	2.3 %	193	3.2 %
CCC	1,062	20.5 %	1,281	21.5 %
CC and lower	623	12.1 %	733	12.3 %
Non-rated[1]	244	4.7 %	299	5.0 %
Total below investment grade	2,136	41.3 %	2,690	45.1 %
Total AFS RMBS	$ 5,167	100.0 %	$ 5,970	100.0 %

[1] *Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designations. The NAIC designation methodology differs in significant respects from the NRSRO rating methodology.*

A significant majority of our RMBS portfolio, 91.9% and 90.9% as of June 30, 2022 and December 31, 2021, respectively, was invested in assets considered to be investment grade based upon an application of the NAIC designations. The NAIC's methodology with respect to RMBS gives explicit effect to the amortized cost at which an insurance company carries each such investment. Because we invested in RMBS after the stresses related to US housing had caused significant downward pressure on prices of RMBS, we carry most of our investments in RMBS at significant discounts to par value, which results in an investment grade NAIC designation. In contrast, our understanding is that in setting ratings, NRSROs focus on the likelihood of recovering all contractual payments including principal at par value. As a result of a fundamental difference in approach, as of June 30, 2022 and December 31, 2021, NRSRO characterized 58.7% and 54.9%, respectively, of our RMBS portfolio as investment grade.

Unrealized Losses

Our investments in AFS securities, including related parties, are reported at fair value with changes in fair value recorded in other comprehensive income. Certain of our AFS securities, including related parties, have experienced declines in fair value that we consider temporary in nature. These investments are held to support our product liabilities, and we currently have the intent and ability to hold these securities until recovery of the amortized cost basis prior to sale or maturity. As of June 30, 2022, our AFS securities, including related party, had a fair value of $101.0 billion, which was 13.4% below amortized cost of $116.6 billion. As of December 31, 2021, our AFS securities, including related party, had a fair value of $110.6 billion, which was 3.5% above amortized cost of $106.9 billion. Our fair value of AFS securities as of June 30, 2022 was below amortized cost as the investment portfolio was marked to fair value on January 1, 2022 in conjunction with purchase accounting with subsequent losses driven by the increase in US Treasury rates and credit spread widening experienced in the current year.

The following tables reflect the unrealized losses on the AFS portfolio, including related party, for which an allowance for credit losses has not been recorded, by NAIC designations:

	Successor					
	June 30, 2022					
(In millions, except percentages)	Amortized Cost of AFS Securities with Unrealized Loss	Gross Unrealized Losses	Fair Value of AFS Securities with Unrealized Loss	Fair Value to Amortized Cost Ratio	Fair Value of Total AFS Securities	Gross Unrealized Losses to Total AFS Fair Value
NAIC designation						
1 A-G	$ 51,860	$ (6,871)	$ 44,989	86.8 %	$ 50,906	(13.5)%
2 A-C	49,913	(7,501)	42,412	85.0 %	45,525	(16.5)%
Total investment grade	101,773	(14,372)	87,401	85.9 %	96,431	(14.9)%
3 A-C	3,300	(386)	2,914	88.3 %	3,373	(11.4)%
4 A-C	713	(83)	630	88.4 %	873	(9.5)%
5 A-C	46	(6)	40	87.0 %	46	(13.0)%
6	28	(5)	23	82.1 %	243	(2.1)%
Total below investment grade	4,087	(480)	3,607	88.3 %	4,535	(10.6)%
Total	$ 105,860	$ (14,852)	$ 91,008	86.0 %	$ 100,966	(14.7)%

	Predecessor					
	December 31, 2021					
(In millions, except percentages)	Amortized Cost of AFS Securities with Unrealized Loss	Gross Unrealized Losses	Fair Value of AFS Securities with Unrealized Loss	Fair Value to Amortized Cost Ratio	Fair Value of Total AFS Securities	Gross Unrealized Losses to Total AFS Fair Value
NAIC designation						
1 A-G	$ 19,369	$ (338)	$ 19,031	98.3 %	$ 51,514	(0.7)%
2 A-C	20,849	(475)	20,374	97.7 %	53,398	(0.9)%
Total investment grade	40,218	(813)	39,405	98.0 %	104,912	(0.8)%
3 A-C	1,494	(82)	1,412	94.5 %	4,247	(1.9)%
4 A-C	410	(26)	384	93.7 %	1,100	(2.4)%
5 A-C	41	(6)	35	85.4 %	88	(6.8)%
6	61	(14)	47	77.0 %	214	(6.5)%
Total below investment grade	2,006	(128)	1,878	93.6 %	5,649	(2.3)%
Total	$ 42,224	$ (941)	$ 41,283	97.8 %	$ 110,561	(0.9)%

The gross unrealized losses on AFS securities, including related party, were $14.9 billion and $941 million as of June 30, 2022 and December 31, 2021, respectively. The increase in unrealized losses on AFS securities was driven by the increase in US Treasury rates and credit spread widening experienced in the current year.

As of June 30, 2022 and December 31, 2021, we held $6.0 billion and $7.4 billion, respectively, in energy sector fixed maturity securities, or 6% and 7%, respectively, of the total fixed maturity securities, including related party. The gross unrealized capital losses on these securities were $1.1 billion and $35 million, or 7% and 4% of the total unrealized losses, respectively. The increase in unrealized losses on energy sector fixed maturity securities was primarily attributed to an increase in US Treasury rates and credit spread widening.

Provision for Credit Losses

For our credit loss accounting policies and the assumptions used in the allowances, see *Note 1 – Business, Basis of Presentation and Significant Accounting Policies* and *Note 3 – Investments* to the condensed consolidated financial statements, as well as *Critical Accounting Estimates and Judgments* in this Item 2.

As of June 30, 2022 and December 31, 2021, we held an allowance for credit losses on AFS securities of $629 million and $123 million, respectively. During the six months ended June 30, 2022, we recorded a change in provision for credit losses on AFS securities of $318 million, of which $339 million had an income statement impact and $(21) million related to PCD securities. The increase in the allowance for credit losses on AFS securities was mainly due to unfavorable economics, including impacts from the conflict between Russia and Ukraine, exposure to China's real estate market and higher allowances on CLO and ABS securities due to credit spread widening. During the six months ended June 30, 2021, we recorded a change in provision for credit losses on AFS securities of $5 million of which all $5 million had an income statement impact. The intent-to-sell impairments for the six months ended June 30, 2022 and 2021 were $22 million and $3 million, respectively.

International Exposure

A portion of our AFS securities are invested in securities with international exposure. As of both June 30, 2022 and December 31, 2021, 35% of the carrying value of our AFS securities, including related parties, was comprised of securities of issuers based outside of the United States and debt securities of foreign governments. These securities are either denominated in US dollars or do not expose us to significant foreign currency risk as a result of foreign currency swap arrangements.

The following table presents our international exposure in our AFS portfolio, including related parties, by country or region:

	Successor			Predecessor		
	June 30, 2022			December 31, 2021		
(In millions, except percentages)	Amortized Cost	Fair Value	Percent of Total	Amortized Cost	Fair Value	Percent of Total
Country of risk						
Ireland	$ 4,964	$ 4,097	11.7 %	$ 5,172	$ 5,052	13.0 %
Other Europe	9,421	7,597	21.7 %	8,864	9,218	23.7 %
Total Europe	14,385	11,694	33.4 %	14,036	14,270	36.7 %
Non-US North America	17,851	16,452	47.0 %	17,218	17,387	44.8 %
Australia & New Zealand	2,728	2,378	6.8 %	2,441	2,557	6.6 %
Central & South America	1,621	1,380	4.0 %	1,347	1,346	3.5 %
Africa & Middle East	2,267	1,973	5.6 %	1,966	2,019	5.2 %
Asia/Pacific	1,481	1,107	3.2 %	1,256	1,262	3.2 %
Total	$ 40,333	$ 34,984	100.0 %	$ 38,264	$ 38,841	100.0 %

Approximately 97.0% and 96.7% of these securities are investment grade by NAIC designation as of June 30, 2022 and December 31, 2021. As of June 30, 2022, 11% of our AFS securities, including related parties, were invested in CLOs of Cayman Islands issuers (included in Non-US North America) for which underlying investments are largely loans to US issuers and 24% were invested in securities of other non-US issuers.

The majority of our investments in Ireland are comprised of Euro denominated CLOs, for which the SPV is domiciled in Ireland, but the underlying leveraged loans involve borrowers from the broader European region.

As of June 30, 2022, we held Russian AFS securities of $31 million, including related parties. Our investment managers analyze each holding for credit risk by economic and other factors of each country and industry.

Trading Securities

Trading securities, including related parties, were $2.6 billion and $3.8 billion as of June 30, 2022 and December 31, 2021, respectively. Trading securities are primarily comprised of AmerUs Closed Block securities for which we have elected the fair value option valuation, CLO and ABS equity tranche securities, structured securities with embedded derivatives, investments which support various reinsurance arrangements and MidCap Financial profit participating notes prior to the contribution of the notes to AAA during the second quarter of 2022. The decrease in trading securities was primarily driven by the contribution of our MidCap Financial profit participating notes and PK AirFinance subordinated notes to AAA during the second quarter of 2022 as well as losses caused by an increase in US Treasury rates and credit spread widening.

Mortgage Loans

The following is a summary of our mortgage loan portfolio by collateral type, including assets held by related parties and consolidated VIEs:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Fair Value	Percent of Total	Net Carrying Value	Percent of Total
Property type				
Office building	$ 5,148	18.1 %	$ 4,870	20.1 %
Retail	1,929	6.7 %	2,022	8.4 %
Apartment	6,068	21.2 %	4,626	19.2 %
Hotels	1,730	6.0 %	1,727	7.2 %
Industrial	2,459	8.6 %	2,336	9.7 %
Other commercial[1]	2,005	7.0 %	1,316	5.4 %
Total net commercial mortgage loans	19,339	67.6 %	16,897	70.0 %
Residential loans	9,287	32.4 %	7,251	30.0 %
Total mortgage loans, including related parties and VIEs	$ 28,626	100.0 %	$ 24,148	100.0 %

[1] *Other commercial loans include investments in nursing homes, other healthcare institutions, parking garages, storage facilities and other commercial properties.*

We invest a portion of our investment portfolio in mortgage loans, which are generally comprised of high quality commercial first lien and mezzanine real estate loans. Our mortgage loan holdings, including related parties and consolidated VIEs, were $28.6 billion and $24.1 billion as of June 30, 2022 and December 31, 2021, respectively. This included $1.8 billion and $1.9 billion of mezzanine mortgage loans as of June 30, 2022 and December 31, 2021, respectively. We have acquired mortgage loans through acquisitions and reinsurance arrangements, as well as through an active program to invest in new mortgage loans. We invest in CMLs on income producing properties including hotels, apartments, retail and office buildings, and other commercial and industrial properties. Our RML portfolio primarily consists of first lien RMLs collateralized by properties located in the US. Loan-to-value ratios at the time of loan approval are generally 75% or less.

In connection with the merger, we elected the fair value option on our mortgage loan portfolio; therefore, we no longer have an allowance for credit losses for commercial and residential loans. Interest income is accrued on the principal amount of the loan based on the loan’s contractual interest rate. Interest income and prepayment fees are reported in net investment income on the condensed consolidated statements of income (loss). Changes in the fair value of the mortgage loan portfolio are reported in investment related gains (losses) on the condensed consolidated statements of income (loss).

It is our policy to cease to accrue interest on loans that are over 90 days delinquent. For loans less than 90 days delinquent, interest is accrued unless it is determined that the accrued interest is not collectible. If a loan becomes over 90 days delinquent, it is our general policy to initiate foreclosure proceedings unless a workout arrangement to bring the loan current is in place. As of June 30, 2022 and December 31, 2021, we had $677 million and $990 million, respectively, of mortgage loans that were 90 days past due, of which $130 million and $54 million, respectively, were in the process of foreclosure. As of June 30, 2022 and December 31, 2021, $338 million and $856 million of mortgage loans that were 90 days past due were related to Government National Mortgage Association (GNMA) early buyouts that are fully or partially guaranteed and are accruing interest.

Investment Funds

Our investment funds investment strategy primarily focuses on funds with core holdings of strategic origination and insurance platforms and equity, hybrid, yield and other funds. Our investment funds generally meet the definition of a VIE, and in certain cases these investment funds are consolidated in our financial statements because we meet the criteria of the primary beneficiary.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following table illustrates our investment funds, including related parties and consolidated VIEs:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021[1]	
(In millions, except percentages)	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investment funds				
Equity	$ 21	0.2 %	$ 410	4.2 %
Hybrid	93	0.8 %	667	6.7 %
Yield	19	0.2 %	99	1.0 %
Other	—	— %	2	— %
Total investment funds	133	1.2 %	1,178	11.9 %
Investment funds – related parties				
Strategic origination platforms	267	2.4 %	1,338	13.6 %
Strategic insurance platforms	1,092	9.8 %	1,440	14.6 %
Apollo and other fund investments				
Equity	148	1.3 %	1,199	12.1 %
Hybrid	8	0.1 %	952	9.6 %
Yield	1	— %	305	3.1 %
Other[2]	22	0.2 %	2,157	21.9 %
Total investment funds – related parties	1,538	13.8 %	7,391	74.9 %
Investment funds owned by consolidated VIEs				
Strategic origination platforms	2,883	25.8 %	264	2.7 %
Strategic insurance platforms	554	5.0 %	—	— %
Apollo and other fund investments				
Equity	2,575	23.1 %	229	2.3 %
Hybrid	2,154	19.3 %	56	0.6 %
Yield	1,288	11.5 %	748	7.6 %
Other	40	0.3 %	—	— %
Total investment funds owned by consolidated VIEs	9,494	85.0 %	1,297	13.2 %
Total investment funds, including related parties and VIEs	$ 11,165	100.0 %	$ 9,866	100.0 %

[1] *Certain reclassifications have been made to conform with current year presentation.*

[2] *Includes our investment in Apollo held as of December 31, 2021.*

Overall, the total investment funds, including related parties and consolidated VIEs, were $11.2 billion and $9.9 billion, respectively, as of June 30, 2022 and December 31, 2021. See *Note 3 – Investments* to the condensed consolidated financial statements for further discussion regarding how we account for our investment funds. Our investment fund portfolio is subject to a number of market related risks including interest rate risk and equity market risk. Interest rate risk represents the potential for changes in the investment fund's net asset values resulting from changes in the general level of interest rates. Equity market risk represents potential for changes in the investment fund's net asset values resulting from changes in equity markets or from other external factors which influence equity markets. These risks expose us to potential volatility in our earnings period-over-period. We actively monitor our exposure to these risks. The increase in investment funds, including related parties and consolidated VIEs, was primarily driven by the consolidation of additional VIEs in conjunction with our merger with Apollo, the deployment of organic inflows and the increase in valuation of several funds, partially offset by the distribution of our $2.1 billion investment in Apollo to AGM following the merger.

Funds Withheld at Interest

Funds withheld at interest represent 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. Generally, assets equal to statutory reserves are withheld and legally owned by the ceding company. We hold funds withheld at interest receivables, including those held with VIAC, Lincoln and Jackson. As of June 30, 2022, the majority of the ceding companies holding the assets pursuant to such reinsurance agreements had a financial strength rating of A or better (based on an A.M. Best scale).

The funds withheld at interest is comprised of the host contract and an embedded derivative. We are subject to the investment performance on the withheld assets with the total return directly impacting the host contract and the embedded derivative. Interest accrues at a risk-free rate on the host receivable and is recorded as net investment income in the condensed consolidated statements of income (loss). The embedded derivative in our reinsurance agreements is similar to a total return swap on the income generated by the underlying assets held by the ceding companies. The change in the embedded derivative is recorded in investment related gains (losses). Although we do not legally own the underlying investments in the funds withheld at interest, in each instance the ceding company has hired Apollo to manage the withheld assets in accordance with our investment guidelines.

The following summarizes the underlying investment composition of the funds withheld at interest, including related parties:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Fixed maturity securities				
US government and agencies	$ —	— %	$ 50	0.1 %
US state, municipal and political subdivisions	289	0.6 %	338	0.6 %
Foreign governments	422	0.9 %	553	1.0 %
Corporate	22,201	45.9 %	26,143	46.5 %
CLO	4,338	9.0 %	5,322	9.5 %
ABS	6,825	14.1 %	7,951	14.2 %
CMBS	1,374	2.8 %	1,661	3.0 %
RMBS	1,383	2.9 %	1,586	2.8 %
Equity securities	432	0.9 %	243	0.4 %
Mortgage loans	8,801	18.2 %	9,437	16.8 %
Investment funds	1,294	2.7 %	1,807	3.2 %
Derivative assets	135	0.3 %	208	0.4 %
Short-term investments	402	0.8 %	54	0.1 %
Cash and cash equivalents	850	1.8 %	1,049	1.9 %
Other assets and liabilities	(433)	(0.9)%	(288)	(0.5)%
Total funds withheld at interest including related party	$ 48,313	100.0 %	$ 56,114	100.0 %

As of June 30, 2022 and December 31, 2021, we held $48.3 billion and $56.1 billion, respectively, of funds withheld at interest receivables, including related party. Approximately 94.0% and 93.5% of the fixed maturity securities within the funds withheld at interest are investment grade by NAIC designation as of June 30, 2022 and December 31, 2021, respectively. The decrease in funds withheld at interest, including related party, was primarily driven by unrealized losses in the six months ended June 30, 2022 attributed to an increase in US Treasury rates and credit spread widening as well as run-off of the underlying blocks of business.

Derivative Instruments

We hold derivative instruments for economic hedging purposes to reduce our exposure to cash flow variability of assets and liabilities, equity market risk, interest rate risk, credit risk and foreign exchange risk. The types of derivatives we may use include interest rate swaps, foreign currency swaps and forward contracts, total return swaps, credit default swaps, variance swaps, futures and equity options.

A discussion regarding our derivative instruments and how such instruments are used to manage risk is included in *Note 4 – Derivative Instruments* to the condensed consolidated financial statements.

As part of our risk management strategies, management continually evaluates our derivative instrument holdings and the effectiveness of such holdings in addressing risks identified in our operations.

Net Invested Assets

The following summarizes our net invested assets:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021	
(In millions, except percentages)	Net Invested Asset Value[1]	Percent of Total	Net Invested Asset Value[1]	Percent of Total
Corporate	$ 79,064	41.8 %	$ 75,163	42.9 %
CLO	18,197	9.6 %	17,892	10.2 %
Credit	97,261	51.4 %	93,055	53.1 %
CML	24,070	12.7 %	21,438	12.2 %
RML	9,327	4.9 %	7,116	4.1 %
RMBS	6,871	3.6 %	6,969	4.0 %
CMBS	3,729	2.0 %	3,440	2.0 %
Real estate	43,997	23.2 %	38,963	22.3 %
ABS	19,324	10.2 %	20,376	11.6 %
Alternative investments	11,841	6.3 %	9,873	5.6 %
State, municipal, political subdivisions and foreign government	2,716	1.4 %	2,505	1.4 %
Equity securities	1,575	0.8 %	754	0.4 %
Short-term investments	559	0.3 %	111	0.1 %
US government and agencies	2,671	1.4 %	212	0.1 %
Other investments	38,686	20.4 %	33,831	19.2 %
Cash and equivalents	7,691	4.1 %	6,086	3.5 %
Policy loans and other	1,670	0.9 %	1,296	0.7 %
Net invested assets excluding investment in Apollo	189,305	100.0 %	173,231	98.8 %
Investment in Apollo	—	— %	2,112	1.2 %
Net invested assets	$ 189,305	100.0 %	$ 175,343	100.0 %

[1] *See Key Operating and Non-GAAP Measures for the definition of net invested assets.*

Our net invested assets were $189.3 billion and $175.3 billion as of June 30, 2022 and December 31, 2021, respectively. Corporate securities included $23.7 billion of private placements, which represented 12.5% of our net invested assets. The increase in net invested assets as of June 30, 2022 from December 31, 2021 was primarily driven by growth from net organic inflows of $18.2 billion in excess of net liability outflows of $8.1 billion, purchase accounting adjustments resulting in an increase in book value as our investment portfolio was marked up to fair value and an increase in valuation of several alternative investments, partially offset by the distribution of our $2.1 billion investment in Apollo to AGM following the merger.

In managing our business, we utilize net invested assets as presented in the above table. Net invested assets do not correspond to total investments, including related parties, on our condensed consolidated balance sheets, as discussed previously in *Key Operating and Non-GAAP Measures*. Net invested assets represent the investments that directly back our net reserve liabilities and surplus assets. We believe this view of our portfolio provides a view of the assets for which we have economic exposure. 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. We also adjust for VIEs to show the net investment in the funds, which are included in the alternative investments line above as well as adjust for the allowance for credit losses. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but excludes the proportionate share of investments associated with the noncontrolling interest.

Net invested assets is utilized by management to evaluate our investment portfolio. Net invested assets is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets is also used in our risk management processes for asset purchases, product design and underwriting, stress scenarios, liquidity, and ALM.

Net Alternative Investments

The following summarizes our net alternative investments:

	Successor		Predecessor	
	June 30, 2022		December 31, 2021[1]	
(In millions, except percentages)	Net Invested Asset Value	Percent of Total	Net Invested Asset Value	Percent of Total
Strategic origination platforms				
MidCap Financial	$ 687	5.8 %	$ 666	6.7 %
NNN Lease	733	6.2 %	637	6.5 %
Wheels Donlen	723	6.1 %	590	6.0 %
PK Air Finance	277	2.3 %	316	3.2 %
Foundation Home Loans	251	2.2 %	—	— %
Other	455	3.8 %	316	3.2 %
Total strategic origination platforms	3,126	26.4 %	2,525	25.6 %
Strategic retirement services platforms				
Athora	885	7.5 %	743	7.5 %
Catalina	437	3.7 %	442	4.6 %
FWD	400	3.4 %	400	4.1 %
Challenger	262	2.2 %	232	2.3 %
Venerable	230	1.9 %	219	2.2 %
Other	70	0.6 %	133	1.3 %
Total strategic retirement services platforms	2,284	19.3 %	2,169	22.0 %
Apollo and other fund investments				
Equity				
Real estate	1,243	10.5 %	1,105	11.2 %
Traditional private equity	1,151	9.7 %	689	7.0 %
Other	355	3.0 %	309	3.1 %
Total equity	2,749	23.2 %	2,103	21.3 %
Hybrid				
Real estate	1,091	9.2 %	809	8.2 %
Other	1,409	11.9 %	1,282	13.0 %
Total hybrid	2,500	21.1 %	2,091	21.2 %
Yield	901	7.6 %	773	7.8 %
Total Apollo and other fund investments	6,150	51.9 %	4,967	50.3 %
Other	281	2.4 %	212	2.1 %
Net alternative investments	$ 11,841	100.0 %	$ 9,873	100.0 %

[1] *Certain reclassifications have been made to conform with current year presentation.*

Net alternative investments were $11.8 billion and $9.9 billion as of June 30, 2022 and December 31, 2021, respectively, representing 6.3% and 5.6% of our net invested assets portfolio as of June 30, 2022 and December 31, 2021, respectively. The increase in net alternative investments was primarily driven by deployment into alternative investments from growth in net organic inflows over liability outflows and an increase in valuation of several alternative investments.

Net alternative investments do not correspond to the total investment funds, including related parties and consolidated VIEs, on our condensed consolidated balance sheets. As discussed above in the net invested assets section, we adjust the GAAP presentation for funds withheld, modco and VIEs. We include CLO and ABS equity tranche securities in alternative investments due to their underlying characteristics and equity-like features.

Through our relationship with Apollo, we have indirectly invested in companies that meet the key characteristics we look for in net alternative investments. Athora, our largest alternative investment, is a strategic investment.

Athora

Athora is a specialized insurance and reinsurance group fully focused on the European market. Athora's principal operational subsidiaries are Athora Netherlands N.V. in the Netherlands, Athora Belgium SA in Belgium, Athora Lebensversicherung AG in Germany, Athora Ireland plc in Ireland, and Athora Life Re Ltd in Bermuda. Athora deploys capital and resources to further its mission to build a stand-alone independent and integrated insurance and reinsurance business. Athora's growth is achieved primarily through acquisitions, portfolio transfers and reinsurance. Athora is building a European insurance brand and has successfully acquired, integrated, and transformed four insurance companies: Delta Lloyd Deutschland AG (2015), Aegon Ireland plc (2018), Generali Belgium SA (2019) and VIVAT NV (2020).

Our alternative investment in Athora had a carrying value of $885 million and $743 million as of June 30, 2022 and December 31, 2021, respectively. Our investment in Athora represents our proportionate share of its net asset value, which largely reflects any contributions to and distributions from Athora and changes in its fair value. Athora returned a net investment earned rate of 20.75% and 14.34% for the three months ended June 30, 2022 and 2021, respectively, and 21.34% and 9.39% for the six months ended June 30, 2022 and 2021, respectively. Alternative investment income from Athora was $45 million and $25 million for the three months ended June 30, 2022 and 2021, respectively, and $91 million and $33 million for the six months ended June 30, 2022 and 2021, respectively. The increase in alternative investment income for both periods was driven by an increase in average NAV as well as strong performance of the fund in the current year.

Public Equity

We hold a public equity position in Jackson (ticker: JXN), previously held as a private equity investment, after Jackson's former parent company, Prudential plc, completed a dividend demerger transaction in September of 2021 which resulted in Jackson becoming a publicly traded company. Although the net invested asset value of this equity position is not significant, it has the ability to create volatility in our condensed consolidated statements of income (loss). As of June 30, 2022 and December 31, 2021, we held approximately 2.8 million and 3.4 million shares of Jackson, respectively, with a market value of $70 million and $133 million, net of the ACRA noncontrolling interest, respectively. Alternative investment income (loss) from Jackson was $(44) million and $0 million for the three months ended June 30, 2022 and 2021, respectively, and $(32) million and $0 million for the six months ended June 30, 2022 and 2021, respectively. The decrease for both periods was driven by the decrease in Jackson's share price in the current year.

