

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 September 30, 2024

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)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**98-0630022**

(I.R.S. Employer  
Identification Number)

**7700 Mills Civic Pkwy  
West Des Moines, Iowa 50266  
1-(515) 342-4678**

(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 |
|---|----------------|---|
| Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a<br>6.35% Fixed-to-Floating Rate Perpetual Non-Cumulative Preferred Stock, Series A | ATHPrA         | New York Stock Exchange                   |
| Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a<br>5.625% Fixed-Rate Perpetual Non-Cumulative Preferred Stock, Series B            | ATHPrB         | New York Stock Exchange                   |
| Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a<br>6.375% Fixed-Rate Reset Perpetual Non-Cumulative Preferred Stock, Series C      | ATHPrC         | New York Stock Exchange                   |
| Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a<br>4.875% Fixed-Rate Perpetual Non-Cumulative Preferred Stock, Series D            | ATHPrD         | New York Stock Exchange                   |
| Depository Shares, each representing a 1/1,000 <sup>th</sup> interest in a<br>7.75% Fixed-Rate Reset Perpetual Non-Cumulative Preferred Stock, Series E       | ATHPrE         | New York Stock Exchange                   |
| 7.250% Fixed-Rate Reset Junior Subordinated Debentures due 2064   | ATHS           | 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 November 4, 2024, 203,805,432 shares of our common stock 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, 2023 (2023 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, such as 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;
- market and credit risks that could diminish the value of our investments;
- changes to the creditworthiness of our reinsurance and derivative counterparties;
- 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, including as a result of threat actors attempting to attack those systems, as well as our ability to maintain the security of those systems;
- the dependence of Apollo Global Management, Inc. and its subsidiaries (other than us or our subsidiaries, Apollo) on key executives and Apollo’s inability to attract qualified personnel;
- 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 implementation in various jurisdictions of measures to introduce the Organisation for Economic Cooperation and Development’s (OECD) “Pillar Two” global minimum tax initiative, or similar rules in other jurisdictions (including the recently enacted corporate income tax in Bermuda or otherwise);
- certain of our non-United States (US) subsidiaries becoming subject to US federal income taxation in amounts greater than expected;
- adverse changes in tax law;
- adverse impacts of AHL changing its domicile from Bermuda to the US, causing AHL to become a US-domiciled corporation and a US taxpayer (Redomicile);
- changes in our ability to pay dividends or make distributions, including as a result of the Redomicile;
- the failure to achieve the economic benefits expected to be derived from Athene Co-Invest Reinsurance Affiliate Holding Ltd. and Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd. (together with their 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 2023 Annual Report and those discussed elsewhere in this report and in our 2023 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  |
|------------------|---|
| AAA              | Apollo Aligned Alternatives Aggregator, LP  |
| AADE             | Athene Annuity & Life Assurance Company   |
| AAIA             | Athene Annuity and Life Company   |
| AAM              | Apollo Asset Management, Inc.   |
| AARe             | Athene Annuity Re Ltd., a Bermuda reinsurance subsidiary  |
| ACRA             | ACRA 1 and ACRA 2   |
| ACRA 1           | Athene Co-Invest Reinsurance Affiliate Holding Ltd., together with its subsidiaries   |
| ACRA 1 HoldCo    | Athene Co-Invest Reinsurance Affiliate Holding Ltd.   |
| ACRA 2           | Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd., together with its subsidiaries   |
| ACRA 2 HoldCo    | Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd.   |
| ADIP             | ADIP I and ADIP II  |
| ADIP I           | Apollo/Athene Dedicated Investment Program  |
| ADIP II          | Apollo/Athene Dedicated Investment Program II   |
| 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   |
| Apollo           | Apollo Global Management, Inc., together with its subsidiaries (other than us or our subsidiaries)  |
| Apollo Group     | (1) AGM and its 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) will be deemed to be a member of the Apollo Group |
| Athora           | Athora Holding Ltd.   |
| AUSA             | Athene USA Corporation  |
| 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   |
| US Treasury      | United States Department of the Treasury  |
| Venerable        | Venerable Holdings, Inc., together with its subsidiaries  |
| VIAC             | Venerable Insurance and Annuity Company   |
| Wheels           | Wheels, Inc.  |

