

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): August 7, 2023



**ATHENE HOLDING LTD.**

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 6.35% Fixed-to-Floating Rate Perpetual Non-Cumulative Preference Share, Series A	ATHPrA	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 5.625% Fixed Rate Perpetual Non-Cumulative Preference Share, Series B	ATHPrB	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 6.375% Fixed-Rate Reset Perpetual Non-Cumulative Preference Share, Series C	ATHPrC	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 4.875% Fixed-Rate Perpetual Non-Cumulative Preference Share, Series D	ATHPrD	New York Stock Exchange
Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a 7.75% Fixed-Rate Reset Perpetual Non-Cumulative Preference Share, Series E	ATHPrE	New York Stock Exchange

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

Emerging growth company

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

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

On August 7, 2023, Athene Holding Ltd. (the “Company”) made available on its website the Company’s financial supplement for the second quarter ended June 30, 2023, furnished as Exhibit 99.1 hereto and incorporated by reference in this Item 2.02.

The foregoing information, including the Exhibit referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing or other document, except as shall be expressly set forth by specific reference in such a filing or document.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

**99.1** [Quarterly Financial Supplement for Athene Holding Ltd. for the second quarter 2023 \(furnished and not filed\).](#)

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

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**SIGNATURES**

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

**ATHENE HOLDING LTD.**

Date: August 7, 2023

/s/ Martin P. Klein

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Martin P. Klein

Executive Vice President and Chief Financial Officer



Athene Holding Ltd.  
2Q'23 Financial Supplement

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## Important Notice



The information included in this financial supplement is unaudited and intended for informational purposes only.

Athene Holding Ltd. (AHL) is a subsidiary of Apollo Global Management, Inc. (AGM). The financial statements and exhibits included in this financial supplement should be read in conjunction with AHL's reports and other filings with the US Securities and Exchange Commission, including its reports on Form 10-K, Form 10-Q and Form 8-K. This financial supplement does not constitute an offer to sell, or the solicitation of an offer to buy, any security of AHL, and nothing in this financial supplement shall in any way be relied on in connection with investment decisions. Each recipient of the information contained in this financial supplement is responsible for making its own independent assessment of the business, financial condition, prospects, status and affairs of AHL.

AHL adopted the US GAAP accounting standard related to Targeted Improvements to the Accounting for Long-Duration Contracts (LDTI) as of January 1, 2023, which required AHL to apply the new standard retrospectively back to January 1, 2022, the date of AHL's merger with AGM. The 2022 financial metrics and disclosures in this supplement have been retrospectively adjusted in accordance with the requirements of the adoption guidance of LDTI. Approximately 20% of Athene's total US GAAP liabilities as of January 1, 2022 were impacted by these changes. Please refer to the discussion of Key Operating and Non-GAAP Measures herein for additional information on items that are excluded from AHL's non-GAAP measure of spread related earnings, which was retrospectively adjusted in accordance with the requirements of the adoption guidance of LDTI. Please see Notes 1, 2, 8 and 9 to the condensed consolidated financial statements included in AHL's Form 10-Q for the quarter ended June 30, 2023 as well as the 2022 Financial Supplement LDTI Recast published on May 5, 2023 for more information on LDTI.

AHL undertakes no obligation to update or correct the information in this financial supplement. AHL makes no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained in this financial supplement. AHL does not accept any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this financial supplement or its contents or any reliance on the information contained herein.

This financial supplement includes certain non-GAAP measures, including net investment earnings, cost of funds, other operating expenses, spread related earnings, net investment spread, net spread, adjusted debt-to-capital ratio, net invested assets and net reserve liabilities. Management believes the use of these non-GAAP measures (which are defined and discussed in greater detail and reconciled elsewhere in this financial supplement), together with the relevant GAAP measures, provides information that may enhance an investor's understanding of AHL's results of operations and the underlying profitability drivers of AHL's business. These measures should be considered supplementary to AHL's results in accordance with US GAAP and should not be viewed as a substitute for the corresponding US GAAP measures.

## Financial Highlights

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>SELECTED INCOME STATEMENT DATA</b>										
GAAP										
Net income (loss) available to AHL common shareholder	\$ (1,740)	\$ (622)	\$ 361	\$ 721	\$ 396	(45)%	NM	\$ (2,790)	\$ 1,117	NM
Return on assets (ROA)	(2.92)%	(1.07)%	0.60 %	1.15 %	0.60 %	(55)bps	NM	(2.33)%	0.87 %	NM
NON-GAAP										
Spread related earnings	\$ 455	\$ 640	\$ 697	\$ 687	\$ 799	16 %	76 %	\$ 1,129	\$ 1,486	32 %
Net spread	0.97 %	1.33 %	1.42 %	1.36 %	1.52 %	16bps	55bps	1.23 %	1.45 %	22bps
Net investment spread	1.34 %	1.73 %	1.85 %	1.83 %	1.99 %	16bps	65bps	1.61 %	1.91 %	30bps
Spread related earnings - normalized <sup>1</sup>	\$ 574	\$ 680	\$ 746	\$ 810	\$ 874	8 %	52 %	\$ 1,113	\$ 1,684	51 %
Net spread - normalized <sup>1</sup>	1.23 %	1.41 %	1.52 %	1.61 %	1.66 %	5bps	43bps	1.21 %	1.64 %	43bps
Net investment spread - normalized <sup>1</sup>	1.60 %	1.81 %	1.95 %	2.08 %	2.13 %	5bps	53bps	1.59 %	2.10 %	51bps
<b>SELECTED BALANCE SHEET DATA</b>										
GAAP										
Total assets	\$ 232,420	\$ 234,554	\$ 243,931	\$ 257,654	\$ 269,437	5 %	16 %	\$ 232,420	\$ 269,437	16 %
Goodwill	4,155	4,062	4,058	4,061	4,065	— %	(2)%	4,155	4,065	(2)%
Total liabilities	222,662	227,917	233,382	244,604	256,203	5 %	15 %	222,662	256,203	15 %
Debt	3,279	3,271	3,658	3,650	3,642	— %	11 %	3,279	3,642	11 %
Total AHL shareholders' equity	8,697	5,133	7,158	8,698	8,701	— %	— %	8,697	8,701	— %
Debt-to-capital ratio	27.4 %	38.9 %	33.8 %	29.6 %	29.5 %	(10)bps	210bps	27.4 %	29.5 %	210bps
NON-GAAP										
Gross invested assets	\$ 229,545	\$ 236,720	\$ 238,310	\$ 247,673	\$ 257,235	4 %	12 %	\$ 229,545	\$ 257,235	12 %
Invested assets – ACRA noncontrolling interests	(40,240)	(41,563)	(41,859)	(40,924)	(43,565)	6 %	8 %	(40,240)	(43,565)	8 %
Net invested assets	189,305	195,157	196,451	206,749	213,670	3 %	13 %	189,305	213,670	13 %
Net reserve liabilities	170,703	173,539	175,970	184,891	193,431	5 %	13 %	170,703	193,431	13 %
Notional debt	3,000	3,000	3,400	3,400	3,400	— %	13 %	3,000	3,400	13 %
Adjusted AHL common shareholder's equity	15,589	16,428	16,653	16,505	17,001	3 %	9 %	15,589	17,001	9 %
Adjusted debt-to-capital ratio	14.1 %	13.6 %	14.7 %	14.7 %	14.4 %	(30)bps	30bps	14.1 %	14.4 %	30bps
<b>INFLOWS DATA</b>										
Gross organic inflows	\$ 12,049	\$ 12,955	\$ 11,290	\$ 11,927	\$ 18,714	57 %	55 %	\$ 23,605	\$ 30,641	30 %
Gross inorganic inflows	—	—	—	—	—	NM	NM	—	—	NM
Total gross inflows	\$ 12,049	\$ 12,955	\$ 11,290	\$ 11,927	\$ 18,714	57 %	55 %	\$ 23,605	\$ 30,641	30 %

Note: "NM" represents changes that are not meaningful. Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion of non-GAAP metrics. <sup>1</sup> Spread related earnings – normalized, net spread – normalized and net investment spread – normalized reflect adjustments to exclude notable items and normalize alternative investment income to an 11% long-term return. See further discussion over this non-GAAP metric in the Notes to the Financial Supplement section.