Non-GAAP Measure Reconciliations

The reconciliation of net income (loss) available to AHL common shareholder to spread related earnings, is as follows:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Net income (loss) available to Athene Holding Ltd. common shareholder	$ (2,155)	$ 1,382	$ (3,673)	$ 1,960
Preferred stock dividends	35	35	70	71
Net income (loss) attributable to noncontrolling interest	(1,072)	389	(1,955)	(148)
Net income (loss)	(3,192)	1,806	(5,558)	1,883
Income tax expense (benefit)	(484)	184	(891)	246
Income (loss) before income taxes	(3,676)	1,990	(6,449)	2,129
Realized gains (losses) on sale of AFS securities	(39)	57	(103)	76
Unrealized, allowances and other investment gains (losses)[1]	(1,203)	504	(2,074)	579
Change in fair value of reinsurance assets	(1,612)	554	(3,269)	(311)
Offsets to investment gains (losses)	172	(126)	303	15
Investment gains (losses), net of offsets	(2,682)	989	(5,143)	359
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(381)	(68)	(462)	420
Integration, restructuring and other non-operating expenses	(33)	(11)	(67)	(56)
Stock compensation expense[2]	(13)	(11)	(25)	(19)
Preferred stock dividends	35	35	70	71
Noncontrolling interests - pre-tax income (loss)	(1,044)	394	(1,934)	(153)
Total adjustments to income (loss) before income taxes	(4,118)	1,328	(7,561)	622
Spread related earnings	$ 442	$ 662	$ 1,112	$ 1,507

[1] *Unrealized, allowances and other investment gains (losses) was updated to include the change in fair value of Apollo investment for prior periods.* [2] *Stock compensation expense was updated to include our long-term incentive plan expense.*

The reconciliation of total AHL shareholders' equity to total adjusted AHL common shareholder's equity is as follows:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Total AHL shareholders' equity	$ 3,725	$ 20,130
Less: Preferred stock	2,667	2,312
Total AHL common shareholder's equity	1,058	17,818
Less: Accumulated other comprehensive income (loss)	(9,787)	2,430
Less: Accumulated change in fair value of reinsurance assets	(2,464)	585
Less: Accumulated change in fair value of mortgage loan assets	(1,273)	—
Total adjusted AHL common shareholder's equity	$ 14,582	$ 14,803

The reconciliation of debt to capital ratio to adjusted debt to capital ratio is as follows:

(In millions, except percentages)	Successor June 30, 2022	Predecessor December 31, 2021
Total debt	$ 3,279	$ 2,964
Less: Adjustment to arrive at notional debt	279	(36)
Notional debt	$ 3,000	$ 3,000
Total debt	$ 3,279	$ 2,964
Total AHL shareholders’ equity	3,725	20,130
Total Capitalization	7,004	23,094
Less: Accumulated other comprehensive income (loss)	(9,787)	2,430
Less: Accumulated change in fair value of reinsurance assets	(2,464)	585
Less: Accumulated change in fair value of mortgage loan assets	(1,273)	—
Less: Adjustment to arrive at notional debt	279	(36)
Total adjusted capitalization	$ 20,249	$ 20,115
Debt to capital ratio	46.8 %	12.8 %
Accumulated other comprehensive income (loss)	(22.3)%	1.6 %
Accumulated change in fair value of reinsurance assets	(5.6)%	0.4 %
Accumulated change in fair value of mortgage loan assets	(2.9)%	— %
Adjustment to arrive at notional debt	(1.2)%	0.1 %
Adjusted debt to capital ratio	14.8 %	14.9 %

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

	Successor		Predecessor		Successor		Predecessor	
	Three months ended June 30, 2022		Three months ended June 30, 2021		Six months ended June 30, 2022		Six months ended June 30, 2021	
(In millions, except percentages)	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP net investment income	$ 1,726	3.70 %	$ 2,017	5.15 %	$ 3,409	3.71 %	$ 3,686	4.78 %
Change in fair value of reinsurance assets	50	0.11 %	388	0.99 %	270	0.29 %	754	0.98 %
VIE earnings adjustment	91	0.19 %	21	0.05 %	170	0.19 %	58	0.08 %
Alternative gains (losses)	(28)	(0.06)%	(18)	(0.05)%	(10)	(0.01)%	51	0.06 %
ACRA noncontrolling interest	(347)	(0.74)%	(219)	(0.56)%	(652)	(0.71)%	(417)	(0.54)%
Apollo investment gain	—	— %	(472)	(1.20)%	(33)	(0.04)%	(447)	(0.58)%
Held for trading amortization and other	(4)	(0.01)%	9	0.02 %	(11)	(0.01)%	39	0.05 %
Total adjustments to arrive at net investment earnings/earned rate	(238)	(0.51)%	(291)	(0.75)%	(266)	(0.29)%	38	0.05 %
Total net investment earnings/earned rate	$ 1,488	3.19 %	$ 1,726	4.40 %	$ 3,143	3.42 %	$ 3,724	4.83 %
Average net invested assets	$ 186,788		$ 156,753		$ 184,034		$ 154,125	

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The reconciliation of GAAP benefits and expenses to cost of funds is as follows:

	Successor		Predecessor		Successor		Predecessor	
	Three months ended June 30, 2022		Three months ended June 30, 2021		Six months ended June 30, 2022		Six months ended June 30, 2021	
(In millions, except percentages)	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP benefits and expenses	$ 5,471	11.72 %	$ 4,433	11.31 %	$ 7,975	8.67 %	$ 8,685	11.27 %
Premiums	(5,614)	(12.02)%	(1,598)	(4.08)%	(7,724)	(8.39)%	(4,609)	(5.98)%
Product charges	(175)	(0.37)%	(157)	(0.40)%	(341)	(0.37)%	(307)	(0.40)%
Other revenues	9	0.02 %	(20)	(0.05)%	12	0.01 %	(34)	(0.04)%
FIA option costs	306	0.65 %	278	0.71 %	600	0.65 %	557	0.72 %
Reinsurance embedded derivative impacts	12	0.03 %	12	0.03 %	24	0.02 %	26	0.03 %
Change in fair value of embedded derivatives - FIA, net of offsets	903	1.93 %	(1,450)	(3.70)%	1,253	1.36 %	(1,748)	(2.27)%
DAC and DSI amortization related to investment gains and losses[1]	26	0.06 %	(94)	(0.24)%	36	0.04 %	45	0.06 %
Rider reserves related to investment gains and losses	141	0.30 %	(20)	(0.05)%	265	0.29 %	1	— %
Policy and other operating expenses, excluding policy acquisition expenses	(260)	(0.56)%	(168)	(0.43)%	(507)	(0.55)%	(369)	(0.48)%
AmerUs closed block fair value liability	114	0.24 %	(54)	(0.14)%	241	0.26 %	39	0.05 %
ACRA noncontrolling interest	(26)	(0.06)%	(242)	(0.62)%	(113)	(0.12)%	(349)	(0.45)%
Other	(21)	(0.04)%	5	0.02 %	(9)	(0.01)%	(2)	— %
Total adjustments to arrive at cost of funds	(4,585)	(9.82)%	(3,508)	(8.95)%	(6,263)	(6.81)%	(6,750)	(8.76)%
Total cost of funds	$ 886	1.90 %	$ 925	2.36 %	$ 1,712	1.86 %	$ 1,935	2.51 %
Average net invested assets	$ 186,788		$ 156,753		$ 184,034		$ 154,125	

[1] *Periods prior to the merger include VOBA amortization related to investment gains and losses.*

The reconciliation of policy and other operating expenses to other operating expenses is as follows:

	Successor	Predecessor	Successor	Predecessor
(In millions)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
GAAP policy and other operating expenses	$ 358	$ 252	$ 693	$ 545
Interest expense	(41)	(34)	(74)	(66)
Policy acquisition expenses, net of deferrals	(98)	(84)	(186)	(176)
Integration, restructuring and other non-operating expenses	(33)	(11)	(67)	(56)
Stock compensation expenses[1]	(13)	(11)	(25)	(19)
ACRA noncontrolling interest	(59)	(19)	(110)	(40)
Other changes in policy and other operating expenses	(5)	(8)	(13)	(13)
Total adjustments to arrive at other operating expenses	(249)	(167)	(475)	(370)
Other operating expenses	$ 109	$ 85	$ 218	$ 175

[1] *Stock compensation expense was updated to include our long-term incentive plan expense.*

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

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Total investments, including related parties	$ 186,569	$ 209,176
Derivative assets	(2,932)	(4,387)
Cash and cash equivalents (including restricted cash)	11,925	10,275
Accrued investment income	1,086	962
Payables for collateral on derivatives	(1,904)	(3,934)
Reinsurance funds withheld and modified coinsurance	5,449	(1,035)
VIE and VOE assets, liabilities and noncontrolling interest	11,499	2,958
Unrealized (gains) losses	17,371	(4,057)
Ceded policy loans	(182)	(169)
Net investment receivables (payables)	26	75
Allowance for credit losses	638	361
Total adjustments to arrive at gross invested assets	42,976	1,049
Gross invested assets	229,545	210,225
ACRA noncontrolling interest	(40,240)	(34,882)
Net invested assets	$ 189,305	$ 175,343

The reconciliation of total investment funds, including related parties and VIEs, to net alternative investments within net invested assets is as follows:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Investment funds, including related parties and VIEs	$ 11,165	$ 9,866
Equity securities[1]	544	872
CLO and ABS equities included in trading securities[1]	288	1,418
Investment in Apollo	—	(2,112)
Investment funds within funds withheld at interest	1,294	1,807
Royalties and other assets included in other investments	46	50
Net assets of the VIE, excluding investment funds	203	(772)
Unrealized (gains) losses and other adjustments	60	14
ACRA noncontrolling interest	(1,759)	(1,270)
Total adjustments to arrive at alternative investments	676	7
Net alternative investments	$ 11,841	$ 9,873

[1] *Prior period has been updated to reflect a reclassification between line items for comparability.*

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The reconciliation of total liabilities to net reserve liabilities is as follows:

	Successor	Predecessor
(In millions)	June 30, 2022	December 31, 2021
Total liabilities	$ 230,865	$ 212,968
Debt	(3,279)	(2,964)
Derivative liabilities	(1,223)	(472)
Payables for collateral on derivatives and securities to repurchase	(3,784)	(6,446)
Other liabilities	(2,640)	(2,975)
Liabilities of consolidated VIEs	(408)	(461)
Reinsurance ceded receivables	(4,437)	(4,594)
Policy loans ceded	(182)	(169)
ACRA noncontrolling interest	(37,274)	(32,933)
Other	(5)	(3)
Total adjustments to arrive at net reserve liabilities	(53,232)	(51,017)
Net reserve liabilities	$ 177,633	$ 161,951

Liquidity and Capital Resources

There are two forms of liquidity relevant to our business, funding liquidity and balance sheet liquidity. Funding liquidity relates to the ability to fund operations. Balance sheet liquidity relates to our ability to liquidate or rebalance our balance sheet without incurring significant costs from fees, bid-offer spreads, or market impact. We manage our liquidity position by matching projected cash demands with adequate sources of cash and other liquid assets. Our principal sources of liquidity, in the ordinary course of business, are operating cash flows and holdings of cash, cash equivalents and other readily marketable assets.

Our investment portfolio is structured to ensure a strong liquidity position over time in order to permit timely payment of policy and contract benefits without requiring asset sales at inopportune times or at depressed prices. In general, liquid assets include cash and cash equivalents, highly rated corporate bonds, unaffiliated preferred stock and unaffiliated public common stock, all of which generally have liquid markets with a large number of buyers. The carrying value of these assets, excluding assets within modified coinsurance and funds withheld portfolios, as of June 30, 2022 was $85.8 billion. Assets included in modified coinsurance and funds withheld portfolios are available to fund the benefits for the associated obligations but are restricted from other uses. The carrying value of the underlying assets in these modified coinsurance and funds withheld portfolios that we consider liquid as of June 30, 2022 was $26.4 billion. Although our investment portfolio does contain assets that are generally considered illiquid for liquidity monitoring purposes (primarily mortgage loans, policy loans, real estate, investment funds, and affiliated common stock), there is some ability to raise cash from these assets if needed. In periods of economic downturn, such as the one brought about by the spread of COVID-19, we may maintain higher cash balances than required to manage our liquidity risk and to take advantage of market dislocations as they arise. We have access to additional liquidity through our $1.25 billion credit facility, which was undrawn as of June 30, 2022 and had a remaining term of more than two years, subject to up to two one-year extensions. Additionally, we entered into a revolving liquidity facility, with a current borrowing capacity of $2.5 billion, in the third quarter of 2022, which has a 364-day term, subject to additional 364-day extensions. The liquidity facility will be used for liquidity and working capital needs to meet short-term cash flow and investment timing differences. We also have access to $2.0 billion of committed repurchase facilities. Our registration statement on Form S-3 ASR (Shelf Registration Statement) provides us access to the capital markets, subject to favorable market conditions and other factors. We are also party to repurchase agreements with several different financial institutions, pursuant to which we may obtain short-term liquidity, to the extent available. In addition, through our membership in the FHLB, we are eligible to borrow under variable rate short-term federal funds arrangements to provide additional liquidity.

We proactively manage our liquidity position to meet cash needs while minimizing adverse impacts on investment returns. We analyze our cash-flow liquidity over the upcoming 12 months by modeling potential demands on liquidity under a variety of scenarios, taking into account the provisions of our policies and contracts in force, our cash flow position, and the volume of cash and readily marketable securities in our portfolio.

Liquidity risk is monitored, managed and mitigated through a number of stress tests and analyses to assess our ability to meet our cash flow requirements, as well as the ability of our reinsurance and insurance subsidiaries to meet their collateral obligations, under various stress scenarios. We further seek to mitigate liquidity risk by maintaining access to alternative, external sources of liquidity as described below.

Our liquidity risk management framework is codified in the company's Liquidity Risk Policy that is reviewed and approved by our board of directors.

Insurance Subsidiaries’ Liquidity

Operations

The primary cash flow sources for our insurance subsidiaries include retirement services product inflows (premiums), investment income, principal repayments on our investments, net transfers from separate accounts and financial product inflows. Uses of cash include investment purchases, payments to policyholders for surrenders, withdrawals and payout benefits, interest and principal payments on funding agreements, payments to satisfy pension group annuity obligations, policy acquisition costs and general operating costs.

Our policyholder obligations are generally long-term in nature. However, policyholders may elect to withdraw some, or all, of their account value during the surrender charge period of an annuity contract. We include provisions within our annuity policies, such as surrender charges and MVAs, which are intended to protect us from early withdrawals. As of each of June 30, 2022 and December 31, 2021, approximately 74% of our deferred annuity liabilities were subject to penalty upon surrender. In addition, as of June 30, 2022 and December 31, 2021, approximately 53% and 54%, respectively, of policies contained MVAs that may also have the effect of limiting early withdrawals if interest rates increase, but may encourage early withdrawals by effectively subsidizing a portion of surrender charges when interest rates decrease. Our funding agreements, group annuities and payout annuities are generally non-surrenderable which accounts for approximately 32% of our net reserve liabilities as of June 30, 2022.

Membership in Federal Home Loan Bank

Through our membership in the FHLB, we are eligible to borrow under variable rate short-term federal funds arrangements to provide additional liquidity. The borrowings must be secured by eligible collateral such as mortgage loans, eligible CMBS or RMBS, government or agency securities and guaranteed loans. As of June 30, 2022 and December 31, 2021, we had $0 million of outstanding borrowings under these arrangements.

We have issued funding agreements to the FHLB. These funding agreements were issued in an investment spread strategy, consistent with other investment spread operations. As of June 30, 2022 and December 31, 2021, we had funding agreements outstanding with the FHLB in the aggregate principal amount of $3.0 billion and $2.8 billion, respectively.

The maximum FHLB indebtedness by a member is determined by the amount of collateral pledged, and cannot exceed a specified percentage of the member’s total statutory assets dependent on the internal credit rating assigned to the member by the FHLB. As of June 30, 2022, the total maximum borrowings under the FHLB facilities were limited to $45.5 billion. However, our ability to borrow under the facilities is constrained by the availability of assets that qualify as eligible collateral under the facilities and certain other limitations. Considering these limitations, we estimate that as of June 30, 2022 we had the ability to draw up to a total of approximately $4.7 billion, inclusive of borrowings then outstanding. This estimate is based on our internal analysis and assumptions, and may not accurately measure collateral which is ultimately acceptable to the FHLB.

Securities Repurchase Agreements

We engage in repurchase transactions whereby we sell fixed income securities to third parties, primarily major brokerage firms or commercial banks, with a concurrent agreement to repurchase such securities at a determined future date. We require that, at all times during the term of the repurchase agreements, we maintain sufficient cash or other liquid assets sufficient to allow us to fund substantially all of the repurchase price. Proceeds received from the sale of securities pursuant to these arrangements are generally invested in short-term investments, with the offsetting obligation to repurchase the security included within payables for collateral on derivatives and securities to repurchase on the condensed consolidated balance sheets. As per the terms of the repurchase agreements, we monitor the market value of the securities sold and may be required to deliver additional collateral (which may be in the form of cash or additional securities) to the extent that the value of the securities sold decreases prior to the repurchase date.

As of June 30, 2022 and December 31, 2021, the payables for repurchase agreements were $4.1 billion and $3.1 billion, respectively, while the fair value of securities and collateral held by counterparties backing the repurchase agreements was $4.2 billion and $3.2 billion, respectively. As of June 30, 2022, payables for repurchase agreements were comprised of $1.9 billion of short-term and $2.2 billion of long-term repurchase agreements. As of December 31, 2021, payables for repurchase agreements were comprised of $2.5 billion of short-term and $598 million of long-term repurchase agreements.

We have a $1.0 billion committed repurchase facility with BNP Paribas. The facility has an initial commitment period of 12 months and automatically renews for successive 12-month periods until terminated by either party. During the commitment period, we may sell and BNP Paribas is required to purchase eligible investment grade corporate bonds pursuant to repurchase transactions at pre-agreed discounts in exchange for a commitment fee. As of June 30, 2022, we had no outstanding payables under this facility.

We have a $1.0 billion committed repurchase facility with Societe Generale. The facility has a commitment term of 5 years, however, either party may terminate the facility upon 24-months’ notice, in which case the facility will end upon the earlier of (1) such designated termination date, or (2) July 26, 2026. During the commitment period, we may sell and Societe Generale is required to purchase eligible investment grade corporate bonds pursuant to repurchase transactions at pre-agreed rates in exchange for an ongoing commitment fee for the facility. As of June 30, 2022, we had no outstanding payables under this facility.

Cash Flows

Our cash flows were as follows:

(In millions)	Successor Six months ended June 30, 2022	Predecessor Six months ended June 30, 2021
Net income (loss)	$ (5,558)	$ 1,883
Non-cash revenues and expenses	10,284	615
Net cash provided by operating activities	4,726	2,498
Sales, maturities and repayments of investments	19,642	14,461
Purchases of investments	(31,700)	(25,604)
Other investing activities	339	(129)
Net cash used in investing activities	(11,719)	(11,272)
Inflows on investment-type policies and contracts	13,925	11,120
Withdrawals on investment-type policies and contracts	(4,074)	(3,476)
Other financing activities	(1,144)	1,414
Net cash provided by financing activities	8,707	9,058
Effect of exchange rate changes on cash and cash equivalents	(20)	—
Net increase in cash and cash equivalents[1]	$ 1,694	$ 284

[1] *Includes cash and cash equivalents, restricted cash and cash and cash equivalents of consolidated variable interest entities.*

Cash flows from operating activities

The primary cash inflows from operating activities include net investment income, annuity considerations and insurance premiums. The primary cash outflows from operating activities are comprised of benefit payments and operating expenses. Our operating activities generated cash flows totaling $4.7 billion and $2.5 billion for the six months ended June 30, 2022 and 2021, respectively. The increase in cash provided by operating activities was primarily driven by higher cash received from pension group annuity transactions net of outflows.

Cash flows from investing activities

The primary cash inflows from investing activities are the sales, maturities and repayments of investments. The primary cash outflows from investing activities are the purchases and acquisitions of new investments. Our investing activities used cash flows totaling $11.7 billion and $11.3 billion for the six months ended June 30, 2022 and 2021, respectively. The increase in cash used in investing activities was primarily attributable to an increase in purchases of investments due to the deployment of significant cash inflows from organic growth compared to prior year, largely offset by an increase in sales, maturities and repayments of securities.

Cash flows from financing activities

The primary cash inflows from financing activities are inflows on our investment-type policies, changes of cash collateral posted for derivative transactions, capital contributions, proceeds from the issuance of preferred stock and proceeds from borrowing activities. The primary cash outflows from financing activities are withdrawals on our investment-type policies, changes of cash collateral posted for derivative transactions, repayments of outstanding borrowings and payment of preferred and common stock dividends. Our financing activities provided cash flows totaling $8.7 billion and $9.1 billion for the six months ended June 30, 2022 and 2021, respectively. The decrease in cash provided by financing activities was primarily attributed to the change in the collateral posted for derivative transactions reflecting unfavorable equity market performance in the current year compared to favorable performance in the prior year, the payment of the $750 million dividend to Apollo declared in 2021, proceeds from the issuance of long-term debt in the prior year and the payment of common stock dividends of $375 million for the six months ended June 30, 2022, partially offset by higher organic inflows from retail and flow reinsurance net of withdrawals and net capital contributions from noncontrolling interests.

Material Cash Obligations

The following table summarizes estimated future cash obligations as of June 30, 2022:

	Payments Due by Period				
(In millions)	Total	2022	2023-2024	2025-2026	2027 and thereafter
Interest sensitive contract liabilities	$ 164,571	$ 9,040	$ 40,578	$ 32,763	$ 82,190
Future policy benefits	52,478	866	3,866	3,798	43,948
Debt[1]	4,731	63	253	253	4,162
Securities to repurchase[2]	4,345	1,715	314	1,173	1,143
Total	$ 226,125	$ 11,684	$ 45,011	$ 37,987	$ 131,443

[1] The obligations for debt payments include contractual maturities of principal and estimated future interest payments based on the terms of the debt agreements.

[2] The obligations for securities for repurchase payments include contractual maturities of principal and estimated future interest payments based on the terms of the agreements. Future interest payments on floating rate repurchase agreements were calculated using the June 30, 2022 interest rate.

Holding Company Liquidity

Common Stock Dividends

We declared common stock cash dividends of $750 million on December 31, 2021 with a record date and payment date following the completion of our merger with AGM. The dividend payable was included in related party other liabilities on the consolidated balance sheets as of December 31, 2021. The dividend was paid on January 4, 2022.

We declared common stock cash dividends of $187.5 million on June 30, 2022, payable to the holder of AHL's Class A common shares with a record date of June 28, 2022 and payment date of June 30, 2022. We have paid $375 million in common stock dividends for the six months ended June 30, 2022.

Dividends from Subsidiaries

AHL is a holding company whose primary liquidity needs include the cash-flow requirements relating to its corporate activities, including its day-to-day operations, debt servicing, preferred and common stock dividend payments and strategic transactions, such as acquisitions. The primary source of AHL's cash flow is dividends from its subsidiaries, which are expected to be adequate to fund cash flow requirements based on current estimates of future obligations.

The ability of AHL's insurance subsidiaries to pay dividends is limited by applicable laws and regulations of the jurisdictions where the subsidiaries are domiciled, as well as agreements entered into with regulators. These laws and regulations require, among other things, the insurance subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay.

Subject to these limitations and prior notification to the appropriate regulatory agency, the US insurance subsidiaries are permitted to pay ordinary dividends based on calculations specified under insurance laws of the relevant state of domicile. Any distributions above the amount permitted by statute in any twelve month period are considered to be extraordinary dividends, and require the approval of the appropriate regulator prior to payment. AHL does not currently plan on having the US subsidiaries pay any dividends to their parents.

Dividends from subsidiaries are projected to be the primary source of AHL's liquidity. Under the Bermuda Insurance Act, each of our Bermuda insurance subsidiaries is prohibited from paying a dividend in an amount exceeding 25% of the prior year's statutory capital and surplus, unless at least two members of the board of directors of the Bermuda insurance subsidiary and its principal representative in Bermuda sign and submit to the Bermuda Monetary Authority (BMA) an affidavit attesting that a dividend in excess of this amount would not cause the Bermuda insurance subsidiary to fail to meet its relevant margins. In certain instances, the Bermuda insurance subsidiary would also be required to provide prior notice to the BMA in advance of the payment of dividends. In the event that such an affidavit is submitted to the BMA in accordance with the Bermuda Insurance Act, and further subject to the Bermuda insurance subsidiary meeting its relevant margins, the Bermuda insurance subsidiary is permitted to distribute up to the sum of 100% of statutory surplus and an amount less than 15% of its total statutory capital. Distributions in excess of this amount require the approval of the BMA.

The maximum distribution permitted by law or contract is not necessarily indicative of our actual ability to pay such distributions, which may be further restricted by business and other considerations, such as the impact of such distributions on surplus, which could affect our ratings or competitive position and the amount of premiums that can be written. Specifically, the level of capital needed to maintain desired financial strength ratings from rating agencies, including S&P, A.M. Best, Fitch and Moody's, is of particular concern when determining the amount of capital available for distributions. AHL believes its insurance subsidiaries have sufficient statutory capital and surplus, combined with additional capital available to be provided by AHL, to meet their financial strength ratings objectives. Finally, state insurance laws and regulations require that the statutory surplus of our insurance subsidiaries following any dividend or distribution must be reasonable in relation to their outstanding liabilities and adequate for the insurance subsidiaries' financial needs.

Other Sources of Funding

We may seek to secure additional funding at the holding company level by means other than dividends from subsidiaries, such as by drawing on our undrawn $1.25 billion credit facility, drawing on our undrawn $2.5 billion revolving liquidity facility or by pursuing future issuances of debt or preference shares to third-party investors. Certain other sources of liquidity potentially available at the holding company level are discussed below. Our credit facility contains various standard covenants with which we must comply, including maintaining a Consolidated Debt to Capitalization Ratio (as such term is defined in the credit facility) of not greater than 35% at the end of any quarter, maintaining a minimum Consolidated Net Worth (as such term is defined in the credit facility) of no less than $7.3 billion, and restrictions on our ability to incur debt and liens, in each case with certain exceptions. Our revolving liquidity facility also contains various standard covenants with which we must comply, including maintaining an ALRe minimum Consolidated Net Worth (as such term is defined in the revolving liquidity facility) of no less than $9.3 billion and restrictions on our ability to incur debt and liens, in each case with certain exceptions.

Shelf Registration – Under our Shelf Registration Statement, subject to market conditions, we have the ability to issue, in indeterminate amounts, debt securities, preference shares, depositary shares, Class A common shares, warrants and units.