**Certain Terms & Acronyms**

| <b>Term or Acronym</b>  | <b>Definition</b>  |
|-------------------------|--|
| ABS                     | Asset-backed securities  |
| ALM                     | Asset liability management   |
| Alternative investments | Alternative investments, including investment funds, VIEs and certain equity securities due to their underlying characteristics  |
| 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 as reported in the Bermuda statutory financial statements and applying US statutory accounting principles for policyholder reserve liabilities which are subjected to US cash flow testing requirements, excluding certain items that do not exist under our applicable Bermuda requirements, such as interest maintenance reserves. There are certain Bermuda statutory accounting differences, primarily (1) marking to market of inception date investment gains or losses relating to reinsurance transactions and (2) admission of certain deferred tax assets, that may from time to time result in material differences from the calculation of statutory capital under US statutory accounting principles.   |
| Bermuda RBC             | The risk-based capital ratio of our non-US reinsurance subsidiaries calculated using Bermuda capital and applying NAIC risk-based capital factors on an aggregate basis. Adjustments are made to (1) exclude US subsidiaries which are included within our US RBC Ratio and (2) 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 NAIC  |
| CLO                     | Collateralized loan obligation   |
| CMBS                    | Commercial mortgage-backed securities  |
| CML                     | Commercial mortgage loan   |
| Consolidated RBC        | The consolidated risk-based capital ratio of our non-US reinsurance and US insurance subsidiaries calculated by aggregating US RBC and Bermuda RBC.  |
| Cost of funds           | Cost of funds includes liability costs related to cost of crediting on both deferred annuities, including, with respect to our fixed indexed annuities, option costs, and institutional costs related to 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 interests. 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 on business related to ceded reinsurance transactions. 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 equity 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         | FIA’s 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  |
| Funds withheld          | Funds withheld modified coinsurance  |
| GLWB                    | Guaranteed lifetime withdrawal benefit   |
| GMDB                    | Guaranteed minimum death benefit   |
| Gross invested assets   | Represent the investments that directly back our gross reserve liabilities as well as surplus assets. Gross invested assets include (a) total investments on the consolidated balance sheet with available-for-sale 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 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. Gross invested assets exclude the derivative collateral offsetting the related cash positions. We include the investments supporting assumed funds withheld and modco agreements and exclude the investments related to ceded reinsurance transactions in order to match the assets with the income received. Gross invested assets include the entire investment balance attributable to ACRA as ACRA is 100% consolidated. |
| IMO                     | Independent marketing organization   |
| Liability outflows      | The aggregate of withdrawals on our deferred annuities, death benefits, pension group annuity benefit payments, payments on payout annuities, repurchases and maturities of our funding agreements and block reinsurance outflows.   |
| Market risk benefits    | Guaranteed lifetime withdrawal benefits and guaranteed minimum death benefits  |
| Modco                   | Modified coinsurance   |
| MVA                     | Market value adjustment  |

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| <b>Term or Acronym</b>          | <b>Definition</b>  |
|---------------------------------|--|
| Net invested assets             | Represent the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets include (a) total investments on the condensed consolidated balance sheets, with available-for-sale 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 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 the derivative collateral offsetting the related cash positions. We include the investments supporting assumed funds withheld and modco agreements and exclude the investments related to ceded reinsurance transactions in order to match the assets with the income received. Net invested assets include our economic ownership of ACRA investments but do not include the investments associated with the noncontrolling interests.  |
| Net investment earned rate      | Computed as the 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. The adjustments to net investment income to arrive at our net investment earnings 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, (e) amortization of premium/discount on held-for-trading securities and (f) the change in fair value of reinsurance assets, and remove the proportionate share of the ACRA net investment income associated with the noncontrolling interests. Net investment earned rate includes 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 including 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. Net investment earned rate excludes the income and assets on business related to ceded reinsurance transactions. |
| Net investment spread           | Net investment spread measures our investment performance plus our strategic capital management fees less our total cost of funds, presented on an annualized basis for interim periods.   |
| Net reserve liabilities         | Represent our policyholder liability obligations net of reinsurance and 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 economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interests. Net reserve liabilities are 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 include the underlying liabilities assumed through modco reinsurance agreements in order to match the liabilities with the expenses incurred.  |
| 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   |
| RILA                            | Registered index-linked annuity, which is an insurance contract similar to an FIA that has the potential for higher returns but also has the potential risk of loss to principal and related earnings, subject to a floor  |
| 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)   |
| Spread Related Earnings, or SRE | Pre-tax non-GAAP measure used to evaluate our financial performance excluding 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.  |
| 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 GAAP                         | Accounting principles generally accepted in the United States of America   |
| US RBC                          | The CAL RBC ratio for AADE, our parent US insurance company, which merged with and into AAIA on October 11, 2024   |
| 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)**