## Condensed Consolidated Statements of Income (Loss) (GAAP view)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>REVENUES</b>										
Premiums	\$ 5,614	\$ 3,045	\$ 869	\$ 96	\$ 9,041	NM	61 %	\$ 7,724	\$ 9,137	18 %
Product charges	175	184	193	198	207	5 %	18 %	341	405	19 %
Net investment income	1,726	1,843	2,319	2,407	2,717	13 %	57 %	3,409	5,124	50 %
Investment related gains (losses)	(5,751)	(2,848)	105	1,065	366	(66)%	NM	(9,963)	1,431	NM
Other revenues	(9)	(26)	10	13	7	(46)%	NM	(12)	20	NM
Revenues of consolidated variable interest entities										
Net investment income	30	33	31	80	55	(31)%	83 %	47	135	187 %
Investment related gains (losses)	22	79	260	201	293	46 %	NM	(20)	494	NM
Total revenues	1,807	2,310	3,787	4,060	12,686	212 %	NM	1,526	16,746	NM
<b>BENEFITS AND EXPENSES</b>										
Interest sensitive contract benefits	(653)	171	1,119	1,289	2,012	56 %	NM	(752)	3,301	NM
Future policy and other policy benefits	5,776	3,270	1,235	466	9,512	NM	65 %	7,960	9,978	25 %
Market risk benefits remeasurement (gains) losses	(609)	(458)	32	346	(71)	NM	88 %	(1,231)	275	NM
Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired	108	112	126	138	153	11 %	42 %	206	291	41 %
Policy and other operating expenses	357	388	412	435	452	4 %	27 %	695	887	28 %
Total benefits and expenses	4,979	3,483	2,924	2,674	12,058	NM	142 %	6,878	14,732	114 %
Income (loss) before income taxes	(3,172)	(1,173)	863	1,386	628	(55)%	NM	(5,352)	2,014	NM
Income tax expense (benefit)	(378)	(121)	137	163	133	(18)%	NM	(662)	296	NM
Net income (loss)	(2,794)	(1,052)	726	1,223	495	(60)%	NM	(4,690)	1,718	NM
Less: Net income (loss) attributable to noncontrolling interests										
	(1,089)	(465)	329	455	54	(88)%	NM	(1,970)	509	NM
Net income (loss) attributable to Athene Holding Ltd. shareholders										
	(1,705)	(587)	397	768	441	(43)%	NM	(2,720)	1,209	NM
Less: Preferred stock dividends										
	35	35	36	47	45	(4)%	29 %	70	92	31 %
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ (1,740)	\$ (622)	\$ 361	\$ 721	\$ 396	(45)%	NM	\$ (2,790)	\$ 1,117	NM



## Spread Related Earnings (Management view)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>SPREAD RELATED EARNINGS</b>										
Fixed income and other net investment income	\$ 1,302	\$ 1,471	\$ 1,727	\$ 1,958	\$ 2,208	13 %	70 %	\$ 2,509	\$ 4,166	66 %
Alternative net investment income	186	250	322	185	259	40 %	39 %	634	444	(30)%
Net investment earnings	1,488	1,721	2,049	2,143	2,467	15 %	66 %	3,143	4,610	47 %
Strategic capital management fees	13	14	14	14	16	14 %	23 %	25	30	20 %
Cost of funds	(873)	(902)	(1,158)	(1,235)	(1,437)	16 %	65 %	(1,695)	(2,672)	58 %
Net investment spread	628	833	905	922	1,046	13 %	67 %	1,473	1,968	34 %
Other operating expenses	(109)	(120)	(128)	(126)	(118)	(6)%	8 %	(218)	(244)	12 %
Interest and other financing costs	(64)	(73)	(80)	(109)	(129)	18 %	102 %	(126)	(238)	89 %
Spread related earnings	\$ 455	\$ 640	\$ 697	\$ 687	\$ 799	16 %	76 %	\$ 1,129	\$ 1,486	32 %
Fixed income and other net investment income	2.97 %	3.27 %	3.76 %	4.13 %	4.46 %	33bps	149bps	2.90 %	4.31 %	141bps
Alternative net investment income	6.38 %	8.26 %	10.55 %	6.12 %	8.53 %	241bps	215bps	11.39 %	7.33 %	NM
Net investment earnings	3.19 %	3.58 %	4.19 %	4.25 %	4.69 %	44bps	150bps	3.42 %	4.48 %	106bps
Strategic capital management fees	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0bps	0bps	0.03 %	0.03 %	0bps
Cost of funds	(1.88)%	(1.88)%	(2.37)%	(2.45)%	(2.73)%	28bps	85bps	(1.84)%	(2.60)%	76bps
Net investment spread	1.34 %	1.73 %	1.85 %	1.83 %	1.99 %	16bps	65bps	1.61 %	1.91 %	30bps
Other operating expenses	(0.23)%	(0.25)%	(0.26)%	(0.25)%	(0.22)%	(3)bps	(1)bp	(0.24)%	(0.24)%	0bps
Interest and other financing costs	(0.14)%	(0.15)%	(0.17)%	(0.22)%	(0.25)%	3bps	11bps	(0.14)%	(0.22)%	8bps
Spread related earnings	0.97 %	1.33 %	1.42 %	1.36 %	1.52 %	16bps	55bps	1.23 %	1.45 %	22bps
Average net invested assets - fixed income and other	\$ 175,115	\$ 180,143	\$ 183,597	\$ 189,509	\$ 198,063	5 %	13 %	\$ 172,899	\$ 193,499	12 %
Average net invested assets - alternatives	11,673	12,088	12,207	12,091	12,146	— %	4 %	11,135	12,124	9 %
Average net invested assets	\$ 186,788	\$ 192,231	\$ 195,804	\$ 201,600	\$ 210,209	4 %	13 %	\$ 184,034	\$ 205,623	12 %

Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on spread related earnings.

## Reconciliation of Earnings Measures

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO ATHENE HOLDING LTD. COMMON SHAREHOLDER TO SPREAD RELATED EARNINGS</b>										
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ (1,740)	\$ (622)	\$ 361	\$ 721	\$ 396	(45)%	NM	\$ (2,790)	\$ 1,117	NM
Preferred stock dividends	35	35	36	47	45	(4)%	29 %	70	92	31 %
Net income (loss) attributable to noncontrolling interests	(1,089)	(465)	329	455	54	(88)%	NM	(1,970)	509	NM
Net income (loss)	(2,794)	(1,052)	726	1,223	495	(60)%	NM	(4,690)	1,718	NM
Income tax expense (benefit)	(378)	(121)	137	163	133	(18)%	NM	(662)	296	NM
Income (loss) before income taxes	(3,172)	(1,173)	863	1,386	628	(55)%	NM	(5,352)	2,014	NM
Realized gains (losses) on sale of AFS securities	(39)	(41)	(32)	(59)	(81)	(37)%	NM	(103)	(140)	(36)%
Unrealized, allowances and other investment gains (losses)	(1,195)	(671)	(442)	92	(338)	NM	72 %	(2,074)	(246)	88 %
Change in fair value of reinsurance assets	(1,612)	(1,146)	331	357	(153)	NM	91 %	(3,269)	204	NM
Offsets to investment gains (losses)	5	5	6	7	9	29 %	80 %	2	16	NM
Investment gains (losses), net of offsets	(2,841)	(1,853)	(137)	397	(563)	NM	80 %	(5,444)	(166)	97 %
Change in fair values of derivatives and embedded derivatives - FIAs	(367)	90	(24)	143	206	44 %	NM	(404)	349	NM
Non-operating change in funding agreements	—	(80)	(26)	(6)	10	NM	NM	—	4	NM
Change in fair value of market risk benefits	665	511	30	(271)	133	NM	(80)%	1,353	(138)	NM
Non-operating change in liability for future policy benefits	(8)	(3)	(4)	(1)	(45)	NM	NM	(10)	(46)	NM
Non-operating change in insurance liabilities and related derivatives	290	518	(24)	(135)	304	NM	5 %	939	169	(82)%
Integration, restructuring and other non-operating expenses	(33)	(37)	(29)	(29)	(28)	(3)%	(15)%	(67)	(57)	(15)%
Stock compensation expense	(13)	(15)	(16)	(16)	(13)	(19)%	— %	(25)	(29)	16 %
Preferred stock dividends	35	35	36	47	45	(4)%	29 %	70	92	31 %
Noncontrolling interests - pre-tax income (loss) and VIE adjustments	(1,065)	(461)	336	435	84	(81)%	NM	(1,954)	519	NM
Less: Total adjustments to income (loss) before income taxes	(3,627)	(1,813)	166	699	(171)	NM	95 %	(6,481)	528	NM
Spread related earnings	\$ 455	\$ 640	\$ 697	\$ 687	\$ 799	16 %	76 %	\$ 1,129	\$ 1,486	32 %

Note: Please refer to Notes to the Financial Supplement section for discussion on spread related earnings.