Debt – The following summarizes our outstanding long-term senior notes (in millions, except percentages):

Issuance	Issue Date	Maturity Date	Interest Rate	Principal Balance
2028 Senior Unsecured Notes	January 12, 2018	2028	4.125%	$1,000
2030 Senior Unsecured Notes	April 3, 2020	2030	6.150%	$500
2031 Senior Unsecured Notes	October 8, 2020	2031	3.500%	$500
2051 Senior Unsecured Notes	May 25, 2021	2051	3.950%	$500
2052 Senior Unsecured Notes	December 13, 2021	2052	3.450%	$500

See *Note 9 – Debt* to the consolidated financial statements in our 2021 Annual Report for further information on debt.

Preferred Stock – The following summarizes our perpetual non-cumulative preferred stock issuances (in millions, except share, per share data and percentages):

Issuance	Fixed/Floating	Rate	Issue Date	Optional Redemption Date[1]	Shares Issued	Par Value Per Share	Liquidation Value Per Share	Aggregate Net Proceeds
Series A	Fixed-to-Floating Rate	6.350%	June 10, 2019	June 30, 2029	34,500	$1.00	$25,000	$839
Series B	Fixed-Rate	5.625%	September 19, 2019	September 30, 2024	13,800	$1.00	$25,000	$333
Series C	Fixed-Rate Reset	6.375%	June 11, 2020	Variable[2]	24,000	$1.00	$25,000	$583
Series D	Fixed-Rate	4.875%	December 18, 2020	December 30, 2025	23,000	$1.00	$25,000	$557

[1] *We may redeem preferred stock anytime on or after the dates set forth in this column, subject to the terms of the applicable certificate of designations.*

[2] *We may redeem during a period from and including June 30 of each year in which there is a Reset Date to and including such Reset Date. Reset Date means September 30, 2025 and each date falling on the fifth anniversary of the preceding Reset Date.*

See *Note 10 – Equity* to the consolidated financial statements in our 2021 Annual Report for further information on preferred stock.

Intercompany Note – AHL has an unsecured revolving note payable with ALRe, which permits AHL to borrow up to $2 billion with a fixed interest rate of 2.29% and a maturity date of December 15, 2028. As of June 30, 2022 and December 31, 2021, the revolving note payable had an outstanding balance of $628 million and $158 million, respectively.

Capital

We believe that we have a strong capital position and that we are well positioned to meet policyholder and other obligations. We measure capital sufficiency using an internal capital model which reflects management's view on the various risks inherent to our business, the amount of capital required to support our core operating strategies and the amount of capital necessary to maintain our current ratings in a recessionary environment. The amount of capital required to support our core operating strategies is determined based upon internal modeling and analysis of economic risk, as well as inputs from rating agency capital models and consideration of both NAIC RBC and Bermuda capital requirements. Capital in excess of this required amount is considered excess equity capital, which is available to deploy.

As of December 31, 2021 and 2020, our US insurance companies' TAC, as defined by the NAIC, was $3.0 billion and $2.7 billion, respectively, and our US RBC ratio was 377% and 425%, respectively. The decrease was primarily driven by strong growth in our organic channels, a recent NAIC update to C-1 factors, higher unfunded commitments and the impairment of a COLI asset, partially offset by higher total adjusted capital largely from capital contributions. Each US domestic insurance subsidiary's state of domicile imposes minimum RBC requirements that were developed by the NAIC. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk. Regulatory compliance is determined by a ratio of TAC to its authorized control level RBC (ACL). Our TAC was significantly in excess of all regulatory standards as of December 31, 2021 and 2020, respectively.

Bermuda statutory capital and surplus for our Bermuda insurance companies in aggregate was $14.6 billion and $13.5 billion as of December 31, 2021 and 2020, respectively. Our Bermuda insurance companies adhere to BMA regulatory capital requirements to maintain statutory capital and surplus to meet the minimum margin of solvency and maintain minimum economic balance sheet (EBS) capital and surplus to meet the enhanced capital requirement. Under the EBS framework, assets are recorded at market value and insurance reserves are determined by reference to nine prescribed scenarios, with the scenario resulting in the highest reserve balance being ultimately required to be selected. The Bermuda group's EBS capital and surplus was $19.7 billion and $17.2 billion, resulting in a BSCR ratio of 232% and 254% as of December 31, 2021 and 2020, respectively. The decrease was primarily driven by strong growth in our organic channels and the declared dividend. The Bermuda group's BSCR ratio includes the capital and surplus of ALRe, AARe, ALReI and all of their subsidiaries, including AUSA and its subsidiaries. An insurer must have a BSCR ratio of 100% or greater to be considered solvent by the BMA. As of December 31, 2021 and 2020, our Bermuda insurance companies held the appropriate capital to adhere to these regulatory standards. As of December 31, 2021 and 2020, our Bermuda RBC was 410% and 460%, respectively. The decrease was primarily driven by strong growth in our organic channels, a recent NAIC update to C-1 factors and the declared dividend. The Bermuda RBC ratio is calculated by applying the NAIC RBC factors to the statutory financial statements of our non-US reinsurance subsidiaries on an aggregate basis with certain adjustments made by management as described in the glossary. We exclude our interests in the AOG units and other subsidiary holding companies from our capital base for purposes of calculating Bermuda RBC, but do reflect such interests within our capital analysis, net of risk charges.

ACRA – ACRA provides us with access to on-demand capital to support our growth strategies and capital deployment opportunities. ACRA provides a capital source to fund both our inorganic and organic channels, including pension group annuity, funding agreement and retail channels. This shareholder-friendly, strategic capital solution allows us the flexibility to simultaneously deploy capital across multiple accretive avenues, while maintaining a strong financial position.

Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Amounts based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty, particularly related to the future performance of the underlying business, and will likely change in the future as additional information becomes available. Critical estimates and assumptions are evaluated on an ongoing basis based on historical developments, market conditions, industry trends and other information that is reasonable under the circumstances. There can be no assurance that actual results will conform to estimates and assumptions and that reported results of operations will not be materially affected by the need to make future accounting adjustments to reflect periodic changes in these estimates and assumptions. Critical accounting estimates are impacted significantly by our methods, judgments and assumptions used in the preparation of the consolidated financial statements and should be read in conjunction with our significant accounting policies described in *Note 1 – Business, Basis of Presentation and Significant Accounting Policies* to the consolidated financial statements of our 2021 Annual Report. The following summary of our critical accounting estimates is intended to enhance one's ability to assess our financial condition and results of operations and the potential volatility due to changes in estimate. Other than as described in this Item 2, there have been no material changes to our critical accounting estimates and judgments from those previously disclosed in our 2021 Annual Report. The following updates and supplements the critical accounting estimates and judgments in our 2021 Annual Report.

Investments

We are responsible for the fair value measurement of certain investments presented in our condensed consolidated financial statements. We perform regular analysis and review of our valuation techniques, assumptions and inputs used in determining fair value to evaluate if the valuation approaches are appropriate and consistently applied, and the various assumptions are reasonable. We also perform quantitative and qualitative analysis and review of the information and prices received from commercial pricing services and broker-dealers, to verify it represents a reasonable estimate of the fair value of each investment. In addition, we use both internally-developed and commercially-available cash flow models to analyze the reasonableness of fair values using credit spreads and other market assumptions, where appropriate. For investment funds, we typically recognize our investment, including those for which we have elected the fair value option, based on net asset value information provided by the general partner or related asset manager. For a discussion of our investment funds for which we have elected the fair value option, see *Note 6 – Fair Value* to the condensed consolidated financial statements.

Valuation of Mortgage Loans

Effective January 1, 2022, we elected the fair value option on our mortgage loan portfolio. We use independent commercial pricing services to value our mortgage loans portfolio. Discounted cash flow analysis is performed through which the loans’ contractual cash flows are modeled and an appropriate discount rate is determined to discount the cash flows to arrive at a present value. Financial factors, credit factors, collateral characteristics and current market conditions are all taken into consideration when performing the discounted cash flow analysis. We perform vendor due diligence exercises annually to review vendor processes, models and assumptions. Additionally, we review price movements on a quarterly basis to ensure reasonableness.

Future Policy Benefits

The future policy benefit liabilities associated with long duration contracts include term and whole-life products, accident and health, disability, and deferred and immediate annuities with life contingencies. Liabilities for non-participating long duration contracts are established using accepted actuarial valuation methods which require us to make certain assumptions regarding expenses, investment yields, mortality, morbidity, and persistency, with a provision for adverse deviation, at the date of issue or acquisition. As of June 30, 2022, the reserve investment yield assumptions for non-participating contracts range from 2.3% to 5.4% and are specific to our expected earned rate on the asset portfolio supporting the reserves. We base other key assumptions, such as mortality and morbidity, on industry standard data adjusted to align with actual company experience, if necessary. Premium deficiency tests are performed periodically using current assumptions, without provisions for adverse deviation, in order to test the appropriateness of the established reserves. If the reserves using current assumptions are greater than the existing reserves, the excess is recorded and the initial assumptions are revised.

Liabilities for Guaranteed Living Withdrawal Benefits and Guaranteed Minimum Death Benefits

We issue and reinsure deferred annuity contracts which contain GLWB and GMDB riders. We establish future policy benefits for GLWB and GMDB by estimating the expected value of withdrawal and death benefits in excess of the projected account balance. We recognize the excess proportionally over the accumulation period based on total actual and expected assessments. The methods we use to estimate the liabilities have assumptions about policyholder behavior, which includes lapses, withdrawals and utilization of the benefit riders; mortality; and market conditions affecting the account balance.

Projected policyholder lapse and withdrawal behavior assumptions are set in one of two ways. For certain blocks of business, this behavior is a function of our predictive analytics model which considers various observable inputs. For the remaining blocks of business, these assumptions are set at the product level by grouping individual policies sharing similar features and guarantees and reviewed periodically against experience. Base lapse rates consider the level of surrender charges and are dynamically adjusted based on the level of current interest rates relative to the guaranteed rates and the amount by which any rider guarantees are in a net positive position. Rider utilization assumptions consider the number and timing of policyholders electing the riders. We track and update this assumption as experience emerges. Mortality assumptions are set at the product level and generally based on standard industry tables, adjusted for historical experience and a provision for mortality improvement. Projected guaranteed benefit amounts in excess of the underlying account balances are considered over a range of scenarios in order to capture our exposure to the guaranteed withdrawal and death benefits.

The assessments used to accrue liabilities are based on interest margins, rider charges, surrender charges and realized gains (losses). As such, future reserve changes can be sensitive to changes in investment results and the impacts of shadow adjustments, which represent the impact of assuming unrealized gains (losses) are realized in future periods. As of June 30, 2022, the GLWB and GMDB liability balance, including the impacts of shadow adjustments, totaled $5.3 billion. The relative sensitivity of the GLWB and GMDB liability balance from changes to these assumptions, including the impacts of shadow adjustments from hypothetical changes in projected assessments, changes in the discount rate and annual equity growth, has decreased following the business combination and pushdown accounting election described in *Note 2 – Business Combination*. Using factors consistent with those previously disclosed in our 2021 Annual Report, changes to the GLWB and GMDB liability balance from these hypothetical changes in assumptions are not significant.

Derivatives

Valuation of Embedded Derivatives on indexed annuities

We issue and reinsure products, primarily indexed annuity products, or purchase investments that contain embedded derivatives. If we determine the embedded derivative has economic characteristics not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host contract and accounted for separately, unless the fair value option is elected on the host contract.

Indexed annuities and indexed universal life insurance contracts allow the policyholder to elect a fixed interest rate return or an equity market component for which interest credited is based on the performance of certain equity market indices. The equity market option is an embedded derivative, similar to a call option. The benefit reserve is equal to the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives represents the present value of cash flows attributable to the indexed strategies. The embedded derivative cash flows are based on assumptions for future policy growth, which include assumptions for expected index credits on the next policy anniversary date, future equity option costs, volatility, interest rates, and policyholder behavior. The embedded derivative cash flows are discounted using a rate that reflects our own credit rating. The host contract is established at contract inception as the initial account value less the initial fair value of the embedded derivative and accreted over the policy's life. Contracts acquired through a business combination which contain an embedded derivative are re-bifurcated as of the acquisition date.

In general, the change in the fair value of the embedded derivatives will not directly correspond to the change in fair value of the hedging derivative assets. The derivatives are intended to hedge the index credits expected to be granted at the end of the current term. The options valued in the embedded derivatives represent the rights of the policyholder to receive index credits over the period indexed strategies are made available to the policyholder, which is typically longer than the current term of the options. From an economic basis we believe it is suitable to hedge with options that align with index terms of our indexed annuity products because policyholder accounts are credited with index performance at the end of each index term. However, because the value of an embedded derivative in an indexed annuity contract is longer-dated, there is a duration mismatch which may lead to differences in the recognition of income and expense for accounting purposes.

A significant assumption in determining policy liabilities for indexed annuities is the vector of rates used to discount indexed strategy cash flows. The change in risk free rates is expected to drive most of the movement in the discount rates between periods. Changes to credit spreads for a given credit rating as well as any change to our credit rating requiring a revised level of nonperformance risk would also be factors in the changes to the discount rate. If the discount rates used to discount the indexed strategy cash flows were to fluctuate, there would be a resulting change in reserves for indexed annuities recorded through the condensed consolidated statements of income (loss).

As of June 30, 2022, we had embedded derivative liabilities classified as Level 3 in the fair value hierarchy of $5.5 billion. The increase (decrease) to the embedded derivatives on FIA products from hypothetical changes in discount rates is summarized as follows:

(In millions)	June 30, 2022
+100 bps discount rate	$ (300)
−100 bps discount rate	335

However, these estimated effects do not take into account potential changes in other variables, such as equity price levels and market volatility, which can also contribute significantly to changes in carrying values. Therefore, the quantitative impact presented in the table above does not necessarily correspond to the ultimate impact on the condensed consolidated financial statements. In determining the ranges, we have considered current market conditions, as well as the market level of discount rates that can reasonably be anticipated over the near-term. For additional information regarding sensitivities to interest rate risk and public equity risk, see *Item 3 Quantitative and Qualitative Disclosures About Market Risks*.

Deferred Acquisition Costs, Deferred Sales Inducements, and Value of Business Acquired

Costs related directly to the successful acquisition of new or renewal insurance or investment contracts are deferred to the extent they are recoverable from future premiums or gross profits. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances. We perform periodic tests, including at issuance, to determine if the deferred costs are recoverable. If it is determined that the deferred costs are not recoverable, we record a cumulative charge to the current period.

Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds are amortized over the lives of the policies, based upon the proportion of the present value of actual and expected deferred costs to the present value of actual and expected gross profits to be earned over the life of the policies. Gross profits include investment spread margins, surrender charge income, policy administration, changes in the GLWB and GMDB reserves, and realized gains (losses) on investments. Current period gross profits for indexed annuities also include the change in fair value of both freestanding and embedded derivatives.

Our estimates of expected gross profits and margins are based on assumptions using accepted actuarial methods related to policyholder behavior, including lapses and the utilization of benefit riders, mortality, yields on investments supporting the liabilities, future interest credited amounts (including indexed related credited amounts on fixed indexed annuity products), and other policy changes as applicable, and the level of expenses necessary to maintain the policies over their expected lives. Each reporting period, we update estimated gross profits with actual gross profits as part of the amortization process. We also periodically revise the key assumptions used in the amortization calculation which results in revisions to the estimated future gross profits. The effects of changes in assumptions are recorded as unlocking in the period in which the changes are made.

We establish VOBA for blocks of insurance contracts acquired through the acquisition of insurance entities. The fair value of the liabilities purchased is determined using market participant assumptions at the time of acquisition and represents the amount an acquirer would expect to be compensated to assume the contracts. We record the fair value of the liabilities assumed in two components: reserves and VOBA. Reserves are established using our best estimate assumptions, plus a provision for adverse deviation where applicable, as of the business combination date. VOBA is the difference between the fair value of the liabilities and the reserves. VOBA can be either positive or negative. Any negative VOBA is recorded to the same financial statement line on the condensed consolidated balance sheets as the associated reserves. Positive VOBA is recorded in DAC, DSI and VOBA on the condensed consolidated balance sheets.

VOBA and negative VOBA are amortized in relation to applicable policyholder liabilities. Significant assumptions which impact VOBA and negative VOBA amortization are consistent with those which impact the measurement of policyholder liabilities.

Estimated future gross profits vary based on a number of factors but are typically most sensitive to changes in investment spread margins, which are the most significant component of gross profits. If estimated gross profits for all future years on business in force were to change, including the impacts of shadow adjustments, there would be a resulting increase or decrease to the balances of DAC and DSI recorded as an increase or decrease to amortization of DAC and DSI on the condensed consolidated statements of income (loss) or AOCI.

Actual gross profits will depend on actual margins, including the changes in the value of embedded derivatives. The most sensitive assumption in determining the value of the embedded derivative is the vector of rates used to discount the embedded derivative cash flows. If the discount rates used to discount the embedded derivative cash flows were to change, there would be a resulting increase or decrease to the balances of DAC and DSI recorded as an increase or decrease in amortization of DAC and DSI on the condensed consolidated statements of income (loss).

Following the business combination and application of pushdown accounting described in *Note 2 – Business Combination*, Predecessor DAC and DSI balances were eliminated. Successor DAC and DSI balances exhibit less sensitivity to hypothetical changes in estimated future gross profits and changes in the embedded derivative discount rate as they are relatively less material following the business combination. VOBA balances no longer amortize based on estimated gross profits, and accordingly, are not sensitive to changes to actual or estimated gross profits.

Impact of Recent Accounting Pronouncements

For a discussion of new accounting pronouncements affecting us, see *Note 1 – Business, Basis of Presentation and Significant Accounting Policies* to the condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

We regularly analyze our exposure to market risks, which reflect potential losses in value due to credit and counterparty risk, interest rate risk, currency risk, commodity price risk and equity price risk. As a result of that analysis, we have determined that we are primarily exposed to credit risk, interest rate risk and equity price risk. A description of our market risk exposures, including strategies used to manage our exposure to market risk, may be found under *Part II—Item 7A. Quantitative and Qualitative Disclosures About Market Risk* of our 2021 Annual Report. There have been no material changes to our market risk exposures from those previously disclosed in our 2021 Annual Report, except as described below.

Sensitivities

Interest Rate Risk

We assess interest rate exposure for financial assets and financial liabilities using hypothetical stress tests and exposure analyses. Assuming all other factors are constant, if there was an immediate parallel increase in interest rates of 25 basis points from levels as of June 30, 2022, we estimate a net decrease to our point-in-time pre-tax income from changes in the fair value of these financial instruments of $975 million. The net change in fair value for these financial instruments would directly impact the current period gross profits and assessments used in the calculations of DAC and DSI amortization and changes in rider reserves, resulting in an offsetting increase to our pre-tax income of $41 million. If there were a similar parallel increase in interest rates from levels as of December 31, 2021, we estimate a net decrease to our point-in-time pre-tax income from changes in the fair value of these financial instruments of $511 million with an offsetting increase to pre-tax income of $17 million from DAC, DSI and VOBA amortization and changes in rider reserves. The increase in sensitivity was primarily due to (i) the election of the fair value accounting option for our mortgage loan portfolio, and (ii) materially different offsets stemming from DAC, DSI, and VOBA balances as a result of purchase accounting. The financial instruments included in the sensitivity analysis are carried at fair value and changes in fair value are recognized in earnings. These financial instruments include derivative instruments, embedded derivatives and certain fixed maturity securities. The sensitivity analysis excludes those financial instruments carried at fair value for which changes in fair value are recognized in equity, such as AFS fixed maturity securities.

Assuming a 25 basis point increase in interest rates that persists for a 12-month period, the estimated impact to spread related earnings would be an increase of approximately $30 – $40 million, and a 25 basis point decrease would generally result in a similar decrease. This is driven by a change in investment income from floating rate assets and liabilities, offset by DAC and DSI amortization and rider reserve change, all calculated without regard to future changes to assumptions. We are unable to make forward-looking estimates regarding the impact on net income of changes in interest rates that persist for a period of time as a result of an inability to determine how such changes will affect certain of the items that we characterize as “adjustments to income (loss) before income taxes” in our reconciliation between net income (loss) available to AHL common shareholder and spread related earnings. See *Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Measure Reconciliations* for the reconciliation of net income available to AHL common shareholder to spread related earnings. The impact of changing rates on these adjustments is likely to be significant. See above for a discussion regarding the estimated impact on net income of an immediate, parallel increase in interest rates of 25 basis points from levels as of June 30, 2022, which discussion encompasses the impact of such an increase on certain of the adjustment items.

The models used to estimate the impact of a 25 basis point change in market interest rates incorporate numerous assumptions, require significant estimates and assume an immediate change in interest rates without any discretionary management action to counteract such a change. Consequently, potential changes in our valuations indicated by these simulations will likely be different from the actual changes experienced under any given interest rate scenarios and these differences may be material. Because we actively manage our assets and liabilities, the net exposure to interest rates can vary over time. However, any such decreases in the fair value of fixed maturity securities, unless related to credit concerns of the issuer requiring recognition of credit losses, would generally be realized only if we were required to sell such securities at losses to meet liquidity needs.

Public Equity Risk

We assess public equity market risk for financial assets and financial liabilities using hypothetical stress tests and exposure analyses. Assuming all other factors are constant, if there were a decline in public equity market prices of 10% as of June 30, 2022, we estimate a net decrease to our pre-tax income from changes in the fair value of these financial instruments of $241 million. The net change in fair value for these financial instruments would directly impact the current period gross profits and assessments used in the calculations of DAC and DSI amortization and changes in rider reserves, resulting in an offsetting increase to our pre-tax income of $16 million. As of December 31, 2021, we estimate that a decline in public equity market prices of 10% would cause a net decrease to our pre-tax income from changes in the fair value of these financial instruments of $392 million with an offsetting increase to our pre-tax income of $131 million from DAC, DSI, and VOBA amortization and changes in rider reserves. The decline in the DAC, DSI, and VOBA amortization as of June 30, 2022 when compared to that as of December 31, 2021 is driven by (i) the decline in the market value of the equity options and (ii) materially different offsets stemming from DAC, DSI, and VOBA balances as a result of purchase accounting. The financial instruments included in the sensitivity analysis are carried at fair value and changes in fair value are recognized in earnings. These financial instruments include public equity investments, derivative instruments and the FIA embedded derivative.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as such term is defined under Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and our management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at attaining the level of reasonable assurance noted above.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) during the quarter ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to litigation arising in the ordinary course of our business, including litigation principally relating to our FIA business. We cannot assure you that our insurance coverage will be adequate to cover all liabilities arising out of such claims. The outcomes of legal proceedings and claims brought against us are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. In management's opinion, the ultimate disposition of any current legal proceeding or claim brought against us will not have a material effect on our financial condition, results of operations or cash flows. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

From time to time, in the ordinary course of business and like others in the insurance and financial services industries, we receive requests for information from government agencies in connection with such agencies' regulatory or investigatory authority. Such requests can include financial or market conduct examinations, subpoenas or demand letters for documents to assist the government in audits or investigations. We and each of our US insurance subsidiaries review such requests and notices and take appropriate action. We have been subject to certain requests for information and investigations in the past and could be subject to them in the future.

For a description of certain legal proceedings affecting us, see *Note 11 – Commitments and Contingencies – Litigation, Claims and Assessments* to the condensed consolidated financial statements.

Item 1A. Risk Factors

The following should be read in conjunction with, and supplement and amend, the factors that may affect our business or operations described in *Part I–Item 1A. Risk Factors* of our 2021 Annual Report. Other than as described in this Item 1A, there have been no material changes to our risk factors from the risk factors previously disclosed in our 2021 Annual Report.

The following updates and supplements the risk factors described in our 2021 Annual Report:

Changes in the laws and regulations governing the insurance industry or otherwise applicable to our business, may have a material adverse effect on our business, financial condition, results of operations, liquidity, cash flows and prospects.

Certain of the laws and regulations to which we are subject are summarized in *Part I–Item 1. Business–Regulation* of our 2021 Annual Report. Changes in the laws and regulations relevant to our business may have a material adverse effect on our business, financial condition, results of operations, liquidity, cash flows and prospects. Certain of the risks associated with changes in these laws and regulations are discussed in greater detail below.

The Dodd-Frank Act made sweeping changes to the regulation of financial services entities, products and markets. Historically, the federal government had not directly regulated the insurance business; however, the Dodd-Frank Act generally provides for enhanced federal supervision of financial institutions, including some insurance companies in defined circumstances, as well as financial activities that are deemed to represent a systemic risk to financial stability or the economy. Certain provisions of the Dodd-Frank Act are or may become applicable or relevant to us, our competitors or those entities with which we do business, including, but not limited to: the establishment of a comprehensive federal regulatory regime with respect to derivatives – see *Part I–Item 1. Business–Regulation–Regulation of OTC Derivatives* for further information; the establishment of consolidated federal regulation and resolution authority over SIFIs and/or systemically important financial activities; the establishment of the Federal Insurance Office; changes to the regulation of broker-dealers and investment advisors; changes to the regulation of reinsurance; changes to regulations affecting the rights of shareholders; the imposition of additional regulation over credit rating agencies; and the imposition of concentration limits on financial institutions that restrict the amount of credit that may be extended to a single person or entity.

Legislative or regulatory requirements imposed by or promulgated in connection with the Dodd-Frank Act may impact us in many ways, including, but not limited to: placing us at a competitive disadvantage relative to our competition or other financial services entities; changing the competitive landscape of the financial services sector or the insurance industry; making it more expensive for us to conduct our business; requiring the reallocation of significant company resources to government affairs; increasing our legal and compliance related activities and the costs associated therewith as the Dodd-Frank Act may permit the preemption of certain state laws when inconsistent with international agreements, such as the EU Covered Agreement and the UK Covered Agreement; and otherwise having a material adverse effect on the overall business climate as well as our financial condition and results of operations.

Heightened standards of sales conduct as a result of the implementation of SAT, including state adoption of a revised SAT version that includes a best interest concept, or the adoption of other similar proposed rules or regulations could also increase the compliance and regulatory burdens on our representatives, and could lead to increased litigation and regulatory risks, changes to our business model, a decrease in the number of our securities-licensed representatives and a reduction in the products we offer to our clients, any of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, we expect the worldwide demographic trend of population aging will cause policymakers to continue to focus on the framework of US and non-US retirement systems, which may drive additional changes regarding the manner in which individuals plan for and fund their retirement, the extent of government involvement in retirement savings and funding, the regulation of retirement products and services and the oversight of industry participants. Any incremental requirements, costs and risks imposed on us in connection with such current or future legislative or regulatory changes, may constrain our ability to market our products and services to potential customers, and could negatively impact our profitability and make it more difficult for us to pursue our growth strategy.