| <i>(In millions)</i>   | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| <b>Assets</b>  |                    |                   |
| Investments  |                    |                   |
| Available-for-sale securities, at fair value (amortized cost: 2024 – \$174,252 and 2023 – \$147,561; allowance for credit losses: 2024 – \$677 and 2023 – \$590) | \$ 164,685         | \$ 134,338        |
| Trading securities, at fair value  | 1,684              | 1,706             |
| Equity securities (portion at fair value: 2024 – \$1,292 and 2023 – \$935)   | 1,292              | 1,293             |
| Mortgage loans, at fair value  | 58,587             | 44,115            |
| Investment funds   | 107                | 109               |
| Policy loans   | 320                | 334               |
| Funds withheld at interest (portion at fair value: 2024 – \$(2,581) and 2023 – \$(3,379))  | 21,231             | 24,359            |
| Derivative assets  | 7,529              | 5,298             |
| Short-term investments (portion at fair value: 2024 – \$409 and 2023 – \$341)  | 614                | 341               |
| Other investments (portion at fair value: 2024 – \$1,507 and 2023 – \$943)   | 1,727              | 1,206             |
| Total investments  | 257,776            | 213,099           |
| Cash and cash equivalents  | 13,587             | 13,020            |
| Restricted cash  | 964                | 1,761             |
| Investments in related parties   |                    |                   |
| Available-for-sale securities, at fair value (amortized cost: 2024 – \$18,130 and 2023 – \$14,455; allowance for credit losses: 2024 – \$1 and 2023 – \$1)       | 17,897             | 14,009            |
| Trading securities, at fair value  | 619                | 838               |
| Equity securities, at fair value   | 257                | 318               |
| Mortgage loans, at fair value  | 1,345              | 1,281             |
| Investment funds (portion at fair value: 2024 – \$1,106 and 2023 – \$1,082)  | 1,604              | 1,632             |
| Funds withheld at interest (portion at fair value: 2024 – \$(530) and 2023 – \$(721))  | 5,444              | 6,474             |
| Short-term investments   | 812                | 947               |
| Other investments, at fair value   | 348                | 343               |
| Accrued investment income (related party: 2024 – \$171 and 2023 – \$166)   | 2,695              | 1,933             |
| Reinsurance recoverable (related party: 2024 – \$3,372 and 2023 – \$0; portion at fair value: 2024 – \$1,710 and 2023 – \$1,367)                                 | 7,454              | 4,154             |
| Deferred acquisition costs, deferred sales inducements and value of business acquired  | 6,971              | 5,979             |
| Goodwill   | 4,071              | 4,065             |
| Other assets (related party: 2024 – \$207 and 2023 – \$189)  | 10,726             | 10,179            |
| Assets of consolidated variable interest entities  |                    |                   |
| Investments  |                    |                   |
| Trading securities, at fair value (related party: 2024 – \$687 and 2023 – \$644)   | 2,379              | 2,136             |
| Mortgage loans, at fair value (related party: 2024 – \$412 and 2023 – \$358)   | 2,226              | 2,173             |
| Investment funds, at fair value (related party: 2024 – \$16,357 and 2023 – \$15,425)   | 17,135             | 15,927            |
| Other investments, at fair value (related party: 2024 – \$101 and 2023 – \$80)   | 159                | 103               |
| Cash and cash equivalents (restricted cash: 2024 – \$10 and 2023 – \$0)  | 305                | 98                |
| Other assets   | 192                | 110               |
| <b>Total assets</b>  | <b>\$ 354,966</b>  | <b>\$ 300,579</b> |

*(Continued)*

See accompanying notes to the unaudited condensed consolidated financial statements



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**ATHENE HOLDING LTD.**

**Condensed Consolidated Balance Sheets (Unaudited)**

| <i>(In millions)</i>  | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| <b>Liabilities and Equity</b>   |                    |                   |
| <b>Liabilities</b>  |                    |                   |
| Interest sensitive contract liabilities (related party: 2024 – \$7,085 and 2023 – \$8,599; portion at fair value: 2024 – \$12,816 and 2023 – \$9,893) | \$ 245,436         | \$ 204,670        |
| Future policy benefits (related party: 2024 – \$23 and 2023 – \$9; portion at fair value: 2024 – \$1,711 and 2023 – \$1,700)                          | 52,962             | 53,287            |
| Market risk benefits (related party: 2024 – \$257 and 2023 – \$227)   | 4,402              | 3,751             |
| Debt  | 5,725              | 4,209             |
| Derivative liabilities  | 2,758              | 1,995             |
| Payables for collateral on derivatives and securities to repurchase   | 7,952              | 7,536             |
| Other liabilities (related party: 2024 – \$3,938 and 2023 – \$774)  | 7,257              | 2,781             |
| Liabilities of consolidated variable interest entities (related party: 2024 – \$461 and 2023 – \$513)   | 1,363              | 1,115             |
| <b>Total liabilities</b>  | <b>327,855</b>     | <b>279,344</b>    |
| <b>Commitments and Contingencies (Note 12)</b>  |                    |                   |
| <b>Equity</b>   |                    |                   |
| Preferred stock   | —                  | —                 |
| Common stock  | —                  | —                 |
| Additional paid-in capital  | 19,567             | 19,499            |
| Retained earnings (accumulated deficit)   | 1,345              | (92)              |
| Accumulated other comprehensive loss (related party: 2024 – \$(211) and 2023 – \$(357))   | (3,467)            | (5,569)           |
| <b>Total Athene Holding Ltd. stockholders' equity</b>   | <b>17,445</b>      | <b>13,838</b>     |
| Noncontrolling interests  | 9,666              | 7,397             |
| <b>Total equity</b>   | <b>27,111</b>      | <b>21,235</b>     |
| <b>Total liabilities and equity</b>   | <b>\$ 354,966</b>  | <b>\$ 300,579</b> |