## Net Flows & Outflows Attributable to Athene by Type

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>NET FLOWS</b>										
Retail	\$ 3,748	\$ 6,132	\$ 7,662	\$ 8,578	\$ 6,782	(21)%	81 %	\$ 6,613	\$ 15,360	132 %
Flow reinsurance	1,038	2,291	1,856	1,793	2,782	55 %	168 %	2,039	4,575	124 %
Funding agreements <sup>1</sup>	1,755	1,588	1,000	1,500	148	(90)%	(92)%	7,451	1,648	(78)%
Pension group annuities	5,508	2,944	772	56	9,002	NM	63 %	7,502	9,058	21 %
Gross organic inflows	12,049	12,955	11,290	11,927	18,714	57 %	55 %	23,605	30,641	30 %
Gross inorganic inflows <sup>2</sup>	—	—	—	—	—	NM	NM	—	—	NM
Total gross inflows	12,049	12,955	11,290	11,927	18,714	57 %	55 %	23,605	30,641	30 %
Gross outflows <sup>3</sup>	(4,925)	(7,000)	(11,064)	(6,879)	(9,135)	33 %	85 %	(9,808)	(16,014)	63 %
Net flows	\$ 7,124	\$ 5,955	\$ 226	\$ 5,048	\$ 9,579	90 %	34 %	\$ 13,797	\$ 14,627	6 %
Inflows attributable to Athene	\$ 8,889	\$ 11,000	\$ 10,022	\$ 11,896	\$ 14,977	26 %	68 %	\$ 18,222	\$ 26,873	47 %
Inflows attributable to ADIP <sup>4</sup>	3,160	1,955	1,268	31	3,737	NM	18 %	5,383	3,768	(30)%
Total gross inflows	\$ 12,049	\$ 12,955	\$ 11,290	\$ 11,927	\$ 18,714	57 %	55 %	\$ 23,605	\$ 30,641	30 %
Outflows attributable to Athene	\$ (4,062)	\$ (5,803)	\$ (9,787)	\$ (5,531)	\$ (7,891)	43 %	94 %	\$ (8,134)	\$ (13,422)	65 %
Outflows attributable to ADIP <sup>4</sup>	(863)	(1,197)	(1,277)	(1,348)	(1,244)	(8)%	44 %	(1,674)	(2,592)	55 %
Total gross outflows <sup>3</sup>	\$ (4,925)	\$ (7,000)	\$ (11,064)	\$ (6,879)	\$ (9,135)	33 %	85 %	\$ (9,808)	\$ (16,014)	63 %
<b>OUTFLOWS ATTRIBUTABLE TO ATHENE BY TYPE<sup>5</sup></b>										
Maturity-driven, contractual-based outflows <sup>6</sup>	\$ (1,305)	\$ (2,834)	\$ (1,472)	\$ (1,717)	\$ (3,981)	132 %	205 %	\$ (2,689)	\$ (5,698)	112 %
Policyholder-driven outflows <sup>7</sup>	(2,757)	(2,969)	(3,453)	(3,814)	(3,910)	3 %	42 %	(5,445)	(7,724)	42 %
Income oriented withdrawals (planned) <sup>8</sup>	(1,413)	(1,516)	(1,813)	(1,766)	(1,750)	(1)%	24 %	(2,942)	(3,516)	20 %
From policies out-of-surrender-charge (planned) <sup>9</sup>	(1,075)	(1,131)	(1,188)	(1,480)	(1,377)	(7)%	28 %	(1,940)	(2,857)	47 %
From policies in-surrender-charge (unplanned) <sup>10</sup>	(269)	(322)	(452)	(568)	(783)	38 %	191 %	(563)	(1,351)	140 %
Core outflows	(4,062)	(5,803)	(4,925)	(5,531)	(7,891)	43 %	94 %	(8,134)	(13,422)	65 %
Strategic reinsurance transaction	—	—	(4,862)	—	—	NM	NM	—	—	NM
Outflows attributable to Athene	\$ (4,062)	\$ (5,803)	\$ (9,787)	\$ (5,531)	\$ (7,891)	43 %	94 %	\$ (8,134)	\$ (13,422)	65 %
<b>Annualized rate<sup>11</sup></b>										
Maturity-driven, contractual-based outflows <sup>6</sup>	(2.8)%	(5.9)%	(3.0)%	(3.4)%	(7.6)%	NM	NM	(2.9)%	(5.6)%	270bps
Policyholder-driven outflows <sup>7</sup>	(5.9)%	(6.2)%	(7.1)%	(7.6)%	(7.4)%	(20)bps	150bps	(5.9)%	(7.5)%	160bps
Income oriented withdrawals (planned) <sup>8</sup>	(3.0)%	(3.2)%	(3.7)%	(3.5)%	(3.3)%	(20)bps	30bps	(3.2)%	(3.4)%	20bps
From policies out-of-surrender-charge (planned) <sup>9</sup>	(2.3)%	(2.3)%	(2.5)%	(3.0)%	(2.6)%	(40)bps	30bps	(2.1)%	(2.8)%	70bps
From policies in-surrender-charge (unplanned) <sup>10</sup>	(0.6)%	(0.7)%	(0.9)%	(1.1)%	(1.5)%	40bps	90bps	(0.6)%	(1.3)%	70bps
Core outflows	(8.7)%	(12.1)%	(10.1)%	(11.0)%	(15.0)%	NM	NM	(8.8)%	(13.1)%	NM
Strategic reinsurance transaction	—%	—%	(9.9)%	—%	—%	NM	NM	—%	—%	NM
Outflows attributable to Athene	(8.7)%	(12.1)%	(20.0)%	(11.0)%	(15.0)%	NM	NM	(8.8)%	(13.1)%	NM

Note: 1 Funding agreements are comprised of funding agreements issued under our funding agreement backed notes (FABN) and funding agreement backed repurchase agreements (FABR) programs, funding agreements issued to the Federal Home Loan Bank (FHLB) and long-term repurchase agreements. 2 Gross inorganic inflows include acquisitions and block reinsurance transactions. 3 Gross outflows include full and partial policyholder withdrawals on deferred annuities, death benefits, pension group annuity benefit payments, payments on payout annuities, funding agreement repurchases and maturities and ceded reinsurance. 4 ADIP refers to Apollo/Athene Dedicated Investment Program and represents the noncontrolling interest in business ceded to ACRA. 5 The format and methodology of this table was updated during 1Q'23 to provide additional information. 6 Represents outflows from funding agreements, pension group annuities and multi-year guarantee fixed annuities (MYGA), all of which occur based on defined maturities or substantially lapse upon reaching their contractual term. Amounts may vary on a quarterly basis, based on the timing of original issuance. 7 Represents outflows from fixed index annuities and other applicable products, which have varying degrees of predictability due to policyholder actions. 8 Represents partial annuity withdrawals to meet retirement income needs within contractual annual limits. 9 Represents outflows from policies that no longer have an active surrender charge in force. 10 Represents outflows from policies with an active surrender charge in force. 11 The outflow rate is calculated as outflows attributable to Athene divided by average net invested assets for the respective period, on an annualized basis.

## Condensed Consolidated Balance Sheets

Unaudited (in millions, except percentages)



	December 31, 2022	June 30, 2023	Δ
<b>ASSETS</b>			
<b>Investments</b>			
Available-for-sale securities, at fair value	\$ 102,404	\$ 115,152	12 %
Trading securities, at fair value	1,595	1,628	2 %
Equity securities	1,487	1,296	(13)%
Mortgage loans, at fair value	27,454	34,668	26 %
Investment funds	79	123	56 %
Policy loans	347	336	(3)%
Funds withheld at interest	32,880	27,844	(15)%
Derivative assets	3,309	5,114	55 %
Short-term investments	2,160	650	(70)%
Other investments	773	741	(4)%
<b>Total investments</b>	<b>172,488</b>	<b>187,552</b>	<b>9 %</b>
Cash and cash equivalents	7,779	10,601	36 %
Restricted cash	628	2,203	251 %
<b>Investments in related parties</b>			
Available-for-sale securities, at fair value	9,821	13,407	37 %
Trading securities, at fair value	878	867	(1)%
Equity securities, at fair value	279	313	12 %
Mortgage loans, at fair value	1,302	1,296	— %
Investment funds	1,569	1,636	4 %
Funds withheld at interest	9,808	9,017	(8)%
Short-term investments	—	891	NM
Other investments, at fair value	303	343	13 %
Accrued investment income	1,328	1,646	24 %
Reinsurance recoverable	4,358	4,236	(3)%
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,466	5,166	16 %
Goodwill	4,058	4,065	— %
Other assets	8,693	7,914	(9)%
<b>Assets of consolidated variable interest entities</b>			
<b>Investments</b>			
Trading securities, at fair value	1,063	1,720	62 %
Mortgage loans, at fair value	2,055	2,113	3 %
Investment funds, at fair value	12,480	14,109	13 %
Other investments, at fair value	101	100	(1)%
Cash and cash equivalents	362	122	(66)%
Other assets	112	120	7 %
<b>Total assets</b>	<b>\$ 243,931</b>	<b>\$ 269,437</b>	<b>10 %</b>