Although we are subject to regulation in each state in which we conduct business, in many instances the state insurance laws and regulations emanate from the NAIC. State insurance regulators and the NAIC regularly re-examine existing laws and regulations applicable to insurance companies and their products. Moreover, the NAIC and state insurance regulators are increasingly focused on the relationships between private equity firms and insurers. In December 2021, an NAIC task force released a list of 13 regulatory considerations applicable to private equity-owned insurers and asked an NAIC working group to coordinate review of such considerations. These actions signify increased scrutiny of insurance companies owned by private equity firms and the potential for additional regulation. Any proposed or future legislation or NAIC initiatives, if adopted, may be more restrictive on our ability to conduct business than current regulatory requirements or may result in higher costs or increased statutory capital and reserve requirements. Changes in these laws and regulations or interpretations thereof are often made for the benefit of the consumer and at the expense of the insurer and could have a material adverse effect on our domestic insurance subsidiaries' businesses, financial condition and results of operations. We are also subject to the risk that compliance with any particular regulator's interpretation of a legal or accounting issue may not result in compliance with another regulator's interpretation of the same issue, particularly when compliance is judged in hindsight. There is an additional risk that any particular regulator's interpretation of a legal or accounting issue may change over time to our detriment, or that changes to the overall legal or market environment, even absent any change of interpretation by a particular regulator, may cause us to change our views regarding the actions we need to take from a legal risk management perspective, which could necessitate changes to our practices that may, in some cases, limit our ability to grow and improve profitability.

Many of our invested assets are relatively illiquid and we may fail to realize profits from these assets for a considerable period of time, or lose some or all of the principal amount we invest in these assets if we are required to sell our invested assets at a loss at inopportune times to cover policyholder withdrawals or to meet our insurance, reinsurance or other obligations or in response to changes in applicable rules and regulations.

We offer certain products that allow policyholders to withdraw their funds under defined circumstances. In order to meet such obligations, we seek to manage our liabilities and configure our investment portfolios to provide and maintain sufficient liquidity to support expected withdrawal demands and contract benefits and maturities. However, in order to provide necessary long-term returns and to achieve our strategic goals, a certain portion of our assets are relatively illiquid. Many of our investments are in securities that are not publicly traded or that otherwise lack liquidity, such as our privately placed fixed maturity securities, below investment grade securities, investments in mortgage loans and alternative investments.

We record our relatively illiquid types of investments at fair value. While we typically maintain significant amounts of cash and investment grade corporate bonds, as well as a $1.25 billion credit facility and $2.5 billion liquidity facility, if we were forced to sell certain of our assets, there can be no assurance that we would be able to sell them for the values at which such assets are recorded and we might be forced to sell them at significantly lower prices. In many cases, we may be prohibited by contract or applicable securities laws from selling such securities for a period of time. When we hold a security or position, it is vulnerable to price and value fluctuations and may experience losses if we are unable to timely sell, hedge or transfer the position. Thus, it may be impossible or costly for us to liquidate positions rapidly in order to meet unexpected withdrawal or recapture obligations. This potential mismatch between the liquidity of our assets and liabilities could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Further, governmental and regulatory authorities periodically review legislative and regulatory initiatives, and may promulgate new or revised, or adopt changes in the interpretation and enforcement of existing, rules and regulations at any time that may impact our investments. For example, Rule 15c2-11 under the Exchange Act governs the submission of quotes into quotation systems by broker-dealers and has historically been applied to the over-the-counter equity markets. However, the SEC recently stated that it intends to apply the rule to fixed income markets, potentially restricting the ability of market participants to publish quotations for applicable fixed income securities after January 3, 2023. Such change in regulatory requirements could disrupt market liquidity and cause securities in our investment portfolio that are not publicly traded, such as our privately placed fixed maturity securities and below investment grade securities, to lose value, which could have a material and adverse effect on our business, financial condition or results of operations. Even if a trading market for such investments in securities develops, the trading prices of such securities would depend on many factors, including prevailing interest rates and the market for similar securities of comparable issuers. Accordingly, no assurance can be given that an active trading market for such investments in securities will develop, be sustained or be liquid. The application of Rule 15c2-11 to fixed income securities may also disrupt primary market liquidity by reducing new issuances and make it more difficult for us to source and invest in certain private investments that may have higher risk/reward opportunities for our investment portfolio or obtain the most efficient pricing for private investments that we choose to sell into the market.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Securities

None.

Item 6. Exhibits

The exhibits listed in the Exhibit Index immediately below are filed as part of this report, which Exhibit Index is incorporated by reference herein.

EXHIBIT INDEX

Exhibit No.	Description
10.1†	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan.
10.2†	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan for Estate Planning Vehicles.
10.3†	Amended and Restated Employment Agreement, dated as of June 16, 2022, between Athene Holding Ltd. and James R. Belardi (material terms of which as previously described in the Form 8-K filed by Athene Holding Ltd. on June 17, 2022).
10.4.1	364 – Day Credit Agreement, dated as of July 1, 2022, among Athene Holding Ltd. and Athene Life Re Ltd., as Borrowers, the lenders from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on July 8, 2022).
10.4.2	Incremental Amendment No. 1 to Credit Agreement, dated as of August 5, 2022, among Athene Holding Ltd. and Athene Life Re Ltd., as Borrowers, Credit Suisse AG, New York Branch, as additional lender, and Wells Fargo Bank, National Association, as Administrative Agent.
10.4.3	Guaranty, dated as of July 1, 2022, between Athene Life Re Ltd., as Guarantor, and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on July 8, 2022).
31.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Management contract or compensatory plan or arrangement.

SIGNATURES

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

	ATHENE HOLDING LTD.
Date: August 9, 2022	/s/ Martin P. Klein
	Martin P. Klein
	Executive Vice President and Chief Financial Officer
	(principal financial officer and duly authorized signatory)

Exhibit 10.1

**RESTRICTED SHARE UNIT AWARD AGREEMENT
UNDER THE APOLLO GLOBAL MANAGEMENT, INC.
2019 OMNIBUS EQUITY INCENTIVE PLAN**

This Restricted Share Unit Award Agreement (this "RSU Award Agreement"), dated as of **[Grant Date]** (the "Date of Grant"), is made by and between Apollo Global Management, Inc., a Delaware corporation (the "Company"), and **[Participant Name**] the "Participant"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan, as the same may be amended, modified or supplemented from time to time (the "Plan"). Where the context permits, references to the Company shall include any successor to the Company.

1. Grant of Restricted Share Units. The Company hereby grants to the Participant **[Quantity Granted]** restricted share units (the "RSUs"), subject to all of the terms and conditions of this RSU Award Agreement and the Plan.

2. Vesting.

(a) Subject to the terms of the Plan and this RSU Award Agreement, the RSUs shall vest (and the Restricted Period, as defined below, will lapse) with respect to one-third (1/3) of the Award on December 31 of each of [2022], [2023] and [2024], *provided* the Participant remains in continuous employment or service with the Company and its Affiliates through each such vesting date. Notwithstanding the foregoing, subject to the Participant's (or the Participant's personal representative's) execution and non-revocation of a general release of claims (which shall include customary carve-outs for indemnification and vested compensatory payments), unless such release requirement is waived by the Company in its sole discretion, upon the Participant's Termination (as defined in Section 5(c)) due to death or by the Company and its Affiliates by reason of Disability, the Participant shall also vest in 100% of the unvested RSUs that remain subject to the Award as of such Termination date.

(b) For purposes of the Award, the Participant shall be deemed to be in continuous employment or service (and not to have experienced a Termination) until such time as the Participant dies or otherwise experiences a "separation from service" (as such term is defined in Treasury Regulation §1.409A-1(h)(1)) or, if earlier, upon the Participant providing or receiving notice that his or her employment or service with the Company and its Affiliates will terminate. Notwithstanding the foregoing, fractional RSUs shall not be deemed vested until they accumulate to equal one whole Share.

3. Form, Manner and Timing of Payment. Except as otherwise provided in the Plan, each RSU granted hereunder shall represent the right to receive one (1) Share provided that the RSU becomes vested in accordance with Section 5(b) (Shares subject to RSUs covered by this Award, "RSU Shares"). Subject to the terms of the Plan, for each RSU that does not terminate prior to the vesting date shown in Section 2(a) pursuant to Section 5(c), the Company, or its Subsidiaries or Affiliates, shall issue to the Participant, on the applicable issuance date set forth in Section 4, one (1) RSU Share (either by delivering one or more certificates for such shares or by entering such shares in book-entry form, as determined by the Company in its discretion). Such issuance shall constitute payment of the RSU. References herein to issuances to the Participant shall include issuances to any Beneficial Owner or other Person to whom (or to which) the RSU Shares are issued. The Company's obligation to issue RSU Shares or otherwise make any payment with respect to vested RSUs is subject to the condition precedent that the Participant or other Person entitled under the Plan to receive any RSU Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 15 and the Company may meet any obligation to issue RSU Shares by having one or more of its Subsidiaries or Affiliates issue the RSU Shares. The Participant shall have no further rights with respect to any RSUs that are paid or that terminate pursuant to Section 5(c).

4. Delivery. One (1) RSU Share shall be issued in payment of each vested RSU not later than the 15th day of the third month after the later of the last day of the Participant's or the Company's fiscal year in which the RSU vests, consistent with Treasury Regulation §1.409A-1(b)(4). Fractional RSU Shares shall not be issued (or any consideration provided therefor) but shall accumulate.

5. Restrictions.

(a) The RSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered. The transfer restrictions contained in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers of vested RSUs by will or the laws of descent and distribution, or (c) if approved by the Administrator in its sole discretion, transfers of RSUs in accordance with the requirements of Instruction A.1. (a)(5) of Form S-8 under the Securities Act or other applicable law. The RSUs shall be subject to a risk of forfeiture as described in Section 5(c) until the lapse of the Restricted Period (as defined below) and any additional requirements or restrictions contained in this RSU Award Agreement or in the Plan have been otherwise satisfied, terminated or expressly waived by the Company in writing.

(b) Subject to Section 5(c), the RSU Shares subject to the RSUs shall become vested hereunder in accordance with the vesting schedule set forth in Section 2(a) (the "Restricted Period").

(c) Except as otherwise provided under the terms of the Plan, or in the vesting schedule set forth in Section 2(a), if the Participant's employment or service terminates for any reason (a "Termination"), then all rights of the Participant with respect to RSUs that have not vested shall immediately be forfeited without payment of any consideration, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such RSUs. Employment or service for only a portion of a vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon a Termination.

6. Voting and Other Rights; Dividend Equivalents. The Participant shall have no rights of a shareholder (including voting rights and the right to dividends or distributions), and will not be treated as an owner of Shares for tax purposes, except with respect to RSU Shares that have been issued. Notwithstanding the foregoing, the Participant shall accrue rights to dividend equivalents from the Company or its Subsidiaries or Affiliates on the RSUs, whether or not vested, at the time of an ordinary cash dividend on Shares. Any dividend equivalent so accrued in respect of a RSU shall have the same value as the ordinary cash dividend on an outstanding Share that gave rise to the dividend equivalent, and shall be paid not later than 30 days after such ordinary cash dividend is paid to the holders of Shares. Rights to dividend equivalents on an RSU shall terminate upon the issuance or forfeiture of the underlying RSU Share or, if earlier, upon the Participant providing or receiving notice that his or her employment or service with the Company and its Affiliates will terminate. Under no circumstances shall the Participant be entitled to receive (a) both a dividend and a dividend equivalent with respect to an RSU (or its associated RSU Share) or (b) any dividend or dividend equivalent with respect to a forfeited or fractional RSU.

7. RSU Award Agreement Subject to Plan. This RSU Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall govern.

8. No Rights to Continuation of Employment or Service. Nothing in the Plan or this RSU Award Agreement shall confer upon the Participant any right to continue in the employ or service of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company (or a Subsidiary or Affiliate or its shareholders, as the case may be) to terminate the Participant's employment or service any time for any reason whatsoever, with or without Cause. The Plan and this RSU Award Agreement shall not (a) form any part of any contract of employment or contract for services between the

Company or any past or present Subsidiary thereof and any directors, officers or employees of those companies, (b) confer any legal or equitable rights (other than those constituting the Awards themselves) against the Company or any past or present Subsidiary thereof, directly or indirectly, or (c) give rise to any cause of action in law or in equity against the Company or any past or present Subsidiary thereof.

9. Restrictive Covenants. The Participant agrees that the restrictive covenants applicable to the Participant pursuant to any written arrangement with the Company or any of its Subsidiaries are incorporated herein by reference as if contained herein. Nothing contained herein shall reduce or limit the application or scope of any restrictive covenants in favor of the Company or any of its Subsidiaries or Affiliates (for example, with respect to competition, solicitation, confidentiality, intellectual property, subsequent engagement, interference or disparagement) to which the Participant is otherwise subject. The Participant acknowledges that the Company would not have granted this Award if the Participant had not agreed to be bound by such restrictive covenants, as the same may be amended from time to time. Nothing in this RSU Award Agreement or any other agreement or arrangement of the Company or any of its Affiliates to which the Participant is subject will (a) prohibit the Participant from making reports of possible violations of U.S. federal law or regulation to any governmental agency or entity in accordance with Section 21F of the Securities Exchange Act of 1934, Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of U.S. federal law or regulation, or (b) require notification or prior approval by the Company or any of its Affiliates of any such reporting.

10. Tax Withholding. The Participant is responsible for all taxes and any tax-related penalties the Participant incurs in connection with the Award. The Company or its Subsidiaries or Affiliates shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct, from other compensation payable to the Participant, any sums required by U.S. federal, state or local law (or by any tax authority outside of the United States) to be withheld or accounted for by the Company or its Subsidiaries or Affiliates with respect to any RSU. The Company in its discretion may alternatively reduce the number of shares to be issued by the appropriate number of whole Shares, valued at their then Fair Market Value, or require any other available method, to satisfy any withholding or tax obligations of the Company or its Subsidiaries or Affiliates with respect to the RSUs at the applicable rates.

11. Section 409A Compliance. This Award is intended to be exempt from, or comply with, Section 409A and to be interpreted in a manner consistent therewith. Notwithstanding anything to the contrary contained in this RSU Award Agreement, to the extent that the Administrator determines that the Plan or an RSU is subject to Section 409A and fails to comply with the requirements of Section 409A, the Administrator reserves the right (without any obligation to do so or to indemnify the Participant for failure to do so), without the consent of the Participant, to amend or terminate the Plan and RSU Award Agreement and/or to amend, restructure, terminate or replace the RSU in order to cause the RSU to either not be subject to Section 409A or to comply with the applicable provisions of such section. To the extent necessary to avoid the imposition of tax or penalty under Section 409A, any payment by the Company or any Subsidiary or Affiliate to the Participant (if the Participant is then a “specified employee” as defined in Code Section 409A(a)(2)(B)(i) and Treasury Regulation §1.409A-1(i)(1)) of “deferred compensation,” whether pursuant to the Plan or otherwise, arising solely due to a “separation from service” (and not by reason of the lapse of a “substantial risk of forfeiture”), as such terms are used in Section 409A, shall be delayed (to the extent otherwise payable prior to such date) and paid on the first day following the six-month period beginning on the date of the Participant’s separation from service under Section 409A (or, if earlier, upon the Participant’s death). Each payment or installment due to the Participant from the Company or any of its Affiliates, whether under this RSU Award Agreement or otherwise, is intended to constitute a “separate payment” for purposes of Section 409A. In no event shall the Company or any Subsidiary or Affiliate (or any agent thereof) have any liability to the Participant or any other Person due to the failure of the Award to satisfy the requirements of Section 409A.

12. Governing Law; Arbitration; Waiver of Jury Trial.

(a) This RSU Award Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Delaware (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction), and any dispute, controversy, suit, action or proceeding ("Proceeding") arising out of or relating to this Award or any other Award, other than the injunctive relief described below in this paragraph, will, notwithstanding anything to the contrary contained in Section 14(e) of the Plan, be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Delaware law) in accordance with, and pursuant to, the Employment Arbitration Rules and Procedures of JAMS ("JAMS"). The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The arbitrator may grant interim injunctive relief and the Company or its successors or assigns may commence litigation in court to obtain injunctive relief or an order requiring specific performance to enforce, or prevent any violations of, the covenants referenced in Section 9. The Company and the Participant will share the JAMS administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees.

(b) **IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTICIPANT AND THE COMPANY WAIVE AND COVENANT THAT THE PARTICIPANT AND THE COMPANY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH AN AWARD UNDER THE PLAN OR ANY MATTERS CONTEMPLATED THEREBY, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR THE PARTICIPANT MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTICIPANT, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO AN AWARD UNDER THE PLAN AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER AN AWARD AGREEMENT UNDER THE PLAN WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

13. RSU Award Agreement Binding on Successors. The terms of this RSU Award Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest and upon the Company, its Affiliates and its and their successors and assignees, subject to the terms of the Plan.

14. No Assignment. Subject to the second sentence of Section 5(a), neither this RSU Award Agreement nor any rights granted herein shall be assignable by the Participant other than (with respect to any rights that survive the Participant's death) by will or the laws of descent and distribution. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any RSUs or RSU Shares by any holder thereof in violation of the provisions of this RSU Award Agreement or the Plan will be valid, and the Company will not transfer any of said RSUs or RSU Shares on its books nor will any RSU Shares be entitled to vote, nor will any distributions be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

15. Necessary Acts. The Participant hereby agrees to perform all acts, and to execute and deliver any documents, that may be reasonably necessary to carry out the provisions of this RSU Award Agreement, including but not limited to all acts and documents related to compliance with securities, tax and other applicable laws and regulations.

16. Limitation on the Participant's Rights; Not a Trust. Participation in the Plan confers no rights or interests other than as herein provided. This RSU Award Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets, and the RSUs shall not be treated as property or as a trust fund of any kind. The RSUs shall be used solely as a device for the determination of the payments to eventually be made to the Participant if the RSUs vest pursuant to Section 2 and Section 5. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the RSU Shares as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

17. Severability. Should any provision of this RSU Award Agreement be held by an arbitrator or court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this RSU Award Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original RSU Award Agreement. Moreover, if one or more of the provisions contained in this RSU Award Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, then in lieu of severing such unenforceable provision or provisions, it or they shall be construed by the appropriate judicial body or arbitral tribunal by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by a judicial body or arbitral tribunal shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

18. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this RSU Award Agreement shall in no way be construed to be a waiver of that provision or of any other provision hereof.

19. Entire Agreement. This RSU Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior writings or understandings with respect to the grant of RSUs covered by this Award. The Participant acknowledges that any summary of the Plan or this RSU Award Agreement provided by the Company is subject in its entirety to the terms of the Plan and this RSU Award Agreement.

20. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or description of the contents of any Section.

21. Counterparts. This RSU Award Agreement may be executed in any number of counterparts, including via facsimile or PDF, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

22. Amendment. Except as otherwise provided in the Plan or Section 11, no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

23. Disposition of Shares Issued. Subject to applicable law, the Participant may dispose of vested RSU Shares granted under this Award during any "window period" in which sales by Company personnel are permitted, or otherwise pursuant to the terms of a 10b5-1 plan on the same terms as apply to the use of such plans by other Company personnel, subject to approval by the Company's compliance department. All dispositions of RSU Shares are subject to compliance with the Company's Share Ownership Policy as in effect from time to time.

24. Acknowledgements and Representations. The Participant is acquiring the RSUs and, if and when the RSUs vest, will acquire the RSU Shares covered thereby solely for the Participant's own account, for investment purposes only, and not with a view to or an intent to sell or distribute, or to offer for resale in connection with any unregistered distribution, all or any portion of the RSUs or RSU Shares

within the meaning of the Securities Act and/or any applicable state securities laws. The Participant has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the Award and the restrictions imposed on the RSUs and the RSU Shares. The Participant has been furnished with, and/or has access to, such information as he or she considers necessary or appropriate for deciding whether to accept the Award. However, in evaluating the merits and risks of an investment in the Company, the Participant has and will rely upon the advice of his/her own legal counsel, tax advisors, and/or investment advisors. The Participant is aware that RSU Shares may be of no practical value. The Participant has read and understands the restrictions and limitations set forth in the Plan and this RSU Award Agreement, which are imposed on the RSUs and the RSU Shares. The Participant confirms that the Participant has not relied on any warranty, representation, assurance or promise of any kind whatsoever in entering into this RSU Award Agreement other than as expressly set out in this RSU Award Agreement or in the Plan.

25. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Award (or future Awards that may be granted under the Plan) and participation in the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

26. Recoupment. The Participant, by accepting the Award, hereby acknowledges and agrees that the Participant will be subject to any policy adopted by the Company that provides for the repayment or forfeiture of incentive compensation (including but not limited to Awards and amounts payable thereunder), including, without limitation, as a result of a detrimental activity or a required accounting restatement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this RSU Award Agreement as of the date set forth above.

APOLLO GLOBAL MANAGEMENT, INC.

By__
Name:
Title:

The undersigned hereby accepts and agrees to all of the terms and provisions of this RSU Award Agreement.

PARTICIPANT

By__
Name: **[Participant Name]**

[Acceptance Date]

RESTRICTIVE COVENANTS AGREEMENT

This restrictive covenants agreement (this "Restrictive Covenants Agreement") is made by and between Apollo Global Management, Inc., a Delaware corporation (the "Company"), and **[Participant Name**] (the "Participant"). Where the context permits, references to the Company shall include any successor to the Company. **The execution of this Restrictive Covenants Agreement by Participant is a condition to the Company's grant, and the Participant's receipt, of the restricted share units pursuant to the Restricted Share Unit Award Agreement under the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan dated [date] between the parties hereto (the "RSU Award Agreement"). If this Restrictive Covenants Agreement is not executed by Participant, the RSU Award Agreement will be null and void *ab initio* and the Participant will have no rights thereunder.** Capitalized terms not defined herein shall have the meanings ascribed to them in the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan, as the same may be amended, modified or supplemented from time to time (the "Plan"). The Participant acknowledges that the Company would not have granted the RSU Award Agreement had the Participant not agreed to be bound by the restrictive covenants contained in this Restrictive Covenants Agreement. Accordingly, as consideration for the Participant's receipt of the RSU Award Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the Participant voluntarily covenants and agrees as set forth in this Restrictive Covenants Agreement.

1. Confidential Information.

a. Participant shall not disclose or use at any time any Confidential Information (as defined below) of which Participant is or becomes aware, whether or not such information is developed by Participant, except to the extent that such disclosure or use is directly related to and required by Participant's performance in good faith of duties for Athene Holding Ltd. ("Athene"), its Subsidiaries, the Asset Management Company or their respective Affiliates. Participant shall take all appropriate steps to safeguard Confidential Information in Participant's possession and to protect it against disclosure, misuse, espionage, loss and theft. Participant shall deliver to Athene upon Participant's Termination of Relationship, or at any time Athene may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the business of Athene, its Subsidiaries, the Asset Management Company or any of their respective Affiliates that Participant may then possess or have under his or her control. Notwithstanding the foregoing, Participant may truthfully respond to a lawful and valid subpoena or other legal process, but shall give Athene the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to Athene and its counsel the documents and other information sought, and shall assist Athene and such counsel in resisting or otherwise responding to such process. As used in this Restrictive Covenants Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by Athene, its Subsidiaries, the Asset Management Company or their respective Affiliates in connection with their businesses, including, but not limited to, information, observations and data obtained by Participant while providing services to Athene, its Subsidiaries, the Asset Management Company, their respective Affiliates or any predecessors thereof (including those obtained prior to the date hereof) concerning (i) the business or affairs of Athene, its Subsidiaries, the Asset Management Company or their respective Affiliates (or such predecessors), (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by Participant in breach of this Restrictive Covenants Agreement) in a form generally available to the public prior to the date Participant

proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

b. Participant understands that nothing contained in this Restrictive Covenants Agreement limits Participant's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("Government Agencies"). Participant further understands that this Restrictive Covenants Agreement does not limit Participant's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to Athene or the Company. Nothing in this Restrictive Covenants Agreement shall limit Participant's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

2. Restriction on Competition.

a. Participant acknowledges that, in the course of his or her service with Athene, its Subsidiaries, the Asset Management Company and/or their predecessors (the "Protected Companies"), he or she has become familiar, or will become familiar, with the Protected Companies' trade secrets and with other confidential and proprietary information concerning the Protected Companies and that his or her services have been and will be of special, unique and extraordinary value to the Protected Companies. Participant agrees that if Participant were to become employed by, or substantially involved in, the business of a competitor of the Protected Companies during the Restricted Period, it would be very difficult for Participant not to rely on or use the Protected Companies' trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Protected Companies' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Protected Companies' relationships and goodwill with customers, during the Restricted Period, Participant will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any Competing Business. For purposes of this Restrictive Covenants Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer or licensor of technology. For purposes of this Restrictive Covenants Agreement, "Restricted Area" means anywhere in the United States, Bermuda and elsewhere in the world where the Protected Companies engage in business, including, without limitation, jurisdictions where any of the Protected Companies reasonably anticipate engaging in business on the date of Participant's Termination of Relationship (provided that as of the date of Participant's Termination of Relationship, to the knowledge of Participant, such area has been discussed as a market that the Protected Companies reasonably contemplate engaging in within the twelve (12) month period following the date of Participant's Termination of Relationship). For purposes of this Restrictive Covenants Agreement, "Competing Business" means a Person that at any time during Participant's period of service has competed, or any time during the twelve (12) month period following the date of Participant's Termination of Relationship begins competing with the Protected Companies anywhere in the Restricted Area and in the business of (i) retail annuities, (ii) annuity reinsurance, focusing on contracts reinsuring a quota share of future premiums of various fixed annuity product lines, (iii) reinsuring blocks of existing annuity business, (iv) issuing funding agreements or participating in a funding agreement backed note program, (v) pension risk transfer transactions, (vi) managing investments held by ceding companies pursuant to funds withheld and/or modified coinsurance contracts with their affiliates, (vii) managing investments in the life insurance

industry, or (viii) any other significant business conducted by the Protected Companies as of the date of Participant's Termination of Relationship and any significant business the Protected Companies conduct in the twelve (12) month period after Participant's Termination of Relationship (provided that as of the date of Participant's Termination of Relationship, to the knowledge of Participant, such business has been discussed as a business that the Protected Companies reasonably contemplate engaging in within such twelve (12) month period). For purposes of this Restrictive Covenants Agreement, "Restricted Period" means Participant's period of service until his or her Termination of Relationship, and thereafter through and including: (A) twelve (12) months following Participant's Termination of Relationship with respect to any Participant with a title of CEO, President or EVP at the time of the Termination of Relationship; (B) nine (9) months following Participant's Termination of Relationship with respect to any Participant with a title of SVP at the time of the Termination of Relationship and (C) six (6) months following Participant's Termination of Relationship with respect to any Participant with a title of VP at the time of the Termination of Relationship.

b. Nothing herein shall prohibit Participant from (i) being a passive owner of not more than 1% of the outstanding stock of any class of a corporation which is publicly traded, so long as Participant has no active participation in the business of such corporation, or (ii) providing services to a subsidiary, division or affiliate of a Competing Business if such subsidiary, division or affiliate is not itself engaged in a Competing Business and Participant does not provide services to, or have any responsibilities regarding, the Competing Business.