*(Concluded)*

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Income (Unaudited)**

| <i>(In millions)</i>  | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |                 |
|---|-------------------------------------|---------------|------------------------------------|-----------------|
|   | 2024                                | 2023          | 2024                               | 2023            |
| <b>Revenues</b>   |                                     |               |                                    |                 |
| Premiums (related party of \$4 and \$3 for the three months ended and \$16 and \$11 for the nine months ended September 30, 2024 and 2023, respectively)  | \$ 389                              | \$ 26         | \$ 1,163                           | \$ 9,163        |
| Product charges (related party of \$7 and \$10 for the three months ended and \$23 and \$30 for the nine months ended September 30, 2024 and 2023, respectively)  | 267                                 | 217           | 756                                | 622             |
| Net investment income (related party investment income of \$482 and \$405 for the three months ended and \$1,295 and \$1,195 for the nine months ended September 30, 2024 and 2023, respectively; and related party investment expense of \$327 and \$249 for the three months ended and \$920 and \$703 for the nine months ended September 30, 2024 and 2023, respectively) | 3,777                               | 2,928         | 10,578                             | 8,052           |
| Investment related gains (losses) (related party of \$144 and \$(187) for the three months ended and \$78 and \$(168) for the nine months ended September 30, 2024 and 2023, respectively)  | 1,539                               | (2,624)       | 3,082                              | (1,193)         |
| Other revenues (related party of \$5 and \$563 for the three months ended and \$5 and \$563 for the nine months ended September 30, 2024 and 2023, respectively)  | 4                                   | 564           | 9                                  | 584             |
| <b>Revenues of consolidated variable interest entities</b>  |                                     |               |                                    |                 |
| Net investment income (related party of \$(5) and \$18 for the three months ended and \$13 and \$45 for the nine months ended September 30, 2024 and 2023, respectively)  | 77                                  | 75            | 210                                | 210             |
| Investment related gains (losses) (related party of \$421 and \$305 for the three months ended and \$1,118 and \$840 for the nine months ended September 30, 2024 and 2023, respectively)   | 469                                 | 250           | 1,109                              | 744             |
| <b>Total revenues</b>   | <b>6,522</b>                        | <b>1,436</b>  | <b>16,907</b>                      | <b>18,182</b>   |
| <b>Benefits and expenses</b>  |                                     |               |                                    |                 |
| Interest sensitive contract benefits (related party of \$(52) and \$14 for the three months ended and \$(44) and \$118 for the nine months ended September 30, 2024 and 2023, respectively)   | 2,599                               | 333           | 7,307                              | 3,634           |
| Future policy and other policy benefits (related party of \$5 and \$4 for the three months ended and \$19 and \$39 for the nine months ended September 30, 2024 and 2023, respectively; and remeasurement (gains) losses of \$(111) and \$(30) for the three months ended and \$(104) and \$(36) for the nine months ended September 30, 2024 and 2023, respectively)         | 793                                 | 368           | 2,431                              | 10,346          |
| Market risk benefits remeasurement (gains) losses (related party of \$12 and \$(47) for the three months ended and \$(3) and \$(17) for the nine months ended September 30, 2024 and 2023, respectively)  | 524                                 | (441)         | 354                                | (166)           |
| Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired   | 244                                 | 211           | 678                                | 502             |
| Policy and other operating expenses (related party of \$15 and \$34 for the three months ended and \$16 and \$95 for the nine months ended September 30, 2024 and 2023, respectively)   | 687                                 | 472           | 1,653                              | 1,359           |
| <b>Total benefits and expenses</b>  | <b>4,847</b>                        | <b>943</b>    | <b>12,423</b>                      | <b>15,675</b>   |
| <b>Income before income taxes</b>   | <b>1,675</b>                        | <b>493</b>    | <b>4,484</b>                       | <b>2,507</b>    |
| Income tax expense  | 191                                 | 162           | 659                                | 458             |
| <b>Net income</b>   | <b>1,484</b>                        | <b>331</b>    | <b>3,825</b>                       | <b>2,049</b>    |
| Less: Net income (loss) attributable to noncontrolling interests  | 859                                 | (155)         | 1,379                              | 354             |
| <b>Net income attributable to Athene Holding Ltd. stockholders</b>  | <b>625</b>                          | <b>486</b>    | <b>2,446</b>                       | <b>1,695</b>    |
| Less: Preferred stock dividends   | 45                                  | 44            | 136                                | 136             |
| <b>Net income available to Athene Holding Ltd. common stockholder</b>   | <b>\$ 580</b>                       | <b>\$ 442</b> | <b>\$ 2,310</b>                    | <b>\$ 1,559</b> |