## Condensed Consolidated Balance Sheets, continued

Unaudited (in millions, except percentages)



	December 31, 2022	June 30, 2023	Δ
<b>LIABILITIES</b>			
Interest sensitive contract liabilities	\$ 173,616	\$ 184,359	6 %
Future policy benefits	42,110	50,284	19 %
Market risk benefits	2,970	3,195	8 %
Debt	3,658	3,642	— %
Derivative liabilities	1,646	1,753	7 %
Payables for collateral on derivatives and securities to repurchase	6,707	9,845	47 %
Other liabilities	1,860	1,936	4 %
Liabilities of consolidated variable interest entities	815	1,189	46 %
Total liabilities	<u>233,382</u>	<u>256,203</u>	10 %
<b>EQUITY</b>			
Preferred stock	—	—	NM
Common stock	—	—	NM
Additional paid-in capital	18,119	18,162	— %
Retained deficit	(3,640)	(3,085)	15 %
Accumulated other comprehensive loss	(7,321)	(6,376)	13 %
Total Athene Holding Ltd. shareholders' equity	<u>7,158</u>	<u>8,701</u>	22 %
Noncontrolling interests	3,391	4,533	34 %
Total equity	<u>10,549</u>	<u>13,234</u>	25 %
Total liabilities and equity	<u>\$ 243,931</u>	<u>\$ 269,437</u>	10 %

## Net Invested Assets (Management view) & Agency Ratings

Unaudited (in millions, except percentages)



	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	Percent of Total	Invested Asset Value <sup>1</sup>	Percent of Total
<b>NET INVESTED ASSETS</b>				
Corporate	\$ 80,800	41.1 %	\$ 83,663	39.2 %
CLO	19,881	10.1 %	21,124	9.9 %
Credit	100,681	51.2 %	104,787	49.1 %
CML	23,750	12.1 %	25,053	11.7 %
RML	11,147	5.7 %	15,178	7.1 %
RMBS	7,363	3.7 %	7,427	3.5 %
CMBS	4,495	2.3 %	4,700	2.2 %
Real estate	46,755	23.8 %	52,358	24.5 %
ABS	20,680	10.5 %	22,571	10.6 %
Alternative investments	12,079	6.1 %	12,190	5.7 %
State, municipal, political subdivisions and foreign government	2,715	1.4 %	2,730	1.3 %
Equity securities	1,737	0.9 %	1,648	0.8 %
Short-term investments	1,930	1.0 %	1,336	0.6 %
US government and agencies	2,691	1.4 %	4,149	1.9 %
Other investments	41,832	21.3 %	44,624	20.9 %
Cash and equivalents	5,481	2.8 %	9,947	4.6 %
Policy loans and other	1,702	0.9 %	1,954	0.9 %
Net invested assets	\$ 196,451	100.0 %	\$ 213,670	100.0 %

	A.M. Best	Standard & Poor's	Fitch	Moody's
<b>FINANCIAL STRENGTH RATINGS</b>				
Athene Annuity & Life Assurance Company	A	A+	A+	A1
Athene Annuity and Life Company	A	A+	A+	A1
Athene Annuity & Life Assurance Company of New York	A	A+	A+	A1
Athene Life Insurance Company of New York	A	NR	NR	NR
Athene Annuity Re Ltd.	A	A+	A+	A1
Athene Life Re Ltd.	A	A+	A+	A1
Athene Life Re International Ltd.	A	A+	A+	A1
Athene Co-Invest Reinsurance Affiliate 1A Ltd. and Athene Co-Invest Reinsurance Affiliate 1B Ltd.	A	A+	A+	A1
Athene Co-Invest Reinsurance Affiliate International Ltd.	A	A+	A+	A1

	A.M. Best	Standard & Poor's	Fitch	Moody's
<b>CREDIT RATINGS</b>				
Athene Holding Ltd.	bbb+	A-	A-	NR
Senior notes	bbb+	A-	BBB+	Baa1

<sup>1</sup> Please refer to Notes to the Financial Supplement section for discussion on net invested assets including net alternative investments and Non-GAAP Measure Reconciliations for the reconciliation of investments, including related parties, to net invested assets. Net invested assets include our economic ownership of ACRA investments but do not include the investments associated with the noncontrolling interest.

## Net Alternative Investments (Management view)

Unaudited (in millions, except percentages)



	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	Percent of Total	Invested Asset Value <sup>1</sup>	Percent of Total
<b>NET ALTERNATIVE INVESTMENTS</b>				
Strategic origination platforms				
Wheels Donlen	\$ 662	5.5 %	\$ 657	5.4 %
Redding Ridge	624	5.2 %	625	5.1 %
NNN Lease	579	4.8 %	545	4.5 %
MidCap Financial	604	5.0 %	605	5.0 %
Foundation Home Loans	302	2.5 %	297	2.4 %
PK AirFinance	251	2.1 %	248	2.0 %
Aqua Finance	267	2.2 %	251	2.0 %
Other	308	2.5 %	215	1.8 %
Total strategic origination platforms	3,597	29.8 %	3,443	28.2 %
Strategic retirement services platforms				
Athora	1,012	8.4 %	1,097	9.0 %
Catalina	417	3.4 %	405	3.3 %
FWD	400	3.3 %	400	3.3 %
Challenger	294	2.4 %	269	2.2 %
Venerable	241	2.0 %	214	1.7 %
Other	20	0.2 %	—	— %
Total strategic retirement services platforms	2,384	19.7 %	2,385	19.5 %
Apollo and other fund investments				
Equity				
Real estate	1,212	10.0 %	1,129	9.3 %
Traditional private equity	947	7.8 %	1,131	9.3 %
Other	189	1.6 %	171	1.4 %
Total equity	2,348	19.4 %	2,431	20.0 %
Hybrid				
Real estate	1,289	10.7 %	1,194	9.8 %
Other	1,315	10.9 %	1,419	11.6 %
Total hybrid	2,604	21.6 %	2,613	21.4 %
Yield	885	7.3 %	904	7.5 %
Total Apollo and other fund investments	5,837	48.3 %	5,948	48.9 %
Other	261	2.2 %	414	3.4 %
Net alternative investments <sup>2</sup>	\$ 12,079	100.0 %	\$ 12,190	100.0 %

<sup>1</sup> Please refer to Notes to the Financial Supplement for discussion on net invested assets including net alternative investments and Non-GAAP Measure Reconciliations for the reconciliations of investments, including related parties, to net invested assets and investment funds, including related parties and VIEs, to net alternative investments. Net invested assets include our economic ownership of ACRA investments but do not include the investments associated with the noncontrolling interest. Net alternative invested asset values reflect Athene's ownership of Apollo Aligned Alternatives, L.P. (AAA). Athene's ownership percentage of AAA was approximately 75%, 77% and 81% as of June 30, 2023, March 31, 2023 and December 31, 2022, respectively. <sup>2</sup> Net alternative investments do not correspond to total investment funds, including related parties and VIEs, on our condensed consolidated balance sheets. Net alternative investments adjusts the GAAP presentation to include certain equity securities that are included in AFS or trading securities in the GAAP view, investment funds included in our funds withheld at interest and modco reinsurance portfolios, royalties and other investments.

## Credit Quality of Securities

Unaudited (in millions, except percentages)



CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)	December 31, 2022		June 30, 2023	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NAIC designation</b>				
1 A-G	\$ 58,470	52.1 %	\$ 68,947	53.6 %
2 A-C	49,067	43.7 %	54,947	42.7 %
Total investment grade	107,537	95.8 %	123,894	96.3 %
3 A-C	3,302	3.0 %	3,247	2.5 %
4 A-C	925	0.8 %	904	0.7 %
5 A-C	190	0.2 %	186	0.2 %
6	271	0.2 %	328	0.3 %
Total below investment grade	4,688	4.2 %	4,665	3.7 %
Total AFS securities including related parties	\$ 112,225	100.0 %	\$ 128,559	100.0 %
<b>NRSRO designation</b>				
AAA/AA/A	\$ 51,926	46.3 %	\$ 60,999	47.4 %
BBB	44,783	39.9 %	50,035	38.9 %
Non-rated <sup>1</sup>	8,985	8.0 %	10,767	8.4 %
Total investment grade <sup>2</sup>	105,694	94.2 %	121,801	94.7 %
BB	3,176	2.8 %	3,195	2.5 %
B	749	0.7 %	860	0.7 %
CCC	1,055	0.9 %	1,082	0.8 %
CC and lower	584	0.5 %	754	0.6 %
Non-rated <sup>1</sup>	967	0.9 %	867	0.7 %
Total below investment grade	6,531	5.8 %	6,758	5.3 %
Total AFS securities including related parties	\$ 112,225	100.0 %	\$ 128,559	100.0 %

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. <sup>2</sup> We view the NAIC designation methodology as the most appropriate way to view our AFS portfolio when evaluating credit risk since a portion of our holdings were purchased at a significant discount to par. With respect to loan-backed and structured securities, the NAIC designation methodology differs in significant respects from the NRSRO rating methodology. NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par regardless of entry price, while the NAIC designation methodology considers an investment at amortized cost, and the likelihood of recovery of that book value.