3. Non-Solicitation of Employees and Consultants. During Participant's period of service and for a period of twelve (12) months after the date of Participant's Termination of Relationship, Participant shall not directly or indirectly through any other Person (a) induce or attempt to induce any employee or independent contractor of the Protected Companies to leave the employ or service, as applicable, of the Protected Companies, or in any way interfere with the relationship between the Protected Companies, on the one hand, and any employee or independent contractor thereof, on the other hand, or (b) hire any person who was an employee of the Protected Companies, in each case, until six (6) months after such individual's employment relationship with the Protected Companies has been terminated.

4. Non-Solicitation of Customers. During Participant's period of service and for a period of twelve (12) months after the date of Participant's Termination of Relationship, Participant shall not directly or indirectly through any other Person influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, ceding companies, associates, consultants, agents, or partners of the Protected Companies to divert their business away from the Protected Companies, and Participant will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Protected Companies, on the one hand, and any of their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand (collectively, "Protected Company Clients"); provided, however, that this provision shall not apply to any Protected Company Clients for whom Participant does not in the course of Participant's services to Athene or any of the other Protected Company (a) perform services on behalf of the Athene or any of the other Protected Companies, or (b) have contact or acquire or have access to confidential information or other competitively advantageous information as a result of or in connection with Participant's services to Athene.

5. Understanding of Covenants. Participant represents and agrees that he or she (a) is familiar with and carefully considered the foregoing covenants set forth in Sections 2, 3 and 4 (together, the "Restrictive Covenants"), (b) is fully aware of his or her obligations hereunder, (c) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (d) agrees that the Restrictive Covenants are necessary to protect the Protected Companies' confidential and proprietary information, good will, stable workforce and customer relations, and (e) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in Sections 2, 3 and 4 regardless of whether Participant is then entitled to receive severance pay or benefits from any of the Protected Companies. Participant understands that the Restrictive Covenants may limit his or her

ability to earn a livelihood in a business similar to the business of the Protected Companies, but he or she nevertheless believes that he or she has received and will receive sufficient consideration and other benefits as an employee of or other service provider to Athene and as otherwise provided hereunder to clearly justify such restrictions that, in any event (given his or her education, skills and ability), Participant does not believe would prevent him or her from otherwise earning a living. Participant agrees that the Restrictive Covenants do not confer a benefit upon the Protected Companies disproportionate to the detriment of Participant.

6. Enforcement. Participant agrees that Participant's services are unique and that he or she has access to Confidential Information. Accordingly, Participant agrees that a breach by Participant of any of the Restrictive Covenants would cause immediate and irreparable harm to Athene and the Company that would be difficult or impossible to measure, and that damages to Athene and the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, Participant agrees that in the event of any breach or threatened breach of any provision of this Restrictive Covenants Agreement, Athene and/or the Company shall be entitled, in addition to and without limitation upon all other remedies Athene and the Company may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Restrictive Covenants Agreement, as the case may be, or require Participant to account for and pay over to Athene or the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Restrictive Covenants Agreement, if and when final judgment of a court of competent jurisdiction is so entered against Participant. Participant further agrees that the applicable period of time any Restrictive Covenant is in effect following the date of Participant's Termination of Relationship, as determined pursuant to the foregoing provisions of this Restrictive Covenants Agreement, shall be extended by the same amount of time that Participant is in breach of any Restrictive Covenant.

7. Governing Law; Arbitration; Waiver of Jury Trial.

a. This Restrictive Covenants Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Delaware (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction), and any dispute, controversy, suit, action or proceeding ("Proceeding") arising out of or relating to this Restrictive Covenant Agreement will, notwithstanding anything to the contrary contained in Section 14(e) of the Plan, be settled by arbitration in accordance with the procedures set forth in Paragraph 12(a) of the RSU Award Agreement, including with the carve-out for the right to receive injunctive relief for the enforcement of any restrictive covenants, which is incorporated by reference as if set forth in their entirety herein.

b. IF AN AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTICIPANT WAIVES AND COVENANTS THAT THE PARTICIPANT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS RESTRICTIVE COVENANTS AGREEMENT OR ANY MATTERS CONTEMPLATED THEREBY, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR THE PARTICIPANT MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTICIPANT, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS RESTRICTIVE COVENANTS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS RESTRICTIVE COVENANTS

AGREEMENT UNDER THE PLAN WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

8. Successors. The terms of this Restrictive Covenants Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest and upon the Company, its Affiliates and its and their successors and assignees, subject to the terms of the Plan.

9. Severability and Modification. Should any provision of this Restrictive Covenant Agreement be held by an arbitrator or court of competent jurisdiction to be unenforceable even following any modification as set forth in the previous sentence, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Restrictive Covenants Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Restrictive Covenants Agreement. Moreover, if one or more of the provisions contained in this Restrictive Covenants Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, then in lieu of severing such unenforceable provision or provisions, it or they shall be construed by the appropriate judicial body or arbitral tribunal by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by a judicial body or arbitral tribunal shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

10. Failure to Enforce Not a Waiver. The failure of the Company or any of its Affiliates to enforce at any time any provision of this Restrictive Covenants Agreement shall in no way be construed to be a waiver of that provision or of any other provision hereof.

11. Entire Agreement. The RSU Award Agreement, the Plan, and this Restrictive Covenants Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior writings or understandings with respect to the grant of RSUs covered by the RSU Award.

12. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or description of the contents of any Section.

13. Amendment. Except as otherwise provided in Section 9 above, no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Restrictive Covenants Agreement as of the date set forth above.

APOLLO GLOBAL MANAGEMENT, INC.

By_____
Name:
Title:

The undersigned hereby accepts and agrees to all of the terms and provisions of this Restrictive Covenants Agreement.

PARTICIPANT

[Electronic Signature]

By__
Name: **[Participant Name]**

[Acceptance Date]

Exhibit 10.2

[Form of EPV RSU Agreement]
CONFIDENTIAL

RESTRICTED SHARE UNIT AWARD AGREEMENT
UNDER THE APOLLO GLOBAL MANAGEMENT, INC.
2019 OMNIBUS EQUITY INCENTIVE PLAN FOR ESTATE PLANNING VEHICLES

This Award Agreement (this "RSU Award Agreement"), dated as of [DATE] (the "Date of Grant"), is made by and between Apollo Global Management, Inc., a Delaware corporation (the "Company"), and [NAME], the Estate Planning Vehicle designated by [RECIPIENT NAME] (the "Eligible Recipient," and such Estate Planning Vehicle, the "Participant"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Apollo Global Management, Inc. 2019 Omnibus Equity Incentive Plan for Estate Planning Vehicles, as the same may be amended, modified or supplemented from time to time (the "Plan"). Where the context permits, references to the Company shall include any successor to the Company. **If this RSU Award Agreement is not executed and returned to the Company by [DATE], this Award will be null and void *ab initio* and the Participant will have no rights hereunder.**

1. Grant of Restricted Share Units. The Company hereby grants to the Participant [NUMBER] restricted share units (the "RSUs"), subject to all of the terms and conditions of this RSU Award Agreement and the Plan.

2. Vesting.

(a) Subject to the terms of the Plan and this RSU Award Agreement, the RSUs shall vest (and the Restricted Period, as defined below, will lapse) with respect to [FRACTION] of the Award on [VESTING DATES], *provided* the Eligible Recipient remains in continuous employment or service with the Company and its Affiliates through each such vesting date. Notwithstanding the foregoing, subject to the Participant's and the Eligible Recipient's (or the Participant's and/or Eligible Recipient's personal representative's) execution and non-revocation of a general release of claims (which shall include customary carve-outs for indemnification and vested compensatory payments), unless such release requirement is waived by the Company in its sole discretion, upon the Participant's Termination (as defined in Section 5(c)) due to death or by the Company and its Affiliates by reason of Disability, the Eligible Recipient shall also vest in 100% of the unvested RSUs that remain subject to the Award as of such Termination date.

(b) For purposes of the Award, the Eligible Recipient shall be deemed to be in continuous employment or service (and not to have experienced a Termination) until such time as the Eligible Recipient dies or otherwise experiences a "separation from service" (as such term is defined in Treasury Regulation §1.409A-1(h)(1)) or, if earlier, upon the Eligible Recipient providing or receiving notice that his or her employment or service with the Company and its Affiliates will terminate. Notwithstanding the foregoing, fractional RSUs shall not be deemed vested until they accumulate to equal one whole Share.

3. Form, Manner and Timing of Payment. Except as otherwise provided in the Plan, each RSU granted hereunder shall represent the right to receive one (1) Share provided that the RSU becomes vested in accordance with Section 5(b) (Shares subject to RSUs covered by this Award, "RSU Shares"). Subject to the terms of the Plan, for each RSU that does not terminate prior to the vesting date shown in Section 2(a) pursuant to Section 5(c), the Company, or its Subsidiaries or Affiliates, shall issue to the Participant, on the applicable issuance date set forth in Section 4, one (1) RSU Share (either by delivering one or more certificates for such shares or by entering such shares in book-entry form, as determined by the Company in its discretion). Such issuance shall constitute payment of the RSU. References herein to issuances to the Participant shall include issuances to any Beneficial Owner or other Person to whom (or to which) the RSU Shares are issued. The Company's obligation to issue RSU Shares or otherwise make any payment with respect to vested RSUs is subject to the condition precedent that the Participant and the Eligible Participant or other Person entitled under the Plan to receive any RSU Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required

pursuant to Section 15 and the Company may meet any obligation to issue RSU Shares by having one or more of its Subsidiaries or Affiliates issue the RSU Shares. Neither the Participant nor the Eligible Recipient shall have any further rights with respect to any RSUs that are paid or that terminate pursuant to Section 5(c).

4. Delivery. One (1) RSU Share shall be issued in payment of each vested RSU not later than the 15th day of the third month after the later of the last day of the Eligible Recipient's or the Company's fiscal year in which the RSU vests, consistent with Treasury Regulation §1.409A-1(b)(4). Fractional RSU Shares shall not be issued (or any consideration provided therefor) but shall accumulate.

5. Restrictions.

(a) The RSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered. The transfer restrictions contained in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers of vested RSUs by will or the laws of descent and distribution, or (c) if approved by the Administrator in its sole discretion, transfers of RSUs in accordance with the requirements of Instruction A.1. (a)(5) of Form S-8 under the Securities Act or other applicable law. The RSUs shall be subject to a risk of forfeiture as described in Section 5(c) until the lapse of the Restricted Period (as defined below) and any additional requirements or restrictions contained in this RSU Award Agreement or in the Plan have been otherwise satisfied, terminated or expressly waived by the Company in writing.

(b) Subject to Section 5(c), the RSU Shares subject to the RSUs shall become vested hereunder in accordance with the vesting schedule set forth in Section 2(a) (the "Restricted Period").

(c) Except as otherwise provided under the terms of the Plan, or in the vesting schedule set forth in Section 2(a), if the Eligible Recipient's employment or service terminates for any reason (a "Termination"), then all rights of the Participant with respect to RSUs that have not vested shall immediately be forfeited without payment of any consideration, and neither the Participant or Eligible Recipient's, nor any of its, his or her respective successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such RSUs. Employment or service by the Eligible Recipient for only a portion of a vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon a Termination.

6. Voting and Other Rights; Dividend Equivalents. The Participant and Eligible Recipient shall have no rights of a shareholder (including voting rights and the right to dividends or distributions), and the Participant will not be treated as an owner of Shares for tax purposes, except with respect to RSU Shares that have been issued. The Participant hereby grants to the Eligible Recipient an exclusive and irrevocable proxy to exercise all rights of the Participant to vote on or consent to any matter in its capacity as a shareholder of the Company and the Company will not be required to accept instructions regarding any such vote or consent on behalf of the Participant from any other person. Notwithstanding the foregoing, the Participant or Eligible Recipient (without duplication) shall accrue rights to dividend equivalents from the Company or its Subsidiaries or Affiliates on the RSUs, whether or not vested, at the time of an ordinary cash dividend on Shares. Any dividend equivalent so accrued in respect of a RSU shall have the same value as the ordinary cash dividend on an outstanding Share that gave rise to the dividend equivalent, and shall be paid not later than 30 days after such ordinary cash dividend is paid to the holders of Shares. Rights to dividend equivalents on an RSU shall terminate upon the issuance or forfeiture of the underlying RSU Share or, if earlier, upon the Eligible Recipient providing or receiving notice that his or her employment or service with the Company and its Affiliates will terminate. Under no circumstances shall the Participant or Eligible Recipient be entitled to receive (a) both a dividend and a dividend equivalent with respect to an RSU (or its associated RSU Share) or (b) any dividend or dividend equivalent with respect to a forfeited or fractional RSU.

7. RSU Award Agreement Subject to Plan. This RSU Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall govern.

8. No Rights to Continuation of Employment or Service. Nothing in the Plan or this RSU Award Agreement shall confer upon the Eligible Recipient any right to continue in the employ or service of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company (or a Subsidiary or Affiliate or its shareholders, as the case may be) to terminate the Eligible Recipient's employment or service any time for any reason whatsoever, with or without Cause. The Plan and this RSU Award Agreement shall not (a) form any part of any contract of employment or contract for services between the Company or any past or present Subsidiary thereof and any directors, officers or employees of those companies, (b) confer any legal or equitable rights (other than those constituting the Awards themselves) against the Company or any past or present Subsidiary thereof, directly or indirectly, or (c) give rise to any cause of action in law or in equity against the Company or any past or present Subsidiary thereof.

9. Restrictive Covenants. The Participant and Eligible Recipient agree that the restrictive covenants applicable to the Eligible Recipient pursuant to any written arrangement with the Company or any of its Subsidiaries are incorporated herein by reference as if contained herein. Nothing contained herein shall reduce or limit the application or scope of any restrictive covenants in favor of the Company or any of its Subsidiaries or Affiliates (for example, with respect to competition, solicitation, confidentiality, intellectual property, subsequent engagement, interference or disparagement) to which the Participant or the Eligible Recipient is otherwise subject. The Participant and Eligible Recipient acknowledge that the Company would not have granted this Award if the Participant and Eligible Recipient had not agreed to be bound by such restrictive covenants, as the same may be amended from time to time. Nothing in this RSU Award Agreement or any other agreement or arrangement of the Company or any of its Affiliates to which the Participant and/or Eligible Recipient are subject will (a) prohibit the Participant or Eligible Recipient from making reports of possible violations of U.S. federal law or regulation to any governmental agency or entity in accordance with Section 21F of the Securities Exchange Act of 1934, Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of U.S. federal law or regulation, or (b) require notification or prior approval by the Company or any of its Affiliates of any such reporting.

10. Tax Withholding. The Participant (or, to the extent the Participant so agrees with the Eligible Recipient, the Eligible Recipient) is responsible for all taxes and any tax-related penalties the Participant or Eligible Recipient incurs in connection with the Award. The Company or its Subsidiaries or Affiliates shall be entitled to require a cash payment by or on behalf of the Participant or Eligible Recipient and/or to deduct, from other compensation payable to the Participant or Eligible Recipient, any sums required by U.S. federal, state or local law (or by any tax authority outside of the United States) to be withheld or accounted for by the Company or its Subsidiaries or Affiliates with respect to any RSU. The Company in its discretion may alternatively reduce the number of shares to be issued by the appropriate number of whole Shares, valued at their then Fair Market Value, or require any other available method, to satisfy any withholding or tax obligations of the Company or its Subsidiaries or Affiliates with respect to the RSUs at the applicable rates.

11. Section 409A Compliance. This Award is intended to be exempt from, or comply with, Section 409A and to be interpreted in a manner consistent therewith. Notwithstanding anything to the contrary contained in this RSU Award Agreement, to the extent that the Administrator determines that the Plan or an RSU is subject to Section 409A and fails to comply with the requirements of Section 409A, the Administrator reserves the right (without any obligation to do so or to indemnify the Participant for failure to do so), without the consent of the Participant or Eligible Recipient, to amend or terminate the Plan and RSU Award Agreement and/or to amend, restructure, terminate or replace the RSU in order to cause the RSU to either not be subject to Section 409A or to comply with the applicable provisions of such section.

To the extent necessary to avoid the imposition of tax or penalty under Section 409A, any payment by the Company or any Subsidiary or Affiliate to the Participant or Eligible Recipient (if the Eligible Recipient is then a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) and Treasury Regulation §1.409A-1(i)(1)) of "deferred compensation," whether pursuant to the Plan or otherwise, arising solely due to a "separation from service" (and not by reason of the lapse of a "substantial risk of forfeiture"), as such terms are used in Section 409A, shall be delayed (to the extent otherwise payable prior to such date) and paid on the first day following the six-month period beginning on the date of the Eligible Recipient's separation from service under Section 409A (or, if earlier, upon the Eligible Recipient's death). Each payment or installment due to the Participant from the Company or any of its Affiliates, whether under this RSU Award Agreement or otherwise, is intended to constitute a "separate payment" for purposes of Section 409A. In no event shall the Company or any Subsidiary or Affiliate (or any agent thereof) have any liability to the Participant, Eligible Recipient or any other Person due to the failure of the Award to satisfy the requirements of Section 409A.

12. Governing Law; Arbitration; Waiver of Jury Trial.

(a) This RSU Award Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Delaware (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction), and any dispute, controversy, suit, action or proceeding ("Proceeding") arising out of or relating to this Award or any other Award, other than the injunctive relief described below in this paragraph, will, notwithstanding anything to the contrary contained in Section 14(e) of the Plan, be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Delaware law) in accordance with, and pursuant to, the Employment Arbitration Rules and Procedures of JAMS ("JAMS"). The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. The Company, the Participant and (to the extent applicable) the Eligible Recipient may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The arbitrator may grant interim injunctive relief and the Company or its successors or assigns may commence litigation in court to obtain injunctive relief or an order requiring specific performance to enforce, or prevent any violations of, the covenants referenced in Section 9. The Company and the Participant will share the JAMS administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees.

(b) **IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTICIPANT, THE ELIGIBLE RECIPIENT AND THE COMPANY WAIVE AND COVENANT THAT THE PARTICIPANT, THE ELIGIBLE RECIPIENT AND THE COMPANY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH AN AWARD UNDER THE PLAN OR ANY MATTERS CONTEMPLATED THEREBY, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR THE PARTICIPANT OR ELIGIBLE RECIPIENT MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTICIPANT AND ELIGIBLE RECIPIENT, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO AN AWARD UNDER THE PLAN AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER AN AWARD AGREEMENT UNDER THE PLAN WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

13. RSU Award Agreement Binding on Successors. The terms of this RSU Award Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal

representatives, transferees, assignees and successors in interest and upon the Company, its Affiliates and its and their successors and assignees, subject to the terms of the Plan.

14. No Assignment. Subject to the second sentence of Section 5(a), neither this RSU Award Agreement nor any rights granted herein shall be assignable by the Participant other than (with respect to any rights that survive the Participant's death) by will or the laws of descent and distribution. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any RSUs or RSU Shares by any holder thereof in violation of the provisions of this RSU Award Agreement or the Plan will be valid, and the Company will not transfer any of said RSUs or RSU Shares on its books nor will any RSU Shares be entitled to vote, nor will any distributions be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

15. Necessary Acts. The Participant and Eligible Recipient hereby agree to perform all acts, and to execute and deliver any documents, that may be reasonably necessary to carry out the provisions of this RSU Award Agreement, including but not limited to all acts and documents related to compliance with securities, tax and other applicable laws and regulations.

16. Limitation on the Participant's Rights; Not a Trust. Participation in the Plan confers no rights or interests other than as herein provided. This RSU Award Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets, and the RSUs shall not be treated as property or as a trust fund of any kind. The RSUs shall be used solely as a device for the determination of the payments to eventually be made to the Participant if the RSUs vest pursuant to Section 2 and Section 5. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the RSU Shares as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

17. Severability. Should any provision of this RSU Award Agreement be held by an arbitrator or court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this RSU Award Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original RSU Award Agreement. Moreover, if one or more of the provisions contained in this RSU Award Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, then in lieu of severing such unenforceable provision or provisions, it or they shall be construed by the appropriate judicial body or arbitral tribunal by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by a judicial body or arbitral tribunal shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

18. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this RSU Award Agreement shall in no way be construed to be a waiver of that provision or of any other provision hereof.

19. Entire Agreement. This RSU Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior writings or understandings with respect to the grant of RSUs covered by this Award. The Participant and Eligible Recipient acknowledge that any summary of the Plan or this RSU Award Agreement provided by the Company is subject in its entirety to the terms of the Plan and this RSU Award Agreement.

20. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or description of the contents of any Section.

21. Counterparts. This RSU Award Agreement may be executed in any number of counterparts, including via facsimile or PDF, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

22. Amendment. Except as otherwise provided in the Plan or Section 11, no amendment or modification hereof shall be valid unless it shall be in writing and signed by the Participant and the Company.

23. Disposition of Shares Issued. Subject to applicable law, the Participant may dispose of vested RSU Shares granted under this Award during any "window period" in which sales by Company personnel (including Eligible Recipient) are permitted, or otherwise pursuant to the terms of a 10b5-1 plan on the same terms as apply to the use of such plans by other Company personnel, subject to approval by the Company's compliance department. All dispositions of RSU Shares are subject to compliance with the Company's Share Ownership Policy as in effect from time to time.

24. Acknowledgements and Representations. The Participant is acquiring the RSUs and, if and when the RSUs vest, will acquire the RSU Shares covered thereby solely for the Participant's own account, for investment purposes only, and not with a view to or an intent to sell or distribute, or to offer for resale in connection with any unregistered distribution, all or any portion of the RSUs or RSU Shares within the meaning of the Securities Act and/or any applicable state securities laws. The Participant and Eligible Recipient have had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the Award and the restrictions imposed on the RSUs and the RSU Shares. The Participant has been furnished with, and/or has access to, such information as it considers necessary or appropriate for deciding whether to accept the Award. However, in evaluating the merits and risks of an investment in the Company, the Participant has and will rely upon the advice of its own legal counsel, tax advisors, and/or investment advisors. The Participant is aware that RSU Shares may be of no practical value. The Participant has read and understands the restrictions and limitations set forth in the Plan and this RSU Award Agreement, which are imposed on the RSUs and the RSU Shares. The Participant confirms that the Participant has not relied on any warranty, representation, assurance or promise of any kind whatsoever in entering into this RSU Award Agreement other than as expressly set out in this RSU Award Agreement or in the Plan.

25. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Award (or future Awards that may be granted under the Plan) and participation in the Plan by electronic means or to request the Participant's or Eligible Recipient's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery, including in care of Eligible Recipient, and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

26. Recoupment. The Participant, by accepting the Award, hereby acknowledges and agrees that the Participant and Eligible Recipient will be subject to any policy adopted by the Company that provides for the repayment or forfeiture of incentive compensation (including but not limited to Awards and amounts payable thereunder), including, without limitation, as a result of a detrimental activity or a required accounting restatement.

27. Representations and Covenants of the Eligible Recipient and the Participant.

(a) The Eligible Recipient and the Participant request that the Administrator grant the Award to the Participant.

(b) The Participant (i) is an "accredited investor" as that term is defined in Regulation D under the Securities Act, (ii) is a "qualified purchaser" as defined for purposes of section 3(c)(7) under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") and (iii)

was not formed for the specific purpose of making an investment, directly or indirectly, in the Company within the meaning of the Investment Company Act. The Participant and Eligible Recipient acknowledge that the Shares covered by this Award are not registered on Form S-8 under the Securities Act and that Shares issued to the Participant under the Plan are expected to be "restricted securities" within the meaning of Rule 144 under the Securities Act.

(c) The Participant also confirms that, in addition to the transfer restrictions set forth in this RSU Award Agreement and the Plan, the Participant will not effect any direct or indirect transfer of interests in either the Award or in the Participant (other than, to the extent it would permit the Participant to remain an Estate Planning Vehicle, such a transfer to family members within the meaning of Form S-8) without the prior written consent of the Administrator, which consent may be withheld in the absolute discretion of the Administrator; provided that, for the avoidance of doubt, notwithstanding any transfer restrictions in this RSU Award Agreement and the Plan, no consent of the Administrator will be required for a change in the Participant's trustee, general partner or manager, or the addition of additional trustees or co-trustees, of the Participant and that, upon notice to the Company of such change and receipt by the Company of the relevant portions of the trust agreement, limited partnership agreement, limited liability company agreement or other relevant document of the Participant and, if applicable, the instrument of appointment, showing the appointment and authorization of such trustee(s), general partners or managers, the Company shall record such change in the relevant books and records.

(d) The Participant has provided to the Company or, upon request of the Company, will provide to the Company a copy of the relevant portions of the constitutive agreement of the Participant showing the appointment and authority of the trustee(s), general partner or manager.

(e) The Participant is a [CORPORATE FORM OF ASSIGNEE] that is authorized and has legal capacity to enter into this RSU Award Agreement, and the Person signing this RSU Award Agreement on behalf of the Participant has been duly authorized by the Participant to do so. This RSU Award Agreement has been duly executed and delivered on behalf of the Participant and is the valid and binding agreement of the Participant, enforceable against the Participant in accordance with its terms. Upon request of the Company, the Participant will deliver any documents which may be reasonably requested by the Company to evidence or confirm the authority of the person executing this RSU Award Agreement on behalf of the Participant.