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

| <i>(In millions)</i>  | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |               |
|---|-------------------------------------|-------------------|------------------------------------|---------------|
|   | 2024                                | 2023              | 2024                               | 2023          |
| Net income  | \$ 1,484                            | \$ 331            | \$ 3,825                           | \$ 2,049      |
| Other comprehensive income (loss), before tax                                       |                                     |                   |                                    |               |
| Unrealized investment gains (losses) on available-for-sale securities               | 5,476                               | (3,155)           | 3,760                              | (1,767)       |
| Unrealized gains (losses) on hedging instruments                                    | 221                                 | (213)             | 229                                | (280)         |
| Remeasurement gains (losses) on future policy benefits related to discount rate     | (2,263)                             | 1,317             | (832)                              | 1,328         |
| Remeasurement gains (losses) on market risk benefits related to credit risk         | (93)                                | (254)             | (87)                               | (220)         |
| Foreign currency translation and other adjustments                                  | 36                                  | (21)              | 15                                 | 6             |
| Other comprehensive income (loss), before tax                                       | 3,377                               | (2,326)           | 3,085                              | (933)         |
| Income tax expense (benefit) related to other comprehensive income (loss)           | 680                                 | (476)             | 632                                | (175)         |
| Other comprehensive income (loss)   | 2,697                               | (1,850)           | 2,453                              | (758)         |
| <b>Comprehensive income (loss)</b>  | <b>4,181</b>                        | <b>(1,519)</b>    | <b>6,278</b>                       | <b>1,291</b>  |
| Less: Comprehensive income (loss) attributable to noncontrolling interests          | 1,214                               | (299)             | 1,730                              | 357           |
| <b>Comprehensive income (loss) attributable to Athene Holding Ltd. stockholders</b> | <b>\$ 2,967</b>                     | <b>\$ (1,220)</b> | <b>\$ 4,548</b>                    | <b>\$ 934</b> |

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Equity (Unaudited)**

| (In millions)  | Three months ended        |              |                            |   |   |  |                          |                  |
|--|---------------------------|--------------|----------------------------|---|---|--|--------------------------|------------------|
|  | Preferred stock           | Common stock | Additional paid-in capital | Retained earnings (accumulated deficit) | Accumulated other comprehensive income (loss) | Total Athene Holding Ltd. stockholders' equity | Noncontrolling interests | Total equity     |
| <b>Balance at June 30, 2024</b>  | \$ —                      | \$ —         | \$ 19,543                  | \$ 1,264                                | \$ (5,809)                                    | \$ 14,998                                      | \$ 9,334                 | \$ 24,332        |
| Net income   | —                         | —            | —                          | 625                                     | —   | 625  | 859                      | 1,484            |
| Other comprehensive income   | —                         | —            | —                          | —                                       | 2,342   | 2,342  | 355                      | 2,697            |
| Stock-based compensation allocation from parent  | —                         | —            | 11                         | —                                       | —   | 11   | —                        | 11               |
| Preferred stock dividends  | —                         | —            | —                          | (45)                                    | —   | (45)   | —                        | (45)             |
| Common stock dividends   | —                         | —            | —                          | (499)                                   | —   | (499)  | —                        | (499)            |
| Contribution from parent   | —                         | —            | 13                         | —                                       | —   | 13   | —                        | 13               |
| Contributions from noncontrolling interests  | —                         | —            | —                          | —                                       | —   | —  | 126                      | 126              |
| Distributions to noncontrolling interests  | —                         | —            | —                          | —                                       | —   | —  | (95)                     | (95)             |
| Distributions to noncontrolling interests of consolidated variable interest entities, net of contributions and other   | —                         | —            | —                          | —                                       | —   | —  | (919)                    | (919)            |
| Subsidiary issuance of equity interests and other  | —                         | —            | —                          | —                                       | —   | —  | 6                        | 6                |
| <b>Balance at September 30, 2024</b>   | <u>\$ —</u>               | <u>\$ —</u>  | <u>\$ 19,567</u>           | <u>\$ 1,345</u>                         | <u>\$ (3,467)</u>                             | <u>\$ 17,445</u>                               | <u>\$ 9,666</u>          | <u>\$ 27,111</u> |
|  | <b>Three months ended</b> |              |                            |   |   |  |                          |                  |
| <b>Balance at June 30, 2023</b>  | \$ —                      | \$ —         | \$ 18,162                  | \$ (3,085)                              | \$ (6,376)                                    | \$ 8,701                                       | \$ 4,533                 | \$ 13,234        |
| Net income (loss)  | —                         | —            | —                          | 486                                     | —   | 486  | (155)                    | 331              |
| Other comprehensive loss   | —                         | —            | —                          | —                                       | (1,706)                                       | (1,706)  | (144)                    | (1,850)          |
| Stock-based compensation allocation from parent  | —                         | —            | 13                         | —                                       | —   | 13   | —                        | 13               |
| Preferred stock dividends  | —                         | —            | —                          | (44)                                    | —   | (44)   | —                        | (44)             |
| Common stock dividends   | —                         | —            | —                          | (188)                                   | —   | (188)  | —                        | (188)            |
| Contributions from parent  | —                         | —            | 1,262                      | —                                       | —   | 1,262  | —                        | 1,262            |
| Contributions from noncontrolling interests  | —                         | —            | —                          | —                                       | —   | —  | 325                      | 325              |
| Distributions to noncontrolling interests  | —                         | —            | —                          | —                                       | —   | —  | (254)                    | (254)            |
| Contributions from noncontrolling interests of consolidated variable interest entities, net of distributions and other | —                         | —            | —                          | —                                       | —   | —  | 602                      | 602              |
| Subsidiary issuance of equity interests and other  | —                         | —            | 10                         | —                                       | 3   | 13   | 585                      | 598              |
| <b>Balance at September 30, 2023</b>   | <u>\$ —</u>               | <u>\$ —</u>  | <u>\$ 19,447</u>           | <u>\$ (2,831)</u>                       | <u>\$ (8,079)</u>                             | <u>\$ 8,537</u>                                | <u>\$ 5,492</u>          | <u>\$ 14,029</u> |