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

Unaudited (In millions, except percentages)



	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NAIC designation</b>				
1 A-G	\$ 71,471	50.8 %	\$ 76,565	51.8 %
2 A-C	62,115	44.2 %	64,796	43.9 %
Non-rated	506	0.4 %	300	0.2 %
Total investment grade	134,092	95.4 %	141,661	95.9 %
3 A-C	4,471	3.2 %	4,090	2.8 %
4 A-C	1,259	0.9 %	1,116	0.7 %
5 A-C	407	0.3 %	419	0.3 %
6	326	0.2 %	414	0.3 %
Non-rated	—	— %	—	— %
Total below investment grade	6,463	4.6 %	6,039	4.1 %
Total NAIC designated assets <sup>3</sup>	140,555	100.0 %	147,700	100.0 %
Assets without NAIC designation				
Commercial mortgage loans				
CM1	3,998	16.8 %	3,635	14.5 %
CM2	14,008	59.0 %	15,710	62.7 %
CM3	5,216	22.0 %	5,261	21.0 %
CM4	447	1.9 %	364	1.5 %
CM5	81	0.3 %	83	0.3 %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	23,750	100.0 %	25,053	100.0 %
Residential mortgage loans				
In good standing	10,636	95.4 %	14,628	96.4 %
90 days late	422	3.8 %	464	3.0 %
In foreclosure	89	0.8 %	86	0.6 %
Total RMLs	11,147	100.0 %	15,178	100.0 %
Alternative investments	12,079		12,190	
Cash and equivalents	5,481		9,947	
Equity securities	1,737		1,648	
Other <sup>4</sup>	1,702		1,954	
Net invested assets	\$ 196,451		\$ 213,670	

	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NRSRO designation</b>				
AAA/AA/A	\$ 60,869	43.3 %	\$ 65,914	44.6 %
BBB	56,029	39.9 %	58,179	39.4 %
Non-rated <sup>2</sup>	14,686	10.5 %	15,081	10.2 %
Total investment grade	131,584	93.7 %	139,174	94.2 %
BB	4,217	3.0 %	3,755	2.5 %
B	990	0.7 %	1,022	0.7 %
CCC	1,431	1.0 %	1,404	1.0 %
CC and lower	906	0.6 %	979	0.7 %
Non-rated <sup>2</sup>	1,427	1.0 %	1,366	0.9 %
Total below investment grade	8,971	6.3 %	8,526	5.8 %
Total NRSRO designated assets <sup>3</sup>	140,555	100.0 %	147,700	100.0 %
Assets without NRSRO designation				
Commercial mortgage loans				
CM1	3,998	16.8 %	3,635	14.5 %
CM2	14,008	59.0 %	15,710	62.7 %
CM3	5,216	22.0 %	5,261	21.0 %
CM4	447	1.9 %	364	1.5 %
CM5	81	0.3 %	83	0.3 %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	23,750	100.0 %	25,053	100.0 %
Residential mortgage loans				
In good standing	10,636	95.4 %	14,628	96.4 %
90 days late	422	3.8 %	464	3.0 %
In foreclosure	89	0.8 %	86	0.6 %
Total RMLs	11,147	100.0 %	15,178	100.0 %
Alternative investments	12,079		12,190	
Cash and equivalents	5,481		9,947	
Equity securities	1,737		1,648	
Other <sup>4</sup>	1,702		1,954	
Net invested assets	\$ 196,451		\$ 213,670	

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

## Credit Quality of Net Invested Assets - ABS and CLOs (Management view)

Unaudited (In millions, except percentages)



	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF ABS – NAIC DESIGNATION</b>				
1 A-G	\$ 12,261	59.3 %	\$ 12,696	56.3 %
2 A-C	7,301	35.3 %	8,755	38.8 %
Non-rated	—	— %	—	— %
Total investment grade	19,562	94.6 %	21,451	95.1 %
3 A-C	710	3.4 %	703	3.1 %
4 A-C	229	1.1 %	233	1.0 %
5 A-C	157	0.8 %	161	0.7 %
6	22	0.1 %	23	0.1 %
Non-rated	—	— %	—	— %
Total below investment grade	1,118	5.4 %	1,120	4.9 %
ABS net invested assets	\$ 20,680	100.0 %	\$ 22,571	100.0 %

<b>CREDIT QUALITY OF CLOs – NAIC DESIGNATION</b>				
1 A-G	\$ 12,455	62.7 %	\$ 13,443	63.6 %
2 A-C	7,278	36.6 %	7,534	35.7 %
Non-rated	—	— %	—	— %
Total investment grade	19,733	99.3 %	20,977	99.3 %
3 A-C	128	0.6 %	128	0.6 %
4 A-C	20	0.1 %	19	0.1 %
5 A-C	—	— %	—	— %
6	—	— %	—	— %
Non-rated	—	— %	—	— %
Total below investment grade	148	0.7 %	147	0.7 %
CLO net invested assets	\$ 19,881	100.0 %	\$ 21,124	100.0 %

	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF ABS – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 11,780	57.0 %	\$ 12,094	53.6 %
BBB	7,248	35.0 %	8,465	37.5 %
Non-rated <sup>2</sup>	535	2.6 %	893	4.0 %
Total investment grade	19,563	94.6 %	21,452	95.1 %
BB	709	3.4 %	702	3.1 %
B	229	1.1 %	233	1.0 %
CCC	33	0.2 %	34	0.1 %
CC and lower	22	0.1 %	23	0.1 %
Non-rated <sup>2</sup>	124	0.6 %	127	0.6 %
Total below investment grade	1,117	5.4 %	1,119	4.9 %
ABS net invested assets	\$ 20,680	100.0 %	\$ 22,571	100.0 %

<b>CREDIT QUALITY OF CLOs – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 12,455	62.7 %	\$ 13,443	63.6 %
BBB	7,278	36.6 %	7,534	35.7 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	19,733	99.3 %	20,977	99.3 %
BB	128	0.6 %	128	0.6 %
B	20	0.1 %	19	0.1 %
CCC	—	— %	—	— %
CC and lower	—	— %	—	— %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	148	0.7 %	147	0.7 %
CLO net invested assets	\$ 19,881	100.0 %	\$ 21,124	100.0 %

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

## Credit Quality of Net Invested Assets - RMBS and CMBS (Management view)

Unaudited (In millions, except percentages)



	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF RMBS – NAIC DESIGNATION</b>				
1 A-G	\$ 6,125	83.2 %	\$ 6,290	84.7 %
2 A-C	347	4.7 %	297	4.0 %
Non-rated	—	— %	—	— %
Total investment grade	6,472	87.9 %	6,587	88.7 %
3 A-C	455	6.2 %	438	5.9 %
4 A-C	309	4.2 %	257	3.5 %
5 A-C	102	1.4 %	96	1.3 %
6	25	0.3 %	49	0.6 %
Non-rated	—	— %	—	— %
Total below investment grade	891	12.1 %	840	11.3 %
RMBS net invested assets	\$ 7,363	100.0 %	\$ 7,427	100.0 %

	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF CMBS – NAIC DESIGNATION</b>				
1 A-G	\$ 3,191	71.0 %	\$ 3,349	71.3 %
2 A-C	811	18.0 %	860	18.3 %
Non-rated	—	— %	—	— %
Total investment grade	4,002	89.0 %	4,209	89.6 %
3 A-C	295	6.6 %	222	4.7 %
4 A-C	80	1.8 %	143	3.0 %
5 A-C	78	1.7 %	79	1.7 %
6	40	0.9 %	47	1.0 %
Non-rated	—	— %	—	— %
Total below investment grade	493	11.0 %	491	10.4 %
CMBS net invested assets	\$ 4,495	100.0 %	\$ 4,700	100.0 %

	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF RMBS – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 2,026	27.5 %	\$ 2,200	29.6 %
BBB	735	10.0 %	497	6.7 %
Non-rated <sup>2</sup>	1,647	22.4 %	1,841	24.8 %
Total investment grade	4,408	59.9 %	4,538	61.1 %
BB	140	1.9 %	127	1.7 %
B	141	1.9 %	132	1.8 %
CCC	1,333	18.1 %	1,242	16.7 %
CC and lower	834	11.3 %	909	12.2 %
Non-rated <sup>2</sup>	507	6.9 %	479	6.5 %
Total below investment grade	2,955	40.1 %	2,889	38.9 %
RMBS net invested assets	\$ 7,363	100.0 %	\$ 7,427	100.0 %