(f) Neither the execution and delivery of this RSU Award Agreement, nor the consummation of the transactions contemplated hereby, nor compliance by the Participant with any of the provisions hereof, shall (i) conflict with or result in a breach of any provision of the Participant's charter, by-laws, and/or other similar organizational or governing instruments of the Participant, as the case may be, (ii) constitute or result in a breach of any term, condition or provision of, or constitute a default under, or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation of any lien, charge or encumbrance upon any property or asset of the Participant pursuant to, any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which the Participant is a party or (iii) violate or cause the Participant to fail to comply with any order, writ, injunction, decree, statute, rule, regulation or other law applicable to the Participant (or constitute an event which, with the passage of time or action by a third party, would result in any of the foregoing).

(g) This RSU Award Agreement has been duly executed and delivered by the Eligible Recipient and is the valid and binding agreement of the Eligible Recipient, enforceable against the Eligible Recipient in accordance with its terms.

(h) The execution, delivery and performance of this RSU Award Agreement by the Eligible Recipient and Participant requires no consent or approval of any governmental body, agency or official, or any other Person that has not been obtained.

(i) The Eligible Recipient and the Participant each respectively represent that the Participant constitutes a "family member" for purposes of the requirements of Instruction A.1.(a)(5) of Form S-8 under the Securities Act, and Rule 701(c)(3) of the Securities Act and will maintain such status at any time that Shares are distributed under the Plan pursuant to the Award.

(j) The representations set forth in Sections 12, 24 and this Section 27 shall be deemed to be reaffirmed by the Participant and the Eligible Recipient, as appropriate, at any time that Shares are transferred to, or registered in the name of, the Participant.

(k) Each of the Eligible Recipient and the Participant acknowledges on behalf of itself that the Partnerships and their respective partners will rely upon the representations, warranties and agreements set forth herein made by the Eligible Recipient or the Participant, respectively, each of which shall survive the Date of Grant.

(l) The Eligible Recipient agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Company and its Affiliates and the partners, officers, directors, managers, members, employees, agents and shareholders of each of them, and each other Person, if any, who controls or is controlled by any of the foregoing, within the meaning of Section 15 of the Securities Act (together, the "Indemnified Parties"), against any and all loss, liability, claim, damage, cost and expense whatsoever (including, but not limited to, legal fees and disbursements and any and all other expenses whatsoever reasonably incurred in investigating, preparing for or defending against any litigation, arbitration proceeding, or other action or proceeding, commenced or threatened, or any claim whatsoever) arising out of or in connection with, or based upon or resulting from, (i) any false representation or warranty or breach or failure by the Eligible Recipient to comply with any covenant or agreement made by the Eligible Recipient in this RSU Award Agreement or in any other document furnished by it to any of the foregoing in connection with this transaction, (ii) any action for securities law violations instituted by the Eligible Recipient which is finally resolved by judgment against the Eligible Recipient or (iii) the compliance by the Company and/or its Affiliates or any of their respective employees in good faith with the requirements of applicable anti-money laundering and anti-terrorism legislation or regulatory provisions with respect to the Eligible Recipient.

(m) The Participant agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Indemnified Parties against any and all loss, liability, claim, damage, cost and expense whatsoever (including, but not limited to, legal fees and disbursements and any and all other expenses whatsoever reasonably incurred in investigating, preparing for or defending against any litigation, arbitration proceeding, or other action or proceeding, commenced or threatened, or any claim whatsoever) arising out of or in connection with, or based upon or resulting from, (i) any false representation or warranty or breach or failure by the Participant to comply with any covenant or agreement made by the Participant in this RSU Award Agreement or in any other document furnished by it to any of the foregoing in connection with this transaction, (ii) any action for securities law violations instituted by the Participant which is finally resolved by judgment against the Participant or (iii) the compliance by the Company and/or its Affiliates or any of their respective employees in good faith with the requirements of applicable anti-money laundering and anti-terrorism legislation or regulatory provisions with respect to the Participant.

(n) The Participant and Eligible Recipient affirm their obligations under Section 20 of the Plan.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this RSU Award Agreement as of the date set forth above.

APOLLO GLOBAL MANAGEMENT, INC.

By__
Name:
Title:

The undersigned hereby accept and agree to all of the terms and provisions of this RSU Award Agreement.

PARTICIPANT

By__
Title: [TRUST NAME]

ELIGIBLE RECIPIENT

By__
Name: [RECIPIENT NAME]

Exhibit 10.3

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is dated as of June 16, 2022, by and between Athene Holding Ltd., a Bermuda exempted company limited by shares ("AHL"), and James R. Belardi (the "Executive").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. AHL and the Executive entered into an Employment Agreement (the "Athene Agreement"), dated as of July 15, 2009, as amended and restated as of February 2013, pursuant to which the Executive serves as the Chief Executive Officer of AHL.

B. Apollo Insurance Solutions Group LP, formerly known as Athene Asset Management LLC, a Delaware single member limited partnership ("AISG"), and the Executive entered into an Employment Agreement (the "AAM Agreement"), dated as of July 15, 2009, as amended and restated in that certain Amended and Restated Employment Agreement, dated as of February 2013, pursuant to which the Executive serves as the Chief Executive Officer of AISG.

C. Apollo Global Management, Inc. (the indirect parent company of AISG) and AHL completed a series of merger transactions on January 1, 2022 pursuant to an agreement and plan of merger, dated as of March 8, 2021, whereupon the name of Apollo Global Management, Inc. was changed to Apollo Asset Management, Inc. and such renamed entity and AHL became subsidiaries of Tango Holdings, Inc., which was subsequently renamed Apollo Global Management, Inc. (together with any successor, "AGM").

D. AHL, AISG (each of AHL and AISG, a "Company" and collectively, the "Companies") and the Executive (AHL and the Executive, each a "Party" and collectively, the "Parties") desire that the Executive continue to serve as the Chief Executive Officer of each Company. This Agreement supersedes and negates (except as otherwise expressly provided in this Agreement) all previous employment agreements between the Executive, AHL and AISG and any predecessors.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties agree as follows:

1. **Retention and Duties**.

1.1 **Retention.** AHL hereby employs the Executive, and AISG hereby engages the Executive as an officer, for the Term (as defined below), on the terms set forth in this Agreement. The Executive accepts and agrees to such employment by AHL and engagement by AISG, on the terms set forth in this Agreement.

1.2 **Duties.** During the Term, the Executive shall serve each Company as its Chief Executive Officer and shall have the powers, authorities, duties and obligations of management usually vested in the office of the Chief Executive Officer, and such other powers, authorities, duties and obligations commensurate with such position as the board of directors of AGM (the "AGM Board") may assign from time to time, all subject to the lawful directives of the AGM Board, and the corporate policies of AGM and its Affiliates (as defined in Exhibit A) (AGM and its Affiliates, collectively, the "Group"), as they are in effect from time to time throughout the Term (including, without limitation, the Group's

business conduct and ethics policies and each Company's operating guidelines as they may be in effect from time to time). The Parties acknowledge that the Executive was previously appointed to the board of directors of each of AHL and AISG GP Ltd., AISG's general partner (each, a "Company Board") and shall report directly and exclusively to each applicable Company Board and the Chief Executive Officer of AGM during the Term. The Executive shall be recused from any discussion by any board of directors (or committee thereof) of the Executive's terms or conditions of employment or engagement or the termination thereof.

1.3 **No Other Employment; Minimum Time Commitment.** During the Term, the Executive shall (i) devote substantially all of the Executive's business time, energy and skill to the performance of the Executive's duties for the Companies, (ii) perform such duties in a faithful, effective and efficient manner to the best of his abilities, and (iii) hold no other employment. The Executive's service on the boards of directors (or similar body) of other business entities is subject to the approval of the AGM Board; provided, however, that service on the board of directors (or similar body) of any member of the Group on which the Executive serves at the request of a member of the Group shall be deemed pre-approved. During the Term, the Executive shall be permitted to manage his personal investments and engage in charitable activities, and, notwithstanding the foregoing, engage in activities on behalf of other members of the Group, so long as such activities do not, in each case and in the aggregate, interfere with the effective discharge of the Executive's duties and responsibilities to the Companies. AGM and the Companies shall have the right to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) on which he may then serve (with the consent of AGM, if such service is at the request of another member of the Group other than the Companies) if the AGM Board or the applicable Company Board reasonably determines that the Executive's service on such board or body interferes with the effective discharge of the Executive's duties and responsibilities to AHL or that any business related to such service is then in competition with any business of the Group or any Protected Companies (as defined in Section 6.2), or any successors or assigns of the foregoing.

1.4 **Representations**.

(a) The Executive hereby represents to the Companies that: (i) the execution and delivery of this Agreement and the performance by the Executive of the Executive's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Executive is a party or otherwise bound or any judgment, order or decree to which the Executive is subject; (ii) the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as defined in Exhibit A) which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his duties hereunder; (iii) other than this Agreement, the Executive is not bound by any employment, consulting, non-compete, trade secret or similar agreement with any other Person; (iv) the Executive understands the Companies will rely upon the accuracy and truth of the representations and warranties of the Executive set forth herein and the Executive consents to such reliance, and (v) upon the execution and delivery of this Agreement, this Agreement shall be his valid and binding obligation, enforceable against the Executive in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally and general principles of equity (whether considered by a court of law or a court of equity).

(b) Each of the Companies hereby represents to the Executive that (i) it is fully authorized by action of the applicable Company Board and the Compensation Committee of the AGM Board (the "Compensation Committee") to enter into this Agreement and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound and (iii) upon the execution and delivery of this Agreement, this Agreement shall be its valid and binding

obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally and general principles of equity (whether considered by a court of law or a court of equity).

1.5 **Location.** The Executive's principal office location shall be in Los Angeles. Consistent with AHL's operating guidelines, the Executive agrees that during the Term he will be regularly present at this office and will undertake such travel as may be reasonably required from time to time in the course of performing his duties, including, without limitation, to West Des Moines, Iowa, and Bermuda.

2. **Term.** The "Term" shall commence on the date hereof and shall continue until December 31, 2022 (the "Termination Date"); provided, that this Agreement shall be automatically renewed, and the Term shall be automatically extended, for one (1) additional year, on the Termination Date and each anniversary of the Termination Date thereafter, unless AGM or the Executive gives written notice at least one hundred and twenty (120) days prior to the expiration of the Term (including any renewal thereof) of such party's desire to terminate the Term (such notice to be delivered in accordance with Section 21). Provision of notice by the Companies or the Executive that the Term shall not be extended or further extended, as the case may be, shall not constitute a breach of this Agreement or "Good Reason" (as defined in Exhibit A). The Term may be subject to earlier termination as set forth below.

3. **Compensation**.

3.1 **Base Salary.** During the Term, AHL shall pay the Executive an annual base salary (the "Base Salary") of $1,875,000, paid consistent with AHL's regular payroll practices in effect from time to time. The Compensation Committee will review the Base Salary on an annual basis and may, in its sole discretion, increase (but not, except as provided in the next sentence, decrease) the rate then in effect. The Executive's Base Salary shall not be reduced other than as part of an across the board reduction applicable to all members of senior management that results in a proportional reduction to the Executive's Base Salary equal to that of other members of senior management. For purposes of clarity, the Executive shall not be entitled to any payments or benefits from AISG (except as otherwise specified in Section 9 with respect to indemnification).

3.2 **Annual Incentive Bonus.** The Executive shall be eligible to receive an annual incentive bonus for each calendar year that ends during the Term ("Incentive Bonus"); provided, that, except as provided in Section 5.3, the Executive must be employed by AHL at the time AHL pays its annual bonuses generally with respect to any such calendar year in order to be eligible for an Incentive Bonus with respect to that calendar year (and, if the Executive is not so employed at such time, in no event shall he have been considered to have "earned" any portion of an Incentive Bonus with respect to the calendar year in question). The Executive's target Incentive Bonus amount for a particular calendar year shall equal one hundred percent (100%) of the Executive's Base Salary paid to the Executive for that calendar year, less $25,000; provided, that, the Executive's actual Incentive Bonus amount for a particular calendar year shall be determined by the Compensation Committee in its sole discretion, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) established with respect to that particular calendar year by the Compensation Committee. As determined by the Compensation Committee, any Incentive Bonus earned by the Executive for a particular calendar year shall be paid by AHL in cash, or in publicly tradeable securities (or awards that are settled in publicly tradeable securities) that vest in annual installments over the same period as applies to other senior executives of AHL generally, as soon as reasonably practicable following the date that the audited financial statements of AHL for such calendar year are issued and at the same time that incentive bonuses for such calendar year are paid to other senior executives of AHL generally, and in no event later than December 31 of the year following the close of the calendar year for which the bonus is awarded.

3.3 **Profits Units.** AHL acknowledges that J&L Belardi AAM LLC, an estate planning vehicle established and controlled by the Executive, holds 10,482 fully-vested Class B Interests of AISG Holdings LP ("AISG Holdings"; the "AISG Profits Interests"), which AISG Profits Interests are subject to the terms and conditions of the Second Amended and Restated Agreement of Exempted Limited Partnership of AISG Holdings LP (f/k/a AAM Holdings, L.P.), dated June 16, 2022, as amended from time to time (the "LP Agreement"). Pursuant to the LP Agreement (and not pursuant to this Agreement), the AISG Profits Interests entitle their holders to quarterly payments equal to 4.5% of the "AHL/ACRA Subadvisory Fees" and to 3.35% of both the "AHL Base Management Fee" and the "ACRA Base Management Fee" (each, as defined in the LP Agreement).

3.4 **ISGI Profits Payment.** The Executive shall be entitled to receive for each completed calendar year that ends during the Term a bonus payment in an amount equal to 3% of the profits of Apollo Asset Management Europe LLP, including for such purposes profits derived from advisory fees on Fund IX portfolio companies but excluding all income related to Fund VIII portfolio companies (in each case determined by AISG in accordance with the example previously provided to the Executive) (the "AAME Payment"); provided, that, except as otherwise provided in Section 5.3 below, the Executive must be employed by AHL at the time it pays its annual bonuses generally with respect to any such calendar year in order to be eligible for an AAME Payment with respect to that calendar year (and, if the Executive is not so employed at such time, in no event shall he have been considered to have "earned" any portion of an AAME Payment with respect to the calendar year in question). Any AAME Payment earned by the Executive for a particular calendar year shall be paid by AHL or an Affiliate thereof in cash as soon as reasonably practicable following the date that the audited financial statements that incorporate the results of Apollo Asset Management Europe LLP for such calendar year are issued, and in no event later than December 31 of the year following the close of the calendar year for which the AAME Payment is earned. The financial statements of Apollo Asset Management Europe LLP shall be made available to the Executive as soon as reasonably practicable, and in no event after December 31 of the year following the close of the calendar year within the Term to which the statements relate.

4. **Benefits.**

4.1 **Retirement, Welfare and Fringe Benefits.** During the Term, the Executive shall be entitled to participate in all retirement and welfare benefit plans and programs, and fringe benefit plans and programs, made available to him as determined by AHL, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

4.2 **Reimbursement of Business Expenses.** The Executive is authorized to incur reasonable expenses in carrying out the Executive's duties under this Agreement and shall be entitled to reimbursement by the applicable Company for all reasonable business expenses the Executive incurs during the Term in connection with carrying out such duties, subject to the applicable Company's expense reimbursement policies and any pre-approval policies in effect from time to time.

4.3 **Vacation and Other Leave.** During the Term, the Executive's annual rate of vacation accrual shall be four (4) weeks per year; provided that such vacation shall accrue and be subject to AHL's vacation policies in effect from time to time. The Executive shall also be entitled to all other holiday and leave pay generally available to other executives of AHL.

5. **Termination.**

5.1 **Termination by AGM.** The Executive's employment with AHL or his engagement by AISG may be terminated by AGM at any time: (i) with Cause (as defined in Exhibit A), (ii) without Cause, or (iii) in the event that the Executive has a Disability (as defined in Exhibit A). The Term shall automatically terminate in the event the Executive's employment or engagement is terminated, and termination of the Executive's employment by AHL or his engagement with AISG shall be deemed to be a termination by the Executive of, and his resignation from, all other positions (including executive

positions and board memberships) with all members of the Group (including the other Company). The Executive's employment, and the Term, shall automatically terminate in the event of the Executive's death.

5.2 **Termination by the Executive.** The Executive's employment with AHL, and the Term, may be terminated by the Executive with no less than ninety (90) days advance written notice (such notice to be delivered in accordance with Section 21); provided, however, that in the case of a resignation by the Executive with Good Reason (as defined in Exhibit A), the Executive may provide immediate written notice of termination of employment once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the circumstances that gave rise to the basis for the resignation with Good Reason have not been timely cured in accordance with the terms of the definition of Good Reason. No termination of the Executive's employment under this Section 5.2 shall be deemed a breach of this Agreement. Termination by the Executive of his employment with AHL or his engagement with AISG shall be deemed to be a termination by the Executive of, and his resignation from, all other positions (including executive positions and board memberships) with all members of the Group (including the other Company).

5.3 **Benefits Upon Termination from the Group.** If the Executive's employment with the Group terminates (the date of such termination being referred to as the "Severance Date"), neither AHL nor any other Group member shall have any further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from AHL or any other member of the Group, any payments or benefits except as follows:

(a) Upon any termination of the Executive's employment with the Group hereunder, AHL shall pay or provide any Accrued Obligations (as defined in Exhibit A) as they come due.

(b) If the Executive's employment with the Group terminates due to an Involuntary Termination (as defined in Exhibit A), then:

(i) AHL shall pay the Executive (A) a cash amount (the "Pro Rata Bonus") equal to a pro rata portion (based on the number of days during which he remained employed hereunder during the calendar year in which the termination occurs) of his Bonus Severance (as defined below), and (B) an amount (payable at the Compensation Committee's discretion in cash, fully-vested shares of common stock of AGM, or any combination thereof) equal to one (1) times his annualized Adjusted Base Salary (as defined in Exhibit A) in effect on the Severance Date (the "Severance Payment"). Subject to Sections 5.4(a) and 5.7(a) below, such Pro-Rata Bonus and Severance Payment shall be payable in substantially equal installments in accordance with AHL's standard payroll practices over the period that ends at the end of the 12th calendar month that begins after the Severance Date; provided, however, that the first installment of the Pro-Rata Bonus and Severance Payment shall be paid on the 60th day following the Severance Date and shall include all installments that would have been paid from the Severance Date through the date of such first installment if the release described in Section 5.4(a) had become irrevocable, in accordance with its terms, on the Severance Date (but only if such release has, in fact, been executed and delivered by the Executive in accordance with Section 5.4(a)).

(ii) AHL will pay or reimburse the Executive for his premiums charged to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), at the same or reasonably equivalent medical coverage and on the same terms and conditions for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects such continued coverage; provided that AHL's obligation to make any payment or reimbursement pursuant to this clause (ii) shall, subject to Section 5.7(a), commence with continuation coverage for the month following the month in which the Executive's Separation from Service (as defined in Exhibit A) occurs and shall cease after continuation coverage has been provided for the eighteenth month following the month in which the Executive's Separation from Service occurs (or, if earlier, shall cease upon the first

to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date AHL ceases to offer group medical coverage to its active executive employees or AHL is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify AHL in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures AHL may then have in place.

(iii) Subject to Section 5.4(a) below, (A) any outstanding and unvested time-vesting profits units granted to the Executive by AHL or AISG that are scheduled to vest during the one (1) year period immediately following the Severance Date, shall immediately vest, and (B) any outstanding and unvested equity awards granted to the Executive as a component of an Incentive Bonus (including, without limitation, Incentive Bonuses previously awarded under the Athene Agreement or the AAM Agreement), shall immediately vest (treating any performance measures as attained at target). For the avoidance of doubt, the rights referred to in Section 5.8 of the LP Agreement shall not be deemed to be unvested time-vesting profits units or outstanding and unvested equity awards granted as a component of an Incentive Bonus.

(c) If the Executive's employment hereunder is terminated in an Involuntary Termination that is not due to his death or Disability, then AHL shall also pay the Executive an amount (the "Bonus Severance") equal to the product of (A) the Executive's annualized Adjusted Base Salary in effect on the Severance Date, less $25,000, times (B) the Bonus Percentage. Subject to Sections 5.4(a) and 5.7(a) below, the Bonus Severance shall be paid at the time that the Incentive Bonus (if any) for the calendar year in which the Severance Date occurred would have been paid under Section 3.2 above if the Executive's employment hereunder had continued.

(d) Notwithstanding the foregoing provisions of this Section 5.3 or Section 5.8 of the LP Agreement, if the Executive (i) materially breaches his obligations under Sections 6.2 through 6.4 of this Agreement, (ii) knowingly and materially breaches his obligations under Section 6.5 of this Agreement, or (iii) materially breaches his obligations under Section 6.1 of this Agreement either knowingly or as a result of his gross negligence and, in each case, fails to cure such breach(es) within fifteen (15) days following written notice from the applicable Company describing the breach(es) in reasonable detail and requesting cure, and not in any way in limitation of any right or remedy otherwise available to the applicable Company, the Executive (and his transferees or assignees) will no longer be entitled to, and neither AHL nor any member of the Group will be obligated to pay or provide, any payment or benefit under Sections 5.3(b) and (c) of this Agreement, or under Section 5.8 of the LP Agreement, with respect to which the due date for its payment or provision has not already occurred as of the date of the first such uncured breach; provided, that, if the Executive provides the release contemplated by Section 5.4, in no event shall the Executive be entitled to a Severance Payment of less than $5,000, which amount the Parties agree is good and adequate consideration, in and of itself, for the Executive's release contemplated by Section 5.4. Any termination of the Executive's employment (other than by the Executive) or engagement under this Agreement shall be effected by written notice from AGM.

(e) For purposes of clarity, the Executive shall not be eligible for any payments or benefits under a severance policy or program of any of the Companies or any other member of the Group, and this Agreement and the LP Agreement shall be the exclusive source of any amounts payable by AHL and any member of the Group in connection with the Executive's termination of employment.

5.4 **Release; Exclusive Remedy**.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement, the LP Agreement or any stock option or other equity-based award agreement to the contrary. As a condition precedent to any obligation of AHL or any other member of the Group to the Executive pursuant to Sections 5.3(b) and (c) of this Agreement, Section 5.8 of the LP Agreement, or any

other obligation to accelerate vesting of any equity-based award in connection with the termination of the Executive's employment, the Executive shall have provided AHL (accepting such release on behalf of AGM and the other members of the Group), on or after the Severance Date, a valid, executed general release in substantially the form attached hereto as Exhibit B (with any such changes to such form as AHL or AISG (i) has reasonably determined to be necessary or advisable to help ensure that the release is enforceable to the fullest extent permissible under applicable law and (ii) has incorporated into such release and communicated to the Executive no later than five (5) business days following the Severance Date), and such release has become irrevocable, in accordance with its terms, no later than sixty (60) days after the Severance Date. For purposes of clarity, such release shall include Section 2.2 as it appears on Exhibit B. The Executive agrees that the payments and benefits contemplated by Section 5.3 of this Agreement and Section 5.8 (and if applicable, Section 5.9) of the LP Agreement shall constitute the exclusive and sole remedy for any termination of his employment.

(b) The Executive agrees to resign, on the Severance Date, as an officer and director of any member of the Group, and as a fiduciary of any Group benefit plan, and to promptly execute and provide to AHL any further documentation, as reasonably requested by any member of the Group, to confirm such resignation.

5.5 **Notice of Termination.** Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from AGM or the Executive, as applicable, to the other party. This notice of termination must be delivered in accordance with Section 21 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

5.6 **Limitation on Benefits**.

(a) Notwithstanding anything contained in this Agreement to the contrary, except as provided in Section 5.6(c), to the extent that any payment, benefit or distribution of any type to or for the benefit of the Executive by the Group, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards) (collectively, the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code. Unless the Executive shall have given prior written notice to AHL to effectuate a reduction in the Total Payments if such a reduction is required, any such notice consistent with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Group shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any accelerated vesting of restricted stock or similar awards, then by reducing or eliminating any other remaining Total Payments. This Section 5.6 shall take precedence over the provisions of any other Company Arrangement.

(b) Any initial determination that Total Payments to the Executive must be reduced or eliminated in accordance with Section 5.6(a) and the assumptions to be utilized in arriving at such determination, shall be made by the AGM Board or its designee in the exercise of its reasonable, good faith discretion based upon the advice of such professional advisors it may deem appropriate in the circumstances. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the AGM Board or its designee hereunder, it is possible that Total Payments to the Executive which will not have been made should have been made ("Underpayment") or that Total Payments to the Executive which were made should not have been made ("Overpayment"). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid to or for the benefit of the Executive. In the event of an Overpayment, then the Executive shall promptly repay the

amount of any such Overpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Executive to the date the same is repaid.

(c) Notwithstanding anything in Section 5.6(a) or elsewhere to the contrary, the Group will pay the full amount of the Total Payments to the Executive if the Executive makes the Group whole on an after-tax basis for any adverse tax consequences imposed on the Group under Section 280G of the Code as a result of paying the Total Payments to the Executive.

5.7 **Section 409A**.

(a) If the Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive's Separation from Service, the Executive shall not be entitled to any payment or benefit from the Group that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code until the earlier of (i) the date which is six (6) months after his or her Separation from Service for any reason other than death, or (ii) the date of the Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive's Separation from Service that are not so paid by reason of this Section 5.7(a) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive's death).

(b) To the extent that any reimbursement pursuant to Section 4.2 or otherwise, or any benefit pursuant to Section 5.3(a) or 5.3(b)(ii) or otherwise, is taxable to the Executive, then such payment or benefit shall be paid or provided to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements described in the immediately preceding sentence are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursement that the Executive receives in one taxable year shall not affect the amount of such benefits and reimbursement that the Executive receives in any other taxable year.

(c) It is intended that any amounts payable under this Agreement and AHL's and the Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. If under this Agreement an amount is paid in two or more installments, for purposes of Section 409A of the Code, each installment shall be treated as a separate payment.

5.8 **No Mitigation; No Offset.** In the event of any termination of the Executive's employment hereunder, the Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Group under this Agreement, and there shall be no offset against amounts or benefits due the Executive under this Agreement or otherwise (except as expressly set forth in Section 5.3(b)(ii)) on account of any remuneration or other benefit earned or received by the Executive after such termination. Any amounts due under this Section 5 are considered to be reasonable by AHL and are not in the nature of a penalty.

6. **Protective Covenants**.

6.1 **Confidential Information; Inventions**.