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Equity (Unaudited)**

| <i>(In millions)</i>   | Nine months ended |              |                            |   |   |  |                          |                  |
|--|-------------------|--------------|----------------------------|---|---|--|--------------------------|------------------|
|  | Preferred stock   | Common stock | Additional paid-in capital | Retained earnings (accumulated deficit) | Accumulated other comprehensive income (loss) | Total Athene Holding Ltd. stockholders' equity | Noncontrolling interests | Total equity     |
| <b>Balance at December 31, 2023</b>  | \$ —              | \$ —         | \$ 19,499                  | \$ (92)                                 | \$ (5,569)                                    | \$ 13,838                                      | \$ 7,397                 | \$ 21,235        |
| Net income   | —                 | —            | —                          | 2,446                                   | —   | 2,446  | 1,379                    | 3,825            |
| Other comprehensive income   | —                 | —            | —                          | —                                       | 2,102   | 2,102  | 351                      | 2,453            |
| Stock-based compensation allocation from parent  | —                 | —            | 32                         | —                                       | —   | 32   | —                        | 32               |
| Preferred stock dividends  | —                 | —            | —                          | (136)                                   | —   | (136)  | —                        | (136)            |
| Common stock dividends   | —                 | —            | —                          | (873)                                   | —   | (873)  | —                        | (873)            |
| Contributions from parent  | —                 | —            | 36                         | —                                       | —   | 36   | —                        | 36               |
| Contributions from noncontrolling interests  | —                 | —            | —                          | —                                       | —   | —  | 831                      | 831              |
| Distributions to noncontrolling interests  | —                 | —            | —                          | —                                       | —   | —  | (603)                    | (603)            |
| Contributions from noncontrolling interests of consolidated variable interest entities, net of distributions and other | —                 | —            | —                          | —                                       | —   | —  | 305                      | 305              |
| Subsidiary issuance of equity interests and other  | —                 | —            | —                          | —                                       | —   | —  | 6                        | 6                |
| <b>Balance at September 30, 2024</b>   | <u>\$ —</u>       | <u>\$ —</u>  | <u>\$ 19,567</u>           | <u>\$ 1,345</u>                         | <u>\$ (3,467)</u>                             | <u>\$ 17,445</u>                               | <u>\$ 9,666</u>          | <u>\$ 27,111</u> |
|  | Nine months ended |              |                            |   |   |  |                          |                  |
| <b>Balance at December 31, 2022</b>  | \$ —              | \$ —         | \$ 18,119                  | \$ (3,640)                              | \$ (7,321)                                    | \$ 7,158                                       | \$ 3,391                 | \$ 10,549        |
| Net income   | —                 | —            | —                          | 1,695                                   | —   | 1,695  | 354                      | 2,049            |
| Other comprehensive income (loss)  | —                 | —            | —                          | —                                       | (761)   | (761)  | 3                        | (758)            |
| Stock-based compensation allocation from parent  | —                 | —            | 36                         | —                                       | —   | 36   | —                        | 36               |
| Preferred stock dividends  | —                 | —            | —                          | (136)                                   | —   | (136)  | —                        | (136)            |
| Common stock dividends   | —                 | —            | —                          | (750)                                   | —   | (750)  | —                        | (750)            |
| Contributions from parent  | —                 | —            | 1,282                      | —                                       | —   | 1,282  | —                        | 1,282            |
| Contributions from noncontrolling interests  | —                 | —            | —                          | —                                       | —   | —  | 325                      | 325              |
| Distributions to noncontrolling interests  | —                 | —            | —                          | —                                       | —   | —  | (381)                    | (381)            |
| Contributions from noncontrolling interests of consolidated variable interest entities, net of distributions and other | —                 | —            | —                          | —                                       | —   | —  | 1,215                    | 1,215            |
| Subsidiary issuance of equity interests and other  | —                 | —            | 10                         | —                                       | 3   | 13   | 585                      | 598              |
| <b>Balance at September 30, 2023</b>   | <u>\$ —</u>       | <u>\$ —</u>  | <u>\$ 19,447</u>           | <u>\$ (2,831)</u>                       | <u>\$ (8,079)</u>                             | <u>\$ 8,537</u>                                | <u>\$ 5,492</u>          | <u>\$ 14,029</u> |