	December 31, 2022		June 30, 2023	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF CMBS – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 2,262	50.3 %	\$ 2,493	53.0 %
BBB	675	15.0 %	713	15.2 %
Non-rated <sup>2</sup>	610	13.6 %	562	12.0 %
Total investment grade	3,547	78.9 %	3,768	80.2 %
BB	700	15.6 %	510	10.9 %
B	167	3.7 %	273	5.8 %
CCC	64	1.4 %	128	2.7 %
CC and lower	17	0.4 %	21	0.4 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	948	21.1 %	932	19.8 %
CMBS net invested assets	\$ 4,495	100.0 %	\$ 4,700	100.0 %

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

## Net Reserve Liabilities & Rollforwards

Unaudited (in millions, except percentages)



	December 31, 2022		June 30, 2023	
	Dollars	Percent of Total	Dollars	Percent of Total
<b>NET RESERVE LIABILITIES</b>				
Indexed annuities	\$ 85,163	48.4 %	\$ 87,456	45.2 %
Fixed rate annuities	39,553	22.5 %	49,998	25.8 %
Total deferred annuities	124,716	70.9 %	137,454	71.0 %
Pension group annuities	20,614	11.7 %	25,341	13.1 %
Payout annuities	7,589	4.3 %	7,520	3.9 %
Funding agreements <sup>1</sup>	21,538	12.2 %	21,644	11.2 %
Life and other	1,513	0.9 %	1,472	0.8 %
Total net reserve liabilities	\$ 175,970	100.0 %	\$ 193,431	100.0 %

	Quarterly Trends					Δ		Year-to-Date		Δ
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
<b>NET RESERVE LIABILITY ROLLFORWARD</b>										
Net reserve liabilities – beginning	\$ 169,750	\$ 170,703	\$ 173,539	\$ 175,970	\$ 184,891	5 %	9 %	\$ 168,323	\$ 175,970	5 %
Gross inflows <sup>2</sup>	12,214	13,161	11,511	12,111	18,989	57 %	55 %	24,031	31,100	29 %
Inflows attributable to ACRA noncontrolling interest	(3,184)	(1,993)	(1,305)	(60)	(3,751)	NM	18 %	(5,455)	(3,811)	(30)%
Net inflows	9,030	11,168	10,206	12,051	15,238	26 %	69 %	18,576	27,289	47 %
Net withdrawals	(4,062)	(5,803)	(4,925)	(5,531)	(7,891)	43 %	94 %	(8,134)	(13,422)	65 %
Strategic reinsurance outflows	—	—	(4,862)	—	—	NM	NM	—	—	NM
Other reserve changes	(4,015)	(2,529)	2,012	2,401	1,193	(50)%	NM	(8,062)	3,594	NM
Net reserve liabilities – ending	\$ 170,703	\$ 173,539	\$ 175,970	\$ 184,891	\$ 193,431	5 %	13 %	\$ 170,703	\$ 193,431	13 %

<b>ACRA NONCONTROLLING INTEREST RESERVE LIABILITY ROLLFORWARD</b>										
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	Q/Q	Y/Y	2022	2023	Y/Y
Reserve liabilities – beginning	\$ 34,036	\$ 35,522	\$ 35,463	\$ 35,981	\$ 35,281	(2)%	4 %	\$ 33,537	\$ 35,981	7 %
Inflows	3,184	1,993	1,305	60	3,751	NM	18 %	5,455	3,811	(30)%
Withdrawals	(863)	(1,197)	(1,277)	(1,348)	(1,244)	(8)%	44 %	(1,674)	(2,592)	55 %
Other reserve changes	(835)	(855)	490	588	(13)	NM	98 %	(1,796)	575	NM
Reserve liabilities – ending	\$ 35,522	\$ 35,463	\$ 35,981	\$ 35,281	\$ 37,775	7 %	6 %	\$ 35,522	\$ 37,775	6 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net reserve liabilities. Net reserve liabilities include our economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interest. <sup>1</sup> Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements. <sup>2</sup> Gross inflows equal inflows from our retail, flow reinsurance and institutional channels as well as inflows for life and products other than deferred annuities or our institutional products, renewal inflows on older blocks of business, annuitizations and foreign currency translation adjustments on large transactions between the transaction date and the translation period. Gross inflows include all inflows sourced by Athene, including all of the inflows reinsured to ACRA.

## Deferred Annuity Liability Characteristics

Unaudited (in millions, except percentages)



	Surrender charge (gross)	Percent of total	Surrender charge (net of MVA)	Percent of total
<b>SURRENDER CHARGE PERCENTAGES ON DEFERRED ANNUITIES NET ACCOUNT VALUE</b>				
No Surrender Charge	\$ 27,780	21.1 %	\$ 27,780	21.2 %
0.0% < 2.0%	3,224	2.5 %	3,063	2.3 %
2.0% < 4.0%	6,704	5.1 %	3,997	3.1 %
4.0% < 6.0%	11,937	9.1 %	8,056	6.1 %
6.0% or greater	81,707	62.2 %	88,456	67.3 %
	<u>\$ 131,352</u>	<u>100.0 %</u>	<u>\$ 131,352</u>	<u>100.0 %</u>

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	6.0 %	1.8 %	7.8 %

	Deferred annuities	Percent of total	Average surrender charge (gross)
<b>YEARS OF SURRENDER CHARGE REMAINING ON DEFERRED ANNUITIES NET ACCOUNT VALUE</b>			
No Surrender Charge	\$ 27,780	21.1 %	— %
Less than 2	18,303	13.9 %	5.6 %
2 to less than 4	23,226	17.7 %	6.6 %
4 to less than 6	30,750	23.4 %	7.5 %
6 to less than 8	13,334	10.2 %	8.8 %
8 to less than 10	14,406	11.0 %	9.0 %
10 or greater	3,553	2.7 %	14.3 %
	<u>\$ 131,352</u>	<u>100.0 %</u>	

**KEY OPERATING AND NON-GAAP MEASURES**

In addition to our results presented in accordance with accounting principles generally accepted in the United States of America (US GAAP), we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant US 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, stock compensation 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 US GAAP and should not be viewed as a substitute for the corresponding US GAAP measures.

**SPREAD RELATED EARNINGS (SRE) AND NET SPREAD**

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 certain equity tranche securities) and mortgage loans, investments held under the fair value option, derivative gains and losses not hedging FIA index credits, and the change in credit loss allowances recognized in operations net of the change in AmerUs Closed Block fair value reserve related to the corresponding change in fair value of investments. The change in fair value of our investment in Apollo was included in prior years. Investment gains and losses are net of offsets related to the market value adjustments (MVA) associated with surrenders or terminations of contracts.
- **Non-operating Change in Insurance Liabilities and Related Derivatives**
  - **Change in Fair Values of Derivatives and Embedded Derivatives – FIAs**—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. 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.
  - **Non-operating Change in Funding Agreements**—Consists of timing differences caused by changes to interest rates on variable funding agreements and funding agreement backed notes and the associated reserve accretion patterns of those contracts. Further included are adjustments for gains associated with our repurchases of funding agreement backed notes.
  - **Change in Fair Value of Market Risk Benefits**—Consists primarily of volatility in capital market inputs used in the measurement at fair value of our market risk benefits, including certain impacts from changes in interest rates, equity returns and implied equity volatilities.
  - **Non-operating Change in Liability for Future Policy Benefits**—Consists of the non-economic loss incurred at issuance for certain pension group annuities and other payout annuities with life contingencies when valuation interest rates prescribed by US GAAP are lower than the net investment earned rates, adjusted for profit, assumed in pricing. For such contracts with non-economic US GAAP losses, the SRE reserve accretes interest using an imputed discount rate that produces zero gain or loss at issuance.
- **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 in prior years, 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.

Net spread is a non-GAAP measure used to evaluate our financial performance and profitability. Net spread is computed using our spread related earnings divided by average net invested assets for the relevant period. To enhance the ability to analyze this measure across periods, interim periods are annualized. While we believe this metric is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for ROA presented under GAAP.

**ADJUSTED 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 tax. Adjusted debt to capital ratio is calculated as total 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, reinsurance assets and mortgage loans. Except with respect to reinvestment activity relating to acquired blocks of businesses, we typically buy and hold 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. 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, 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. Strategic capital management fees consist of management fees received by us for business managed for others, primarily the non-controlling interest portion of Athene's business ceded to ACRA.