(a) The Executive shall not disclose or use at any time, either during the Term or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware,

whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance in good faith of duties for each of the Companies or their respective Affiliates. The Executive will take all appropriate steps to safeguard Confidential Information in his possession and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the applicable member of the Group at the termination of the Term, or at any time any such applicable member of the Group may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the Work Product (as hereinafter defined) that the Executive may then possess or have under his control.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the any member of the Group in connection with their businesses, including, but not limited to, information, observations and data obtained by the Executive while employed by AHL, or providing services to AISG or any other member of the Group or any predecessors thereof concerning (i) the business or affairs of the Group (or such predecessors), (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Executive in breach of this Agreement) in a form generally available to the public prior to the date the Executive discloses or uses such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(c) As used in this Agreement, the term "Work Product" means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to any member of the Group's actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours, whether or not by the use of the facilities of any member of the Group, and whether or not alone or in conjunction with any other person) while employed by AHL, or providing services to AISG or any other member of the Group (or any of their predecessors)(including those conceived, developed or made prior to the date hereof) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Executive may have discovered, invented or originated during his employment by, or services to, any member of the Group (or any of their predecessors) prior to the date hereof, that he may discover, invent or originate during the Term or prior to the Severance Date, shall be the exclusive property of the applicable member of the Group, and Executive hereby assigns all of Executive's right, title and interest in and to such Work Product to the applicable member of the Group, including all intellectual property rights therein. Executive shall promptly disclose all Work Product to AHL or AISG, as applicable, shall execute at the request of AHL or AISG any assignments or other documents AHL or AISG may reasonably deem necessary to protect or perfect its (or any of their respective Affiliates', as applicable) rights therein, and shall assist AHL or AISG, at AHL's or AISG's expense, in obtaining, defending and enforcing AHL's or AISG's (or any of their respective Affiliates', as applicable) rights therein. The Executive hereby appoints AHL and AISG, as applicable, as his attorney-in-fact to execute on his behalf any assignments or other documents reasonably deemed necessary by AHL or AISG to protect or perfect AHL's and AISG's (and any of their respective Affiliates', as applicable) rights to any Work Product.

(d) Notwithstanding anything in this Agreement or elsewhere to the contrary, the Executive may:

(i) at any time make disclosures of documents and information (A) as reasonably appropriate in order to carry out his duties for any member of the Group, (B) when required to do so by law or by a court, governmental agency, legislative body, self-regulatory body, arbitrator or other governmental body with jurisdiction to order him by force of law to divulge, disclose or make accessible such information, (C) in the course of any proceeding under Section 6.7 or Section 14, or (D) in confidence to an attorney or other professional for the purpose of securing professional advice. In the event that the Executive is required to disclose any documents or information pursuant to clause (B) or (C) of the immediately preceding sentence but subject to Section 6.1(e), he shall (x) promptly give the applicable member of the Group notice that such disclosure is or may be made and (y) cooperate with Group member, at its reasonable request and sole expense, in seeking to protect the confidentiality of any document or information;

(ii) at all times retain, and utilize appropriately, (A) his rolodex and electronic equivalents (provided that his rolodex and electronic equivalents do not contain any Confidential Information) and (B) any document relating to his personal entitlements and obligations.

(e) Nothing in this Agreement restricts or prohibits the Executive from initiating communications directly with, responding to any inquiries from, providing testimony before, providing Confidential Information to, reporting possible violations of any law or regulation to, or filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission ("EEOC"), Department of Labor, National Labor Relations Board, Department of Justice, Securities and Exchange Commission, Congress, and any Inspector General of any agency (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of any federal, state or local law or regulation. However, to the maximum extent permitted by law, the Executive permanently waives his right to receive any individual monetary relief, with respect to any claim filed with the EEOC or a similar agency, from any member of the Group resulting from such claims or conduct, regardless of whether the Executive or another party has filed them, and, in the event the Executive obtains such monetary relief, AHL and/or AISG will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit the Executive's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. The Executive does not need the prior authorization of AHL or AISG to engage in conduct protected by this Section 6.1(e), and the Executive does not need to notify AHL or AISG that he engaged in such conduct. The Executive acknowledges and understands that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney(s), a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. As of the date hereof, the Executive is not aware of any claim relating to or arising out of his compensation, employment or the termination thereof that could be made to the EEOC or any other agency that hears discrimination claims.

6.2 **Restriction on Competition.** The Executive acknowledges that, in the course of his employment or service with any member of the Group and/or their predecessors (together with any additional entity that the Executive may agree, in a signed writing, to include, the "Protected Companies"), he has become familiar, or will become familiar, with the Protected Companies' trade secrets and with other confidential and proprietary information concerning the Protected Companies and that his services have been and will be of special, unique and extraordinary value to the Protected Companies. The Executive agrees that if the Executive were to become employed by, or substantially involved in, the business of a competitor of the Protected Companies during the Restricted Period, it would be very difficult for the Executive not to rely on or use the Protected Companies' trade secrets

and confidential information. Thus, to avoid the inevitable disclosure of the Protected Companies' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Protected Companies' relationships and goodwill with customers, during the Restricted Period, the Executive will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, or participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer or licensor of technology. For purposes of this Agreement, "Restricted Area" means anywhere in the United States, Bermuda and elsewhere in the world where the Group engages in business, including, without limitation, jurisdictions where any of member of the Group reasonably anticipate engaging in business, on the Partner Cessation Date (as defined in the LP Agreement) (provided that as of the Partner Cessation Date, to the knowledge of the Executive, such area has been discussed as a market that the Group reasonably contemplate engaging in within the twelve (12) month period following the Partner Cessation Date). For purposes of this Agreement, "Competing Business" means a Person that within 36 months before the Partner Cessation Date to the knowledge of James R. Belardi has competed, or any time during the twelve (12) month period following the Partner Cessation Date begins competing with, the Protected Companies anywhere in the Restricted Area and in the business of (i) annuity reinsurance, focusing on contracts reinsuring a quota share of future premiums of various fixed annuity product lines, (ii) reinsuring closed blocks of existing fixed annuity business, (iii) managing investments held by ceding companies pursuant to funds withheld coinsurance contracts with its Affiliates, (iv) managing investments in the life insurance industry, or (v) any significant business conducted by the Protected Companies as of the Partner Cessation Date and any significant business the Protected Companies conduct in the twelve (12) month period after the Partner Cessation Date (provided that as of the Partner Cessation Date, to the knowledge of the Executive, such business has been discussed as a business that the Protected Companies reasonably contemplate engaging in within such twelve (12) month period). For purposes of this Agreement, "Restricted Period" means the Term through and including twelve (12) months after the Partner Cessation Date. Nothing herein shall prohibit the Executive from (i) being a passive owner of not more than 1% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation, or (ii) providing services to a subsidiary, division or Affiliate of a Competing Business if such subsidiary, division or Affiliate is not itself engaged in a Competing Business and the Executive does not provide services to, or have any responsibilities regarding, the Competing Business. As used in this Agreement, "Protected Companies" shall exclude (a) portfolio companies of investment funds or accounts managed by subsidiaries of AGM that are not also subsidiaries of AHL or AISG and (b) any Affiliate of AGM (other than a subsidiary of AHL, AISG or AISG Holdings) that does not conduct, support or own a business related to investment management or insurance.

6.3 **Non-Solicitation of Employees and Consultants.** During the Term and through and including the period of twenty-four (24) months after the Partner Cessation Date, the Executive will not directly or indirectly through any other Person (i) induce or attempt to induce any Person that he knows to be an employee or independent contractor of the Protected Companies to leave the employ or service, as applicable, of the Protected Companies, or in any way knowingly interfere with the relationship between the Protected Companies, on the one hand, and any employee or independent contractor thereof, on the other hand, or (ii) hire any person who was an employee of the Protected Companies, in each case, until six (6) months after such individual's employment relationship with the Protected Companies has been terminated.

6.4 **Non-Solicitation of Customers.** During the Restricted Period, the Executive will not directly or indirectly through any other Person influence or attempt to influence any Person that he knows to be a customer, vendor, supplier, licensors, lessor, joint venturer, ceding company, associate, consultant, agent, or partner of the Protected Companies to divert such Person's business away from the

Protected Companies, and the Executive will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Protected Companies, on the one hand, and any Person that he knows to be a customer, supplier, vendor, lessor, licensor, joint venturer, associate, officer, employee, consultant, manager, partner, member or investor of any Protected Company, on the other hand.

6.5 **Non-Disparagement.** The Executive agrees that he will not at any time, during the Term or thereafter, directly or indirectly, make, encourage, or ratify any statement, public or private, oral or written, to any Person that disparages, either professionally or personally, the Protected Companies or any of Person he knows to be one of their past or present directors, officers, agents, attorneys, insurers, employees, stockholders, and successors. The Executive further agrees that he will not, at any time during the Term and for twenty-four (24) months after the Severance Date, make any statement that has the purpose or the effect of disrupting the business of any of the Protected Companies. Each Company likewise agrees to use its best efforts to instruct its officers and directors, and those of its subsidiaries, to refrain from, during the Term or thereafter, directly or indirectly, making, encouraging, or ratifying any statement, public or private, oral or written, to any Person that disparages the Executive, either professionally or personally. The provisions of this Section 6.5 apply to, but are not limited to, the direct or indirect publication of negative or disparaging statements via social media (e.g., Twitter, Facebook, Tumblr, Instagram), video sites (e.g., YouTube, Vimeo), posts to media outlets or blogs, books, professional networking sites (e.g., LinkedIn, Glassdoor, etc.), and comments to news stories, blog posts, social media postings, videos, or professional sites.

6.6 **Understanding of Covenants.** The Executive represents and agrees that he (i) is familiar with and carefully considered the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants"), (ii) is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Restrictive Covenants are necessary to protect the Protected Companies' confidential and proprietary information, good will, stable workforce and customer relations, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Executive is then entitled to receive severance pay or benefits from any of the Protected Companies. The Executive understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Protected Companies, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Companies, a partner in AISG Holdings and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive agrees that the Restrictive Covenants do not confer a benefit upon the Protected Companies disproportionate to the detriment of the Executive. The Executive shall be subject to no restrictions on his activities after the Partner Cessation Date that are more onerous than the covenants set forth in this Agreement and/or the LP Agreement.

6.7 **Enforcement.** The Executive agrees that the Executive's services are unique and that he has access to Confidential Information and Work Product. Accordingly, without limiting the generality of Section 20, the Executive agrees that a breach by the Executive of any of the covenants in this Section 6 would cause immediate and irreparable harm to AHL, AISG and AISG Holdings that would be difficult or impossible to measure, and that damages to AHL and AISG Holdings for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any provision of this Section 6, AHL (on its behalf and on behalf of any member of the Group) shall be entitled, in addition to and without limitation upon all other remedies it or they may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit), in a State or federal court located in the Borough of Manhattan, in order to enforce or prevent any violations of the provisions of this Section 6, as the case may be, or require the Executive to account for and pay over to the applicable Group member all compensation, profits, moneys, accruals, increments or other

benefits derived from or received as a result of any transactions constituting a breach of this Section 6, if and when final judgment of a court of competent jurisdiction is so entered against the Executive. The Executive further agrees that the applicable period of time the restrictive covenants set forth in Section 6.2 through Section 6.4 are in effect following the Partner Cessation Date, as determined pursuant to such Sections, shall be extended by the same amount of time that the Executive is in breach (with such period of breach being treated as concluded for this purpose at such time as the applicable breach has been cured) of such restrictive covenants.

6.8 **Breaches.** In the event that (i) the Group is in material breach of any of its material obligations to the Executive on or after the Partner Cessation Date, or the issuer of the AISG Profits Interests or the grantor of any equity award that is part of an Incentive Bonus is in material breach of its material obligations thereunder after the Partner Cessation Date, and (ii) such breach has not been fully cured within thirty (30) days after the Executive gives written notice to AGM (and, if applicable, the issuer of the AISG Profits Interests and the grantor of such Incentive Bonus equity award) describing such breach in reasonable detail and requesting cure, then the Executive's obligations under Sections 6.2 and 6.4 shall immediately become null and void.

7. **Withholding Taxes.** Notwithstanding anything else herein to the contrary, AHL may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8. **Insurance.** Each Company may, for its own benefit, maintain "keyman" life and disability insurance policies covering the Executive. The Executive will cooperate with the applicable Company and provide such information or other assistance as the Company may reasonably request in connection with the Company obtaining and maintaining such policies. Each Company may also purchase a death benefit insurance policy which may (in the Company's sole discretion) be used to fund the Company's obligation to pay the Severance Payment and Bonus Severance pursuant to Section 5.3 in the event of the Executive's death.

9. **Indemnification.**

9.1 The applicable Company shall indemnify the Executive should he be a party or be threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of a Company), by reason of the fact that he is or was (x) a director, officer, manager, partner, employee or consultant of the Group, or (y) is or was serving at the request of the applicable Company as a director, officer, manager, employee, representative or agent of another corporation, limited liability company, general partnership, limited partnership, joint venture, trust, business trust or other enterprise or entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Executive in connection with such action, suit or proceeding if the Executive acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the applicable Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption the Executive did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the applicable Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. Service for AGM or any of its Affiliates shall be deemed to have been at the request of a Company.

9.2 To the extent that the Executive has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1 or in defense of any claim, issue or matter

therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

9.3 Any indemnification under Section 9.1 shall be made by the applicable Company unless it has been determined upon final determination by a court of competent jurisdiction that the Executive has not met the applicable standard of conduct set forth in Section 9.1.

9.4 Expenses (including attorneys' fees) incurred by the Executive in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the applicable Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Executive to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by such Company pursuant to this Section 9.

9.5 The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9 shall not be deemed exclusive of any other rights to which the Executive may be entitled under any by-law or agreement (including as a "Covered Person" under the LP Agreement or any successor thereto) or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

9.6 The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9 shall continue after the Severance Date for acts or omissions alleged to having occurred prior thereto and shall inure to the benefit of the Executive's heirs and beneficiaries and any executors and administrators.

9.7 Notwithstanding anything in this Section 9 to the contrary, the Companies will not have the obligation of indemnifying the Executive with respect to proceedings, claims or actions initiated or brought voluntarily by the Executive and not by way of defense.

9.8 A directors' and officers' liability insurance policy (or policies) shall be kept in place, during the Term and thereafter until the later of (x) the sixth anniversary of the Severance Date and (y) the date on which all claims against the Executive that would otherwise be covered by such policy (or policies) become fully time-barred, providing coverage to the Executive that is no less favorable to him in any respect (including, without limitation, with respect to scope, exclusions, amounts, and deductibles) than the coverage then being provided to any other present or former senior executive, director, or manager of the Group.

10. **Successors and Assigns.** This Agreement is personal to the Executive and without the prior written consent of AGM, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Companies and their respective successors and assigns. In the event of the Executive's death or a judicial determination of his incompetence, references in this Agreement to the Executive shall be deemed, where appropriate, to be references to his executor(s), heir(s), estate, beneficiar(ies), guardian(s) or other legal representative(s). In the event of a reorganization of AHL or AISG as contemplated in Section 6.8 of the LP Agreement, the Parties agree to make modifications to this Agreement, including, without limitation, adjustments in duties, location, Base Salary and Incentive Bonus to the extent needed as a result of such reorganization; provided that any such adjustments will be made in a manner that will not, in the aggregate, reduce or enlarge the compensation and benefits that existed prior to the reorganization.

11. **Number and Gender; Examples.** Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific

language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

12. **Section Headings.** The headings and titles of Sections and sub-sections contained in this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

13. **Governing Law.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH ITS EXPRESS TERMS, AND OTHERWISE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THAT CALIFORNIA LAW IS DEEMED BY AN ADJUDICATOR OF COMPETENT JURISDICTION TO GOVERN SECTION 6 OF THIS AGREEMENT, THE PARTIES AGREE THAT CALIFORNIA BUSINESS AND PROFESSIONAL CODE SECTION 16602 AND/OR 16601 SHALL APPLY TO SUCH SECTIONS IN ACCORDANCE WITH THEIR TERMS.

14. **Arbitration.** Except for suits seeking solely injunctive relief or specific performance or as otherwise prohibited by law, which are subject to the last sentence of this paragraph, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement, the Executive's employment or engagement with the Group, any termination of such employment, or the arbitrability of any controversy or claim relating to any of the foregoing, will be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claims. The parties agree to resolve any such dispute before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing Commercial Arbitration Rules (the "AAA Rules"). The arbitration shall be administered by the AAA and the hearing shall be conducted in the County of New York before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA Rules. The Arbitrator shall issue an opinion and award within thirty (30) days after the close of the arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party. The award of the Arbitrator will, to the extent permitted by law, be final, conclusive, unappealable and binding on the parties. The arbitration proceeding shall be confidential, except that any arbitration award may be filed in court pursuant to the following sentence for the purpose of enforcing the award. Any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement that is submitted for court adjudication in accordance with this Section 14 shall be submitted exclusively to the State and federal courts located in the Borough of Manhattan.

15. **Severability.** It is the desire and intent of the Parties that the provisions of this Agreement be enforced as written to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court or arbitrator of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision

there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

16. **Entire Agreement.** This Agreement, together with the LP Agreement, to the extent referenced herein, embodies the entire agreement of AHL, AISG and the Executive with respect to the matters specifically addressed in it. This Agreement supersedes all prior and contemporaneous agreements of AHL, AISG and the Executive that are inconsistent with its terms, including, without limitation, the AAM Agreement and the Athene Agreement, as amended. Any prior negotiations, correspondence, agreements, proposals or understandings that are inconsistent with the terms of this Agreement shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. However, except as otherwise provided in this Agreement, nothing in this Agreement shall affect rights of the Executive, AHL or AISG (or of their predecessors) under any Company Arrangement that have already accrued and vested as of the date of this Agreement, provided that notwithstanding the foregoing, indemnification rights that existed prior to the date of this Agreement are unreduced with respect to events occurring prior to the date of this Agreement. In the event of any inconsistency between any provision of this Agreement and any provision of any other Company Arrangement, the provisions of this Agreement shall control unless the Executive, AHL and AISG otherwise agree in a writing that expressly refers to the provision of this Agreement whose control he and it are waiving.

17. **Modifications.** This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by the Parties.

18. **Waiver.** Neither the failure nor any delay on the part of a person or entity to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the person or entity asserted to have granted such waiver.

19. **Waiver of Jury Trial.** EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

20. **Remedies.** Each of the Parties and any such person or entity granted rights hereunder whether or not such person or entity is a signatory hereto shall be entitled to enforce its rights under this Agreement, specifically to recover damages for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Parties agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its sole discretion (except as otherwise provided in Section 14) apply to any State or federal court in the Borough of Manhattan for specific performance, injunctive relief and/or other appropriate equitable relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement. Each party shall be responsible for paying its own attorneys’ fees, costs and other expenses pertaining to any such legal proceeding and enforcement regardless of whether an award or finding or any judgment or verdict thereon is entered against either party.

21. **Notices.** Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier and receipt acknowledged, mailed by first class mail (postage prepaid and return receipt requested and received) or sent by reputable overnight courier service (charges prepaid and return receipt requested and received) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

If to AGM, AHL or AISG:

Apollo Global Management, Inc.
9 West 57th St.
New York, NY 10019
Attention: Chief Legal Officer

With a copy to:

Athene Holding Ltd.
Second Floor, Washington House
16 Church Street
Hamilton, HM 11, Bermuda
Attention: Executive Vice President & General Counsel

If to the Executive, to the address most recently on file in the payroll records of AHL

with, during the Term, a copy delivered to the Executive at his principal office at AHL.

22. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of signatures by facsimile (including, without limitation, by "pdf") shall be effective for all purposes. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

23. **Legal Counsel; Mutual Drafting.** Each party recognizes that this is a legally binding contract and acknowledges and agrees that such party has consulted with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

[The remainder of this page has intentionally been left blank]

IN WITNESS WHEREOF, AHL and the Executive have executed this Agreement as of the date hereof.

ATHENE HOLDING LTD.
a Bermuda exempted company limited by shares

By: /s/ John Golden
Name: John Golden
Title: General Counsel

EXECUTIVE

/s/ James R. Belardi
James R. Belardi

Acknowledged:

APOLLO INSURANCE SOLUTIONS GROUP LP
By: AISG GP Ltd., its general partner

By: /s/ Angelo Lombardo
Name: Angelo Lombardo
Title: General Counsel

EXHIBIT A

CERTAIN DEFINED TERMS

(a) "Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid on or before the Severance Date;

(ii) except in the event the Executive's employment is terminated by AGM for Cause or by the Executive without Good Reason (unless such without Good Reason termination is governed by Section 5.8(b) of the LP Agreement):

(A) any Incentive Bonus payable pursuant to Section 3.2 above with respect to any calendar year in the Term preceding the calendar year in which the Severance Date occurs, or that would have been paid in respect of such preceding year if the Executive had remained employed until the payment date in the calendar year in which the Severance Date occurs, provided, that if any such Incentive Bonus would have otherwise been subject to service vesting conditions, such conditions shall be deemed fully satisfied on the payment date; provided, however, that any such Incentive Bonus that is already due to be paid under Section 3.2 above shall in all events other than a termination for Cause be paid promptly following the Severance Date;

(B) any AAME Payment payable pursuant to Section 3.4 above for any calendar year in the Term preceding the calendar year in which the Severance Date occurs, or that would have been paid in respect of such preceding year if the Executive had remained employed until the payment date in the calendar year in which the Severance Date occurs; provided, however, that any such AAME Payment that is already due to be paid under Section 3.4 above shall in all events other than a termination for Cause be paid promptly following the Severance Date;

(C) provided, further, solely for purposes of clause (ii)(A) and clause (ii)(B) of this clause (a), a termination that is governed by Section 5.8(b) of the LP Agreement (which excludes an Involuntary Termination) for which the Severance Date falls on a December 31 shall be treated as if such Severance Date had been

one day later (*i.e.,* on January 1), but the payment of any amounts payable under such clauses for service during the calendar year that includes such December 31 Severance Date shall be paid on the same schedule, and the same Section 5.3(d), 5.4(a) and 5.7(a) terms, as apply to a payment of the Pro Rata Bonus pursuant to Section 5.3(b)(i); and

(iii) any other payment or benefit then or thereafter due to the Executive under the then-applicable terms of any applicable Company Arrangement (as defined below).

(b) "Adjusted Base Salary" shall be equal to the Executive's Base Salary in effect on the Severance Date, adjusted to eliminate the effect of any reduction of Base Salary (i) pursuant to Section 3.1 or (ii) made in violation of Section 3.1.

(c) "Affiliate" shall mean, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such specified Person. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person. The term "Affiliate" shall not include any portfolio companies of the Apollo Group (as defined in the LP Agreement).

(d) "Bonus Percentage" shall mean a fraction, the numerator being the annual Incentive Bonus payments paid (or due to be paid) to the Executive by (or on behalf of) AHL and/or AISG for the calendar year preceding the year in which the Severance Date occurred (excluding, for avoidance of doubt, any AISG Profits Interests payment, or payment under Section 3.4, 5.3(b)(ii) or 5.3(b)(iii) of this Agreement, or Section 5.8 of the LP Agreement) and the denominator being the sum of the actual aggregate base salaries paid to the Executive by (or on behalf of) AHL and/or AISG in the calendar year preceding the year in which the Severance Date occurred.

(e) "Cause" shall mean that one or more of the following has occurred:

(i) the Executive has been indicted for, otherwise formally charged for, or plead guilty or no contest to, a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Executive has engaged in acts of fraud, material dishonesty or other acts of knowing misconduct in the course of his duties hereunder and such acts have resulted in, or are reasonably expected to result in, material harm to a Company or AGM;

(iii) the Executive has knowingly failed to perform or uphold his duties under this Agreement and/or has knowingly failed to comply with reasonable directives of either Company Board or the AGM Board (including, without limitation, such applicable Board's reasonable directive to the Executive to relocate if such relocation is determined by the applicable board of directors, acting in good faith, to be advisable for regulatory or tax purposes);

(iv) the Executive has engaged in gross negligence in the course of his duties hereunder that has resulted in, or is reasonably expected to result in, material harm to a Company or AGM;

(v) the Executive's violation of a fiduciary duty of loyalty to a Company or AGM that has resulted in, or is reasonably expected to result in, material harm to a Company or AGM;

(vi) the Executive's knowing attempt to obstruct, or knowing failure to cooperate on reasonable request with, any investigation authorized by AGM, a Company or any governmental or self-regulatory entity;

(vii) the Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement or the Executive's loss of any governmental or self-regulatory license that is reasonably necessary for the Executive to perform his responsibilities under this Agreement;

(viii) any directive to terminate the Executive's employment has been made by any governmental or self-regulatory authority with jurisdiction over the matter; or

(ix) a material breach by the Executive of any material provision of this Agreement, or any material breach by the Executive of any other material provision of any contract he is a party to with the Group;

provided, however, that if the Executive is in breach of (iii), (iv), (v), (vi) or (ix) above, AGM shall first notify the Executive in writing, and in reasonable detail, of the specific

breach(es) claimed to constitute Cause and may only terminate the Executive for Cause if the Executive fails to cure such breach(es) within ten (10) business days following his receipt of the written notice. Notwithstanding the foregoing, solely for purposes of the payments under Section 5.8 of the LP Agreement, if the Executive provides notice of resignation under Section 5.8(b) of the LP Agreement, "Cause" shall be limited to subclauses (i), (ii), (iii), (v), (vi), (vii) and (viii) of this clause (e) as applied to terminations of employment by AGM effective after December 31, 2023 and such clause (iii) shall be qualified by "and such failure has resulted in, or is reasonably expected to result in, material harm to a Company."

(f) "Company Arrangement" shall mean: (i) any written equity-based or other written awards granted to the Executive by any Company or any of their parents, subsidiaries or Affiliates, or by AGM or any of its Affiliates for which, or for the benefit of which, the Executive has agreed to perform services, to the extent that such awards continue after the termination of the Executive's employment in accordance with the applicable terms of such awards (and subject to any period in which to exercise such awards following such termination of employment); (ii) any right to indemnification (including, without limitation, advancement of legal fees and other expenses) that the Executive may have under any written agreement or arrangement or under applicable state law; (iii) any rights that the Executive may have to insurance coverage for losses, damages or expenses under any insurance policy; (iv) the Executive's receipt of benefits otherwise due to terminated employees under group insurance coverage consistent with the terms of the applicable welfare benefit plans; (v) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage; (vi) the Executive's receipt of benefits otherwise due in accordance with the terms of the any written 401(k), retirement or deferred compensation plan, program, agreement or arrangement; (vii) the Executive's rights under any written vacation policy, as in effect from time to time, with respect to any accrued but unused vacation; and (viii) any rights to reimbursement of business expenses incurred on or before the Severance Date in accordance with this Agreement (or under Section 4.2 of the Athene Agreement or Section 4.2 of the AAM Agreement).