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Cash Flows (Unaudited)**

| (In millions)   | Nine months ended September 30, |          |
|---|---------------------------------|----------|
|   | 2024                            | 2023     |
| <b>Cash flows from operating activities</b>   |                                 |          |
| Net income  | \$ 3,825                        | \$ 2,049 |
| Adjustments to reconcile net income to net cash provided by operating activities:   |                                 |          |
| Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired                       | 678                             | 502      |
| Net amortization (accretion) of net investment premiums, discounts and other  | (47)                            | 70       |
| Gain on recapture of reinsurance agreements, net of cash received   | —                               | (489)    |
| Net investment income (related party: 2024 – \$(22) and 2023 – \$(51))  | (100)                           | (76)     |
| Net recognized (gains) losses on investments and derivatives (related party: 2024 – \$(1,194) and 2023 – \$(767))           | (3,558)                         | 325      |
| Policy acquisition costs deferred   | (1,191)                         | (1,040)  |
| Changes in operating assets and liabilities:  |                                 |          |
| Accrued investment income (related party: 2024 – \$(5) and 2023 – \$(59))   | (762)                           | (436)    |
| Interest sensitive contract liabilities (related party: 2024 – \$68 and 2023 – \$88)  | 4,948                           | 1,485    |
| Future policy benefits, market risk benefits and reinsurance recoverable (related party: 2024 – \$(125) and 2023 – \$(338)) | (1,135)                         | 2,917    |
| Funds withheld assets (related party: 2024 – \$(290) and 2023 – \$(114))  | (1,933)                         | (1,990)  |
| Other assets and liabilities  | 765                             | 387      |
| Net cash provided by operating activities   | 1,490                           | 3,704    |
| <b>Cash flows from investing activities</b>   |                                 |          |
| Sales, maturities and repayments of:  |                                 |          |
| Available-for-sale securities (related party: 2024 – \$4,778 and 2023 – \$1,153)  | 33,603                          | 9,145    |
| Trading securities (related party: 2024 – \$266 and 2023 – \$21)  | 482                             | 234      |
| Equity securities (related party: 2024 – \$62 and 2023 – \$0)   | 394                             | 110      |
| Mortgage loans (related party: 2024 – \$63 and 2023 – \$24)   | 5,691                           | 3,093    |
| Investment funds (related party: 2024 – \$93 and 2023 – \$285)  | 109                             | 339      |
| Derivative instruments and other investments  | 2,533                           | 4,221    |
| Short-term investments (related party: 2024 – \$1,281 and 2023 – \$967)   | 2,240                           | 3,195    |
| Purchases of:   |                                 |          |
| Available-for-sale securities (related party: 2024 – \$(8,156) and 2023 – \$(4,102))  | (63,102)                        | (24,568) |
| Trading securities (related party: 2024 – \$(80) and 2023 – \$(827))  | (417)                           | (1,053)  |
| Equity securities   | (625)                           | (70)     |
| Mortgage loans (related party: 2024 – \$(27) and 2023 – \$0)  | (19,319)                        | (14,398) |
| Investment funds (related party: 2024 – \$(1,452) and 2023 – \$(1,884))   | (1,745)                         | (2,009)  |
| Derivative instruments and other investments (related party: 2024 – \$(16) and 2023 – \$(46))                               | (2,845)                         | (5,242)  |
| Short-term investments (related party: 2024 – \$(1,144) and 2023 – \$(1,858))   | (2,360)                         | (2,392)  |
| Consolidation of new variable interest entities   | —                               | 3        |
| Deconsolidation of previously consolidated entities   | (1)                             | (51)     |
| Other investing activities, net   | (46)                            | 443      |
| Net cash used in investing activities   | (45,408)                        | (29,000) |

(Continued)

See accompanying notes to the unaudited condensed consolidated financial statements