- 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 US 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 certain equity securities, (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 noncontrolling interest. The gain or loss on our investment in Apollo was removed in prior years. 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 US 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 (1) pension group annuity costs, including interest credited, benefit payments and other reserve changes, net of premiums received when issued, and (2) funding agreement costs, including the interest payments and other reserve changes. Additionally, cost of crediting includes forward points gains and losses on foreign exchange derivative hedges. Other liability costs include DAC, DSI and VOBA amortization, certain market risk benefit costs, the cost of liabilities on products other than deferred annuities and institutional products, premiums and certain product charges and other revenues. We include the costs related to business added through assumed reinsurance transactions and exclude the costs related to business that we have exited through ceded reinsurance transactions. 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 US 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 US GAAP.
- Other operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation and long-term incentive plan expenses, interest expense, policy acquisition expenses and the proportionate share of the ACRA operating expenses associated with the noncontrolling interest. 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 US GAAP.

**NET INVESTED ASSETS**

In managing our business, we analyze net invested assets, which do not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represent 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 include (a) total investments on the consolidated balance sheets, with AFS securities, trading securities and mortgage loans 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 and VOE 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 adjustment for the allowance for credit losses. Net invested assets exclude 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 include our proportionate share of ACRA investments, based on our economic ownership, but do not include the proportionate share of investments associated with the noncontrolling interest. 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 US 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 are used to analyze the costs of our liabilities. Net reserve liabilities include (a) interest sensitive contract liabilities, (b) future policy benefits, (c) net market risk benefits, (d) long-term repurchase obligations, (e) dividends payable to policyholders and (f) 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 insurance business following acquisitions. For such transactions, US 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. We include the underlying liabilities assumed through modco reinsurance agreements in our net reserve liabilities calculation in order to match the liabilities with the expenses incurred. 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 US GAAP.

**SALES**

Sales statistics do not correspond to revenues under US 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). We believe sales is a meaningful metric that enhances our understanding of our business performance and is not the same as premiums presented in our condensed consolidated statements of income (loss).

## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends				
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23
<b>RECONCILIATION OF TOTAL AHL SHAREHOLDERS' EQUITY TO TOTAL ADJUSTED AHL COMMON SHAREHOLDER'S EQUITY</b>					
Total AHL shareholders' equity	\$ 8,697	\$ 5,133	\$ 7,158	\$ 8,698	\$ 8,701
Less: Preferred stock	2,667	2,667	3,154	3,154	3,154
Total AHL common shareholder's equity	6,030	2,466	4,004	5,544	5,547
Less: Accumulated other comprehensive loss	(5,698)	(8,473)	(7,321)	(6,148)	(6,376)
Less: Accumulated change in fair value of reinsurance assets	(2,521)	(3,394)	(3,127)	(2,791)	(2,843)
Less: Accumulated change in fair value of mortgage loan assets	(1,340)	(2,095)	(2,201)	(2,022)	(2,235)
Total adjusted AHL common shareholder's equity	\$ 15,589	\$ 16,428	\$ 16,653	\$ 16,505	\$ 17,001
<b>RECONCILIATION OF DEBT TO CAPITAL RATIO TO ADJUSTED DEBT TO CAPITAL RATIO</b>					
Total debt	\$ 3,279	\$ 3,271	\$ 3,658	\$ 3,650	\$ 3,642
Less: Adjustment to arrive at notional debt	279	271	258	250	242
Notional debt	\$ 3,000	\$ 3,000	\$ 3,400	\$ 3,400	\$ 3,400
<b>RECONCILIATION OF DEBT TO CAPITAL RATIO TO ADJUSTED DEBT TO CAPITAL RATIO</b>					
Total debt	\$ 3,279	\$ 3,271	\$ 3,658	\$ 3,650	\$ 3,642
Total AHL shareholders' equity	8,697	5,133	7,158	8,698	8,701
Total capitalization	11,976	8,404	10,816	12,348	12,343
Less: Accumulated other comprehensive loss	(5,698)	(8,473)	(7,321)	(6,148)	(6,376)
Less: Accumulated change in fair value of reinsurance assets	(2,521)	(3,394)	(3,127)	(2,791)	(2,843)
Less: Accumulated change in fair value of mortgage loan assets	(1,340)	(2,095)	(2,201)	(2,022)	(2,235)
Less: Adjustment to arrive at notional debt	279	271	258	250	242
Total adjusted capitalization	\$ 21,256	\$ 22,095	\$ 23,207	\$ 23,059	\$ 23,555
Debt to capital ratio	27.4 %	38.9 %	33.8 %	29.6 %	29.5 %
Accumulated other comprehensive loss	(7.3)%	(14.7)%	(10.5)%	(7.8)%	(7.9)%
Accumulated change in fair value of reinsurance assets	(3.2)%	(5.9)%	(4.5)%	(3.5)%	(3.5)%
Accumulated change in fair value of mortgage loan assets	(1.7)%	(3.7)%	(3.2)%	(2.6)%	(2.8)%
Adjustment to arrive at notional debt	(1.1)%	(1.0)%	(0.9)%	(1.0)%	(0.9)%
Adjusted debt to capital ratio	14.1 %	13.6 %	14.7 %	14.7 %	14.4 %



## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	2022	2023
<b>RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO AHL COMMON SHAREHOLDER TO NORMALIZED SPREAD RELATED EARNINGS</b>							
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ (1,740)	\$ (622)	\$ 361	\$ 721	\$ 396	\$ (2,790)	\$ 1,117
Preferred stock dividends	35	35	36	47	45	70	92
Net income (loss) attributable to noncontrolling interests	(1,089)	(465)	329	455	54	(1,970)	509
Net income (loss)	(2,794)	(1,052)	726	1,223	495	(4,690)	1,718
Income tax expense (benefit)	(378)	(121)	137	163	133	(662)	296
Income (loss) before income taxes	(3,172)	(1,173)	863	1,386	628	(5,352)	2,014
Less: Total adjustments to income (loss) before income taxes	(3,627)	(1,813)	166	699	(171)	(6,481)	528
Spread related earnings	455	640	697	687	799	1,129	1,486
Normalization of alternative investment income to 11%	135	82	14	148	75	(16)	223
Other notable items	(16)	(42)	35	(25)	—	—	(25)
Normalized spread related earnings	\$ 574	\$ 680	\$ 746	\$ 810	\$ 874	\$ 1,113	\$ 1,684
<b>RECONCILIATION OF NET INVESTMENT INCOME TO NET INVESTMENT EARNINGS</b>							
US GAAP net investment income	\$ 1,726	\$ 1,843	\$ 2,319	\$ 2,407	\$ 2,717	\$ 3,409	\$ 5,124
Change in fair value of reinsurance assets	50	11	52	70	37	270	107
VIE earnings and noncontrolling interest	91	219	197	200	279	170	479
Alternative gains (losses)	(28)	10	41	(9)	2	(10)	(7)
Reinsurance impacts	—	—	(41)	(64)	(69)	—	(133)
Apollo investment gain	—	—	—	—	—	(33)	—
ACRA noncontrolling interest	(347)	(407)	(446)	(448)	(504)	(652)	(952)
Held for trading amortization and other	(4)	45	(73)	(13)	5	(11)	(8)
Total adjustments to arrive at net investment earnings	(238)	(122)	(270)	(264)	(250)	(266)	(514)
Total net investment earnings	\$ 1,488	\$ 1,721	\$ 2,049	\$ 2,143	\$ 2,467	\$ 3,143	\$ 4,610
<b>RECONCILIATION OF NET INVESTMENT INCOME RATE TO NET INVESTMENT EARNED RATE</b>							
US GAAP net investment income	3.70 %	3.83 %	4.74 %	4.78 %	5.17 %	3.71 %	4.98 %
Change in fair value of reinsurance assets	0.11 %	0.02 %	0.11 %	0.14 %	0.07 %	0.29 %	0.10 %
VIE earnings and noncontrolling interest	0.19 %	0.46 %	0.40 %	0.40 %	0.53 %	0.19 %	0.48 %
Alternative gains (losses)	(0.06)%	0.02 %	0.08 %	(0.02)%	—	(0.01)%	(0.01)%
Reinsurance impacts	— %	— %	(0.08)%	(0.13)%	(0.13)%	— %	(0.13)%
Apollo investment gain	— %	— %	— %	— %	— %	(0.04)%	— %
ACRA noncontrolling interest	(0.74)%	(0.85)%	(0.91)%	(0.89)%	(0.96)%	(0.71)%	(0.93)%
Held for trading amortization and other	(0.01)%	0.10 %	(0.15)%	(0.03)%	0.01 %	(0.01)%	(0.01)%
Total adjustments to arrive at net investment earned rate	(0.51)%	(0.25)%	(0.55)%	(0.53)%	(0.48)%	(0.29)%	(0.50)%
Net investment earned rate	3.19 %	3.58 %	4.19 %	4.25 %	4.69 %	3.42 %	4.48 %
Average net invested assets	\$ 186,788	\$ 192,231	\$ 195,804	\$ 201,600	\$ 210,209	\$ 184,034	\$ 205,623

## Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	2022	2023
<b>RECONCILIATION OF BENEFITS AND EXPENSES TO COST OF FUNDS</b>							
US GAAP benefits and expenses	\$ 4,979	\$ 3,483	\$ 2,924	\$ 2,674	\$ 12,058	\$ 6,878	\$ 14,732
Premiums	(5,614)	(3,045)	(869)	(96)	(9,041)	(7,724)	(9,137)
Product charges	(175)	(184)	(193)	(198)	(207)	(341)	(405)
Other revenues	9	26	(10)	(13)	(7)	12	(20)
FIA option costs	306	322	342	365	385	600	750
Reinsurance impacts	12	12	(19)	(37)	(38)	24	(75)
Non-operating change in insurance liabilities and embedded derivatives	1,574	652	(481)	(873)	(1,113)	2,654	(1,986)
Policy and other operating expenses, excluding policy acquisition expenses	(260)	(294)	(309)	(310)	(323)	(507)	(633)
AmerUs Closed Block fair value liability	114	77	(27)	(42)	17	241	(25)
ACRA noncontrolling interest	(53)	(157)	(258)	(287)	(379)	(134)	(666)
Other	(19)	10	58	52	85	(8)	137
Total adjustments to arrive at cost of funds	(4,106)	(2,581)	(1,766)	(1,439)	(10,621)	(5,183)	(12,060)
Total cost of funds	\$ 873	\$ 902	\$ 1,158	\$ 1,235	\$ 1,437	\$ 1,695	\$ 2,672
<b>RECONCILIATION OF TOTAL BENEFITS AND EXPENSES RATE TO COST OF FUNDS RATE</b>							
US GAAP benefits and expenses	10.66 %	7.25 %	5.97 %	5.31 %	22.94 %	7.48 %	14.33 %
Premiums	(12.02)%	(6.34)%	(1.78)%	(0.19)%	(17.20)%	(8.39)%	(8.89)%
Product charges	(0.37)%	(0.38)%	(0.39)%	(0.39)%	(0.39)%	(0.37)%	(0.39)%
Other revenues	0.02 %	0.06 %	(0.02)%	(0.03)%	(0.01)%	0.01 %	(0.02)%
FIA option costs	0.65 %	0.67 %	0.70 %	0.72 %	0.73 %	0.65 %	0.73 %
Reinsurance impacts	0.03 %	0.02 %	(0.04)%	(0.07)%	(0.07)%	0.02 %	(0.07)%
Non-operating change in insurance liabilities and embedded derivatives	3.38 %	1.36 %	(0.98)%	(1.73)%	(2.12)%	2.88 %	(1.93)%
Policy and other operating expenses, excluding policy acquisition expenses	(0.56)%	(0.61)%	(0.63)%	(0.62)%	(0.61)%	(0.55)%	(0.62)%
AmerUs Closed Block fair value liability	0.24 %	0.16 %	(0.05)%	(0.08)%	0.03 %	0.26 %	(0.02)%
ACRA noncontrolling interest	(0.11)%	(0.33)%	(0.53)%	(0.57)%	(0.72)%	(0.14)%	(0.65)%
Other	(0.04)%	0.02 %	0.12 %	0.10 %	0.15 %	(0.01)%	0.13 %
Total adjustments to arrive at cost of funds	(8.78)%	(5.37)%	(3.60)%	(2.86)%	(20.21)%	(5.64)%	(11.73)%
Total cost of funds	1.88 %	1.88 %	2.37 %	2.45 %	2.73 %	1.84 %	2.60 %
Average net invested assets	\$ 186,788	\$ 192,231	\$ 195,804	\$ 201,600	\$ 210,209	\$ 184,034	\$ 205,623

## Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends					Year-to-Date	
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23	2022	2023
<b>RECONCILIATION OF POLICY AND OTHER OPERATING EXPENSES TO OTHER OPERATING EXPENSES</b>							
US GAAP policy and other operating expenses	\$ 357	\$ 388	\$ 412	\$ 435	\$ 452	\$ 695	\$ 887
Interest expense	(41)	(68)	(85)	(115)	(132)	(74)	(247)
Policy acquisition expenses, net of deferrals	(97)	(94)	(103)	(125)	(129)	(188)	(254)
Integration, restructuring and other non-operating expenses	(33)	(37)	(29)	(29)	(28)	(67)	(57)
Stock compensation expenses	(13)	(15)	(16)	(16)	(13)	(25)	(29)
ACRA noncontrolling interest	(59)	(73)	(48)	(17)	(31)	(110)	(48)
Other changes in policy and other operating expenses	(5)	19	(3)	(7)	(1)	(13)	(8)
Total adjustments to arrive at other operating expenses	(248)	(268)	(284)	(309)	(334)	(477)	(643)
Other operating expenses	\$ 109	\$ 120	\$ 128	\$ 126	\$ 118	\$ 218	\$ 244

	December 31, 2022	June 30, 2023
<b>RECONCILIATION OF INVESTMENT FUNDS, INCLUDING RELATED PARTIES AND VIES, TO NET ALTERNATIVE INVESTMENTS</b>		
Investment funds, including related parties and VIEs	\$ 14,128	\$ 15,868
Equity securities	509	472
Certain equity securities included in AFS or trading securities	225	193
Investment funds within funds withheld at interest	1,126	864
Royalties	15	15
Net assets of the VIE, excluding investment funds	(2,041)	(3,306)
Unrealized (gains) losses	44	38
ACRA noncontrolling interest	(1,836)	(1,768)
Other assets	(91)	(186)
Total adjustments to arrive at net alternative investments	(2,049)	(3,678)
Net alternative investments	\$ 12,079	\$ 12,190

## Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends				
	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23
<b>RECONCILIATION OF TOTAL INVESTMENTS, INCLUDING RELATED PARTIES, TO NET INVESTED ASSETS</b>					
Total investments, including related parties	\$ 186,569	\$ 185,376	\$ 196,448	\$ 203,230	\$ 215,322
Derivative assets	(2,932)	(4,065)	(3,309)	(3,956)	(5,114)
Cash and cash equivalents (including restricted cash)	11,925	10,847	8,407	14,992	12,804
Accrued investment income	1,086	1,226	1,328	1,458	1,646
Net receivable (payable) for collateral on derivatives	(1,599)	(1,940)	(1,486)	(1,909)	(2,940)
Reinsurance funds withheld and modified coinsurance	5,449	7,156	1,423	942	1,046
VIE and VOE assets, liabilities and noncontrolling interest	11,499	13,105	12,747	12,799	13,693
Unrealized (gains) losses	17,371	25,098	22,284	19,782	20,676
Ceded policy loans	(182)	(180)	(179)	(175)	(174)
Net investment receivables (payables)	(279)	(349)	186	39	(217)
Allowance for credit losses	638	446	471	521	536
Other investments	—	—	(10)	(50)	(43)
Total adjustments to arrive at gross invested assets	42,976	51,344	41,862	44,443	41,913
Gross invested assets	229,545	236,720	238,310	247,673	257,235
ACRA noncontrolling interest	(40,240)	(41,563)	(41,859)	(40,924)	(43,565)
Net invested assets	\$ 189,305	\$ 195,157	\$ 196,451	\$ 206,749	\$ 213,670
<b>RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVE LIABILITIES</b>					
Total liabilities	\$ 222,662	\$ 227,917	\$ 233,382	\$ 244,604	\$ 256,203
Debt	(3,279)	(3,271)	(3,658)	(3,650)	(3,642)
Derivative liabilities	(1,223)	(2,222)	(1,646)	(1,518)	(1,753)
Payables for collateral on derivatives and securities to repurchase	(3,784)	(4,149)	(3,841)	(7,331)	(6,979)
Other liabilities	(2,639)	(2,824)	(1,635)	(1,381)	(1,712)
Liabilities of consolidated VIEs	(408)	(1,401)	(815)	(847)	(1,189)
Reinsurance impacts	(4,433)	(4,357)	(9,176)	(9,090)	(9,115)
Policy loans ceded	(182)	(180)	(179)	(175)	(174)
Market risk benefit asset	(489)	(511)	(481)	(440)	(433)
ACRA noncontrolling interest	(35,522)	(35,463)	(35,981)	(35,281)	(37,775)
Total adjustments to arrive at net reserve liabilities	(51,959)	(54,378)	(57,412)	(59,713)	(62,772)
Net reserve liabilities	\$ 170,703	\$ 173,539	\$ 175,970	\$ 184,891	\$ 193,431