(g) "Disability" shall mean a physical or mental impairment that has rendered the Executive unable to perform the essential functions of his employment with AHL, even with reasonable accommodation that does not impose an undue hardship on AHL, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(h) "Good Reason" shall mean a resignation by the Executive after the occurrence (without the Executive's prior written consent) of any one or more of the following conditions:

(i) a material diminution in the Executive's rate of Base Salary or Incentive Bonus target, other than in accordance with Section 3.1 (for the avoidance of doubt it shall not constitute Good Reason if the Executive's Base Salary or Incentive Bonus is paid to the Executive by an Affiliate of AHL (including AISG or AGM));

(ii) a material diminution in the Executive's titles, authority, duties or responsibilities with respect to the Companies under this Agreement;

(iii) assignment of duties inconsistent with the Executive's titles set forth in Section 1.2 hereof, it being agreed that assignment to the Executive of managerial or advisory duties with Affiliates of AHL, AISG or AGM, to the extent the Executive shall have previously agreed to undertake such duties, shall not be treated as inconsistent with any such titles;

(iv) a material adverse change in the Executive's titles set forth in Section 1.2 hereof;

(v) an adverse change in the Executive's reporting relationship to the AGM Chief Executive Officer;

(vi) a material change in geographic locations at which the Executive must perform his services to the Companies (except if such change is determined by the AGM Board or a Company Board, acting in good faith, to be advisable for regulatory or tax purposes);

(vii) the Executive's removal from or the failure to reappoint the Executive to the Company Boards (except if such removal is as a result of Cause) for so long as they remain in existence; or

(viii) a material breach by either of the Companies or any of their respective Affiliates of this Agreement or any other material agreement to which either of the Companies or any of their respective Affiliates, and the Executive, are parties;

provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for resignation with Good Reason unless both (x) the Executive provides written notice to AGM of the conditions claimed to constitute grounds for a resignation with Good Reason within sixty (60) days after he learns of the initial existence of such condition(s) (such notice to be delivered in accordance with Section 21), and (y) AGM fails to remedy, or cause to be remedied, such condition(s) within sixty (60) days of receiving such written notice thereof; and provided, further, that in all events the termination of the Executive's employment under this Agreement shall not constitute a resignation with Good Reason unless such termination occurs not more than one hundred and twenty (120) days following the date the Executive learns of the initial existence of the condition(s) claimed to constitute grounds for a resignation with Good Reason.

(i) "Involuntary Termination" shall mean: (i) a termination by AGM of the Executive's employment hereunder without Cause; (ii) a termination by the Executive of his employment hereunder with Good Reason; (iii) a termination by AGM of the Executive's employment hereunder in connection with AGM's provision of notice pursuant to Section 2 that the Term shall not be extended or further extended, as the case may be; (iv) the Executive's death; or (v) a termination by AGM of the Executive's employment hereunder due to the Executive's Disability.

(j) "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(k) "Separation from Service" occurs when the Executive dies, resigns, or otherwise has a termination of employment with the Group that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1). Notwithstanding anything in this Agreement or elsewhere to the contrary, the Executive shall have no duties following the Severance Date that are inconsistent with his having a Separation from Service on the Severance Date.

EXHIBIT B

FORM OF RELEASE[1]

This Release (this "Release") is entered into by James R. Belardi, an individual ("Executive"), for the benefit of Athene Holding Ltd., a Bermuda exempted company limited by shares (the "Company"), Apollo Insurance Solutions Group LP ("AISG") and the other Releasees (as defined below).

WHEREAS, Executive has been employed by AHL and has provided services to AISG and one or more of their Affiliates; and

WHEREAS, Executive's employment by AHL and the Group has terminated and, in connection with the Amended and Restated Employment Agreement dated June 16, 2022, by and between Executive and AHL, as amended from time to time in accordance with its terms (the "Employment Agreement"), Executive desires to enter into this Release upon the terms set forth herein;

NOW, THEREFORE, in consideration of the covenants undertaken and the releases contained in this Release, and in consideration of the obligations of AHL (or one of its subsidiaries) to pay severance benefits (conditioned upon this Release) under and pursuant to the Employment Agreement, which benefits Executive would not receive without entering into this Release, Executive agrees as follows:

1. Termination of Employment. Executive's employment with AHL and engagement by AISG has terminated. Executive waives any right or claim to reinstatement as an employee or service provider of AHL, AISG and each of its and their respective Affiliates. Executive hereby confirms that Executive has resigned from, and does not assert that he rightfully holds, any position as an officer, director, employee, member, manager and in any other capacity with AHL, AISG and each of its and their respective parents, subsidiaries and other Affiliates, other than positions in which he has been requested in writing by AHL, AISG or Apollo Global Management, Inc. ("AGM") to continue. Capitalized terms used but not defined herein shall have the meanings specified in the Employment Agreement.

2. Release.

2.1 Executive, on behalf of himself, his descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges AHL, AISG, AGM, their parents, subsidiaries and Affiliates, past and present, as well as each of their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them, hereinafter together and collectively referred to as the "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a "Claim"), which he or she now owns or holds or he or she has at any time heretofore owned or held or may in the future hold as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with

[1] The Company reserves the right to modify this form to the extent provided in Section 5.4(a) of the Employment Agreement.

Executive's service as an officer, director, employee, member or manager of any Releasee, Executive's separation from his or her position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), whether known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Release including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (the "ADEA"), the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability; provided, however, that the foregoing Release does not apply to any obligation of any Releasee to Executive pursuant to any of the following: (1) excluding the AISG Profits Interests (which are addressed in clause (6) below), any equity-based or other awards granted to Executive by AHL, AISG or any of their respective parents, subsidiaries or Affiliates (including, without limitation, Apollo Management Holdings, L.P., and its Affiliates), to the extent that such awards continue after the termination of Executive's employment in accordance with the applicable terms of such awards (and subject to any period in which to exercise such awards following such termination of employment); (2) any right to indemnification, or advancement of expenses subject to indemnification, that Executive may have pursuant to the bylaws, certificate of incorporation, operating agreement, written indemnification agreement or similar governing document of AHL, AISG or any of their respective parents, subsidiaries or Affiliates, or under applicable law (including, without limitation, attorneys' fees to the extent otherwise provided), that Executive may have; (3) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any directors and officers liability insurance policy of AHL, AISG or any of their respective parents, subsidiaries or Affiliates; (4) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (5) any rights to benefits under Section 5.3 of the Employment Agreement, (6) any rights under Section 5.8 or 5.9 of the LP Agreement that have accrued during the Executive's employment or any right under any other Section of the LP Agreement; or (7) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by AHL, AISG or any of their respective parents, subsidiaries or affiliates that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this Release does not cover: (a) any Claim that cannot be so released as a matter of applicable law; or (b) any Claim against any Releasee (other than AHL, AISG and its and their respective Affiliates) that neither arises out of, nor relates to, Executive's employment with AHL or engagement by AISG or any other member of the Group or the termination thereof. Executive understands that, by entering into this Release, Executive is not waiving rights or claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

2.2 Within 90 days after the Severance Date, AISG shall notify Executive in writing of any amount payable to him or his Permitted Transferees that is described in clause (1) (to the extent it relates to Section 5.8 of the LP Agreement) or clause (6) (the "Applicable Clauses") of the first sentence of Section 2.1 of this Release (the "AISG Notice"). AISG and Executive shall cooperate in providing information reasonably necessary to confirm such calculations. To the extent Executive wishes to challenge the amount specified in the AISG Notice, he shall notify AISG in writing not later than 210 days after the Severance Date, specifying in reasonable detail the basis for the challenge and the amount of the alleged insufficiency, requesting cure (the "Written Objection"). Except for the amount of any alleged insufficiency specified in the Written Objection, the amount specified in the AISG Notice shall (a) be deemed accepted by

Executive and Executive acknowledges and agrees that he shall have no further right to challenge such amount or assert any Claim under the Applicable Clauses that would affect any amount payable in respect of, or calculated by reference to, the Lookback Period (as defined in the LP Agreement) or any portion thereof, and (b) be paid at such time(s) as required by the governing agreement (even if the Written Objection remains unresolved at such time(s)).

3. Section 1542 Waiver. It is the intention of Executive in executing this Release that the same shall be effective as a bar to each and every Claim hereinabove specified. In furtherance of this intention, Executive hereby expressly waives any and all rights and benefits conferred upon him or her by the provisions of SECTION 1542 OF THE CALIFORNIA CIVIL CODE or any similar applicable law of any other state and expressly consents that this Release (including, without limitation, the Release set forth above) shall be given full force and effect according to each and all of its express terms and provisions, including those related to unknown and unsuspected Claims, if any, as well as those relating to any other Claims hereinabove specified. SECTION 1542 OF THE CALIFORNIA CIVIL CODE provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Executive acknowledges that he may hereafter discover Claims or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Release and which, if known or suspected at the time of executing this Release, may have materially affected this settlement. Nevertheless, Executive hereby waives any right, Claim or cause of action that might arise as a result of such different or additional Claims or facts. Executive acknowledges that he understands the significance and consequences of such release and such specific waiver of SECTION 1542 OF THE CALIFORNIA CIVIL CODE and any similar applicable law of any other state.

4. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Release, Executive is waiving any and all rights or Claims that he or she may have arising under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), which have arisen on or before the date of execution of this Release. Executive further expressly acknowledges and agrees that:

A. In return for this Release, Executive will receive consideration beyond that which Executive was already entitled to receive before entering into this Release;

B. Executive is hereby advised in writing by this Release to consult with an attorney before signing this Release;

C. Executive has voluntarily chosen to enter into this Release and has not been forced or pressured in any way to sign it;

D. Executive was informed that he had [twenty one (21)/forty five (45)] days within which to consider this Release and that if he wished to execute this Release prior to expiration of such [21-day/45-day] period, he should execute the Endorsement attached hereto;[2]

E. Executive was informed that he had seven (7) days following the date of execution of this Release in which to revoke this Release, and this Release will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by AHL during the seven-day revocation period. In the event that Executive exercises his right of revocation, none of AHL, AISG or Executive will have any obligations under this Release;

F. Nothing in this Release prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

G. Executive understands that this Release may not affect the rights and responsibilities of the U.S. Equal Employment Opportunity Commission (the "EEOC") to enforce the ADEA or be used to justify interfering with the protected right of Executive to file a charge or participate in an investigation or proceeding conducted by the EEOC under the ADEA.

5. No Filed or Transferred Claims. Executive warrants and represents that Executive has not heretofore assigned or transferred to any person not a party to this Release any released matter or any part or portion thereof and he shall defend, indemnify and hold AHL, AISG and each of its and their respective affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed. Except as provided under Section 6.1(e) of the Employment Agreement, Executive warrants and represents that Executive has not filed against AHL or any of the other Releasees, any complaints, claims or lawsuits with any arbitral tribunal, administrative agency, or court on or prior to the date hereof.

6. Severability. It is the desire and intent of AHL, AISG and Executive that the provisions of this Release be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Release shall be adjudicated by an arbitrator or a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Release will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Release or affecting the validity or enforceability of such provision in any

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[2] Whether Executive has 21 days, 45 days, or some other period in which to consider the Release will be determined with reference to the requirements of the ADEA in order for such waiver to be valid in the circumstances.

other jurisdiction, and to this end the provisions of this Release are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Release, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Release or affecting the validity or enforceability of such provision in any other jurisdiction.

7. Signatures. Signatures delivered by facsimile (including, without limitation, by "pdf") shall be effective for all purposes.

8. Successors. This Release is personal to Executive and shall not, without the prior written consent of AHL, be assignable by Executive. This Release shall inure to the benefit of and be binding upon AHL and AISG and its and their respective successors and assigns and any such successor or assignee shall be deemed substituted for AHL or AISG, as applicable, under the terms of this Release for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of AHL or AISG, acquires all or substantially all of AHL's or AISG's assets, or to which AHL or AISG assigns this Release by operation of law or otherwise. In the event of Executive's death or a judicial determination of his incompetence, references in this Release to Executive shall be deemed, where appropriate, to be references to his executor(s), guardian(s), or other legal representative(s).

9. Governing Law. THIS RELEASE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

10. Modifications. This Release may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Release, which agreement is executed by the Parties.

11. Waiver. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Release shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

12. Section Headings. The headings and titles of the Sections and sub-sections of this Release are for the purpose of convenience only, and they neither form a part of this Release nor are they to be used in the construction or interpretation thereof.

13. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Release shall be deemed to be the language chosen by Executive, AISG and AHL to express their mutual intent, and no strict rule of construction shall be applied against any such person.

14. Waiver of Jury Trial. EXECUTIVE HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS RELEASE.

15. Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

16. No Wrongdoing. This Release does not constitute an adjudication or finding on the merits and it is not, and shall not be construed as, an admission or acknowledgment by any person of any violation of any policy, procedure, state or federal law or regulation, or any unlawful or improper act or conduct, all of which is expressly denied. Moreover, neither this Release nor anything in this Release shall be construed to be, or shall be, admissible in any proceeding as evidence of or an admission by any person of any violation of any policy, procedure, state or federal law or regulation, or any unlawful or improper act or conduct. This Release may be introduced, however, in any proceeding to enforce this Release or the Employment Agreement.

17. Legal Counsel; Mutual Drafting. Executive recognizes that this Release is legally binding and acknowledges and agrees that he has had the opportunity to consult with legal counsel of his choice. Executive, AISG and AHL have cooperated in the drafting, negotiation and preparation of this Release. Hence, in any construction to be made of this Release, the same shall not be construed against Executive, AISG or AHL on the basis of that person being the drafter of such language. Executive agrees and acknowledges that he has read and understands this Release, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Release and has had ample opportunity to do so.

[Remainder of page intentionally left blank]

The undersigned has read and understand the consequences of this Release and voluntarily sign it. The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED on the date set forth below.

"Executive"

____

Print Name:_________________________

Date:_________________________

ENDORSEMENT

I hereby acknowledge that I was given [21/45] days to consider the foregoing Release and voluntarily chose to sign the Release prior to the expiration of the [21-day/45-day] period.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct.

EXECUTED on the date set forth below.

________________________________, 20____

Print Name:

Date:______________________________________

INCREMENTAL AMENDMENT NO. 1 TO CREDIT AGREEMENT

This INCREMENTAL AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "**Amendment**"), dated as of August 5, 2022, by and among ATHENE HOLDING LTD., an exempted company incorporated under the laws of Bermuda ("AHL"), ATHENE LIFE RE LTD., an exempted company incorporated under the laws of Bermuda ("Athene Life Re" and, together with AHL, collectively, the "Borrowers" and individually, each a "Borrower"), **Credit Suisse AG, New York Branch** (the "**2022 Additional Commitment Increase Lender**"), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "**Administrative Agent**"), relating to the 364-Day Credit Agreement, dated as of July 1, 2022 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "**Existing Credit Agreement**" and as amended hereby, the "**Credit Agreement**"), by and among the Borrowers, the lenders from time to time party thereto as Lenders and the Administrative Agent.

RECITALS:

WHEREAS, the Borrowers have proposed that, pursuant to Section 2.04(c) of the Existing Credit Agreement, **Credit Suisse AG, New York Branch** as the 2022 Additional Commitment Increase Lender, extend a Commitment Increase to the Borrowers on the 2022 Commitment Increase Date (as defined below) in an aggregate principal amount of $**200,000,000** (the "**Amendment No. 1 Commitment Increase**").

WHEREAS, the 2022 Additional Commitment Increase Lender has agreed, on the terms and conditions set forth herein, to provide such Amendment No. 1 Commitment Increase and to become a Lender for all purposes under the Credit Agreement.

WHEREAS, pursuant to Sections 2.04(c) and 10.01 of the Existing Credit Agreement, the Existing Credit Agreement may be amended to give effect to the provisions of Section 2.04(c) of the Existing Credit Agreement through an Incremental Amendment executed by the Borrowers, the Administrative Agent and each Lender providing an Amendment No. 1 Commitment Increase.

NOW THEREFORE, the parties hereto therefore agree as follows:

SECTION 1. *Defined Terms*. Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement.

SECTION 2. *Notice and Consent*. The parties hereto hereby agree that this Amendment shall constitute a notice of a Commitment Increase required pursuant to Section 2.04(c) of the Existing Credit Agreement. The Administrative Agent hereby agrees and consents to the 2022 Additional Commitment Increase Lender becoming a Lender under the Credit Agreement.

SECTION 3. *Amendment No. 1 Commitment Increase*.

(a) Subject to and upon the terms and conditions set forth herein, the 2022 Additional Commitment Increase Lender agrees (on a several and not joint basis) to make its respective Amendment No. 1 Commitment Increase available to the Borrowers commencing on the 2022 Commitment Increase Date. The aggregate amount of all the Commitments on the 2022 Commitment Increase Date (after giving effect to the Amendment No. 1 Commitment Increase) is **$2,500,000,000.** Schedule 2.01 of the Existing Credit Agreement shall be replaced by Schedule I hereto.

(b) This Amendment constitutes an "Incremental Amendment" with respect to the establishment of the Amendment No. 1 Commitment Increase as a "Commitment Increase". The Amendment No. 1 Commitment Increase is being established in accordance with Section 2.04(c) of the Existing Credit Agreement. The 2022 Additional Commitment Increase Lender constitutes an Additional Commitment Increase Lender pursuant to Section 2.04(c) of the Existing Credit Agreement and, in such capacity, acknowledges the provisions of Section 2.04(c) of the Existing Credit Agreement. For the avoidance of doubt, commitments and loans made pursuant to the Amendment No. 1 Commitment Increase shall be Commitments and Loans, respectively, for all purposes under the Credit Agreement and each other Loan Document and shall be treated the same as, and as part of, and shall be fully fungible with, the Commitments and Loans (as defined in the Existing Credit Agreement) (such Commitments, the "**Existing Commitments**" and such Loans, the "**Existing Loans**") and shall have the same CUSIP (if any) as the Existing Commitments and any Existing Loans. Any revolving loans and other extensions of credit made pursuant to the Amendment No. 1 Commitment Increase shall have terms identical to the Existing Commitments (and Existing Loans, if any) and shall rank *pari passu* in right of payment with the Existing Loans, if any. The Borrowers and the 2022 Additional Commitment Increase Lender hereby authorize the Administrative Agent to update the Register to reflect the amount, terms and date of the Amendment No. 1 Commitment Increase and the identity of the 2022 Additional Commitment Increase Lender.

SECTION 4. *Representations of the Loan Parties.* The Borrowers hereby represent and warrant to the Administrative Agent and the 2022 Additional Commitment Increase Lender that each of the representations and warranties made by any Borrower in or pursuant to the Loan Documents are true and correct in all material respects (except that those representations and warranties which are qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the 2022 Commitment Increase Date, except (A) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties are true and correct in all material respects (except that those representations and warranties which are qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date, (B) in the case of Section 5.05(a) of the Existing Credit Agreement, such representations and warranties shall be deemed to refer to the most recent financial statements furnished by the Borrowers under the Existing Credit Agreement, (C) in the case of Section 5.05(b) of the Existing Credit Agreement, such representations and warranties shall be deemed to refer to the most recent audited statements furnished by the Borrowers under the Existing Credit Agreement and (D) in the case of Section 5.06 of the Existing Credit Agreement, such representations and warranties shall except any matter which has theretofore been disclosed in writing by any Borrower to the Administrative Agent (which will make the same available to each Lender). No Default or Event of Default shall exist on the 2022 Commitment Increase Date.

SECTION 5. *Conditions to the 2022 Commitment Increase Date.* This Amendment shall become effective as of the first date (the "**2022 Commitment Increase Date**") when each of the following conditions shall have been satisfied:

(a) The Administrative Agent and the 2022 Additional Commitment Increase Lender shall have received an executed counterpart hereof from the Borrowers, the 2022 Additional Commitment Increase Lender and the Administrative Agent.

(b) The Administrative Agent and the 2022 Additional Commitment Increase Lender shall have received: (i) a certificate as to the good standing (or similar concept) of each Borrower as of a recent date, from such secretary of state or similar Governmental Authority, (ii) a certificate of a Responsible Officer of each Borrower dated the 2022 Commitment Increase Date and certifying (1) that attached thereto is a true and complete copy of each Organizational Document,

including all amendments thereto, of each Borrower as in effect on the 2022 Commitment Increase Date, certified as of a recent date by the secretary of state (or similar Person) of the state of organization of the applicable Borrower, if applicable, or by a Responsible Officer of the applicable Borrower (or a certification from a Responsible Officer of each Borrower that such documents have not changed since previously delivered to the Administrative Agent), (2) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors (or equivalent governing body) of such Borrower authorizing the execution, delivery and performance of this Amendment, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and (3) as to the incumbency and specimen signature of each officer executing any Loan Document on behalf of such Borrower and (iii) a customary reliance letter with respect to the opinion given by Sidley Austin LLP on the Effective Date.

(c) Each of the representations and warranties made by any Borrower in or pursuant to the Loan Documents shall be true and correct in all material respects (except that those representations and warranties which are qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the 2022 Commitment Increase Date, except (A) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties shall be true and correct in all material respects (except that those representations and warranties which are qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date, (B) in the case of Section 5.05(a) of the Existing Credit Agreement, such representations and warranties shall be deemed to refer to the most recent financial statements furnished by the Borrowers under the Existing Credit Agreement, (C) in the case of Section 5.05(b) of the Existing Credit Agreement, such representations and warranties shall be deemed to refer to the most recent audited statements furnished by the Borrowers under the Existing Credit Agreement and (D) in the case of Section 5.06 of the Existing Credit Agreement, such representations and warranties shall except any matter which has theretofore been disclosed in writing by any Borrower to the Administrative Agent (which will make the same available to each Lender).

(d) Immediately after giving effect to the 2022 Amendment No. 1 Commitment Increase, the Aggregate Commitments shall not exceed $3,000,000,000.

(e) No Default or Event of Default shall exist on the 2022 Commitment Increase Date.

(f) The 2022 Additional Commitment Increase Lender and the Administrative Agent shall have received, consistent with the scope of expenses referenced in Section 10.04 of the Credit Agreement, all reasonable and documented out-of-pocket expenses for which reasonably detailed invoices have been presented to Borrowers at least one (1) Business Day prior to the 2022 Commitment Increase Date (or such later date as any Borrower may reasonably agree).

(g) The 2022 Additional Commitment Increase Lender (to the extent reasonably requested in writing at least five (5) days prior to the 2022 Commitment Increase Date) shall have received, at least one (1) Business Days prior to the 2022 Commitment Increase Date (or such later date as the 2022 Additional Commitment Increase Lender may reasonably agree), (i) all documentation and other information that the 2022 Additional Commitment Increase Lender reasonably requests in order to comply with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, and (ii) a Beneficial Ownership Certification of each Borrower.

SECTION 6. *Governing Law.* THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 7. *Waiver of Jury Trial.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8 *Confirmation of Obligations.* By signing this Amendment, each Borrower hereby confirms that (a) the obligations of the Borrowers under the Existing Credit Agreement as modified or supplemented hereby (including with respect to the Amendment No. 1 Commitment Increase contemplated by this Amendment) and the other Loan Documents (i) are entitled to the benefits of the guarantees set forth or created in the Guaranty (solely in the case of Athene Life Re) and the other Loan Documents, (ii) constitute "Obligations", "Guaranteed Obligations" (as defined in the Guaranty and solely in the case of Athene Life Re), or other similar term for purposes of the Credit Agreement, the Guaranty (solely in the case of Athene Life Re) and the other Loan Documents and (iii) notwithstanding the effectiveness of the terms hereof, the Guaranty (solely in the case of Athene Life Re) and the other Loan Documents, are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects and (b) the 2022 Additional Commitment Increase Lender shall be a "Lender" (including without limitation for purposes of the definition of "Required Lenders" contained in Section 1.1 of the Credit Agreement) for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 9. *Credit Agreement Governs*. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of any Lender or the Administrative Agent under the Existing Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

SECTION 10. *Counterparts.* This Amendment and any other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall

constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means (*e.g*. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. The words "execution," "execute," "signed," "signature," and words of like import in or related to this Amendment, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable requirements of Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 11. *Miscellaneous.* This Amendment shall constitute an "Incremental Amendment" and a "Loan Document" for all purposes of the Existing Credit Agreement and the other Loan Documents. The provisions of this Amendment are deemed incorporated into the Existing Credit Agreement as if fully set forth therein. The headings of this Amendment are for the purposes of reference only and shall not limit or otherwise affect the meaning hereof. Section 10.11 of the Existing Credit Agreement is incorporated by reference herein, *mutatis mutandis*.

SECTION 12. *Severability.* If any provision of this Amendment is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ATHENE HOLDING LTD.

By: /s/ Bradley Molitor
Name: Bradley Molitor
Title: SVP, Chief Financial Officer Bermuda

ATHENE LIFE RE LTD.

By: /s/ Bradley Molitor
Name: Bradley Molitor
Title: Chief Financial Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ Karen Hanke

Name: Karen Hanke

Title: Managing Director

[*Signature Page – Incremental Amendment No. 1*]

Credit Suisse AG, New York Branch, as the
2022 Additional Commitment Increase Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Wing Yee Lee-Cember
Name: Wing Yee Lee-Cember
Title: Authorized Signatory

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY OF 2002

I, James R. Belardi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Athene Holding Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 9, 2022

/s/ James R. Belardi

James R. Belardi
Chairman, Chief Executive Officer and Chief Investment Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY OF 2002

I, Martin P. Klein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Athene Holding Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

/s/ Martin P. Klein
Martin P. Klein
Executive Vice President and Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James R. Belardi, certify that Athene Holding Ltd.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Athene Holding Ltd.

Date: August 9, 2022

/s/ James R. Belardi

James R. Belardi
Chairman, Chief Executive Officer and Chief Investment Officer
(principal executive officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Martin P. Klein, certify that Athene Holding Ltd.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Athene Holding Ltd.

Date: August 9, 2022	/s/ Martin P. Klein
	Martin P. Klein
	Executive Vice President and Chief Financial Officer
	(principal financial officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.