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**ATHENE HOLDING LTD.**

**Condensed Consolidated Statements of Cash Flows (Unaudited)**

| <i>(In millions)</i>   | Nine months ended September 30, |           |
|--|---------------------------------|-----------|
|  | 2024                            | 2023      |
| <b>Cash flows from financing activities</b>  |                                 |           |
| Deposits on investment-type policies and contracts   | \$ 57,013                       | \$ 35,168 |
| Withdrawals on investment-type policies and contracts (related party: 2024 – \$(314) and 2023 – \$(304))   | (16,054)                        | (10,229)  |
| Proceeds from debt   | 1,569                           | —         |
| Capital contributions from parent  | —                               | 1,250     |
| Capital contributions from noncontrolling interests  | 831                             | 325       |
| Capital contributions from noncontrolling interests of consolidated variable interest entities   | 1,555                           | 1,385     |
| Capital distributions to noncontrolling interests  | (603)                           | (381)     |
| Subsidiary issuance of equity interests to noncontrolling interests  | —                               | 632       |
| Net change in cash collateral posted for derivative transactions and securities to repurchase  | 416                             | 945       |
| Preferred stock dividends  | (181)                           | (136)     |
| Common stock dividends   | (374)                           | (750)     |
| Other financing activities, net  | (280)                           | (318)     |
| Net cash provided by financing activities  | 43,892                          | 27,891    |
| Effect of exchange rate changes on cash and cash equivalents   | 3                               | 2         |
| Net (decrease) increase in cash and cash equivalents   | (23)                            | 2,597     |
| Cash and cash equivalents at beginning of year <sup>1</sup>  | 14,879                          | 8,769     |
| Cash and cash equivalents at end of period <sup>1</sup>  | \$ 14,856                       | \$ 11,366 |
| <b>Supplementary information</b>   |                                 |           |
| Non-cash transactions  |                                 |           |
| Deposits on investment-type policies and contracts through reinsurance agreements, net assumed (ceded) (related party: 2024 – \$(3,201) and 2023 – \$16)     | \$ (3,152)                      | \$ 78     |
| Withdrawals on investment-type policies and contracts through reinsurance agreements, net assumed (ceded) (related party: 2024 – \$1,267 and 2023 – \$1,239) | 6,092                           | 10,212    |
| Investments received from settlements on reinsurance agreements (received from related parties: 2024 – \$48 and 2023 – \$65)                                 | 48                              | 164       |
| Investments received from pension group annuity premiums   | 521                             | 4,776     |
| Reduction in investments relating to recapture of reinsurance agreements   | —                               | 482       |
| Investments distributed as common stock dividends  | 499                             | —         |
| Distribution of investments to noncontrolling interests of consolidated variable interest entities   | 1,107                           | —         |

<sup>1</sup> 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

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**1. Business, Basis of Presentation and Significant Accounting Policies**

Athene Holding Ltd. (AHL), together with its subsidiaries (collectively, Athene, we, our, us, or the Company), is a leading financial services company that specializes in issuing, reinsuring and acquiring retirement savings products in the United States (US) and internationally. We are a direct subsidiary of Apollo Global Management, Inc. (AGM, and together with its subsidiaries other than us or our subsidiaries, Apollo).

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), 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 4 – 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 (US 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. Certain reclassifications have been made to conform with current year presentation. 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, 2023 has been derived from the audited financial statements, but does not include all of the information and footnotes required by US 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, 2023. 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.

**Recently Issued Accounting Pronouncements**

*Compensation – Stock Compensation (Accounting Standards Update (ASU) 2024-01)*

The amendments in this update clarify how an entity determines whether it is required to account for profits interest awards (and similar awards) in accordance with Accounting Standards Codification (ASC) 718 Compensation – Stock Compensation or other guidance. The ASU provides specific examples on when profits interest awards should be accounted for as a share-based payment arrangement under ASC 718 or in a manner similar to a cash bonus or profit-sharing arrangement under ASC 710 Compensation – General or other ASC topics. The guidance is effective for us on January 1, 2025, and early adoption is permitted but must be implemented as of the beginning of the fiscal year. We are currently evaluating the impact of the new pronouncement on our consolidated financial statements.

*Income Taxes—Improvements to Income Tax Disclosures (ASU 2023-09)*

The amendments in this update revise certain disclosures on income taxes including rate reconciliation, income taxes paid, and certain amendments on disaggregation by federal, state and foreign taxes. The guidance is effective for us for annual periods beginning in 2025. Early adoption is permitted. We are currently evaluating the impact of this guidance on our consolidated financial statements.

*Segment Reporting – Improvements to Reporting Segment Disclosures (ASU 2023-07)*

The amendments in this update require disclosures of incremental segment information on an annual and interim basis for all public entities to provide analyses useful to investors for decision making. The update requires public entities, including those with a single reportable segment, to report significant segment expenses that are regularly provided to and used by the chief operating decision maker in managing the business. The guidance is effective for us for the 2024 annual period and in interim periods in 2025 on a retrospective basis. We are evaluating the impact of this guidance and plan to include updated financial statement disclosures in our consolidated financial statements for the year ended December 31, 2024.



**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*Business Combinations – Joint Venture Formations (ASU 2023-05)*

The amendments in this update address how a joint venture initially recognizes and measures contributions received at its formation date. The amendments require a joint venture to apply a new basis of accounting upon formation and to initially recognize its assets and liabilities at fair value. The guidance is effective prospectively for all joint ventures formed on or after January 1, 2025, while retrospective application may be elected for a joint venture formed before the effective date. Early adoption is permitted. We are currently evaluating the impact of this guidance on our consolidated financial statements.

**Adopted Accounting Pronouncements**

*Reference Rate Reform (Topic 848) (ASU 2022-06, ASU 2021-01, ASU 2020-04)*

We adopted ASU 2020-04 and ASU 2021-01 and elected to apply certain of the practical expedients related to contract modifications, hedge accounting relationships, and derivative modifications pertaining to discounting, margining, or contract price alignment. The main purpose of the practical expedients is to ease the administrative burden of accounting for contracts impacted by reference rate reform, and these elections did not have, and are not expected to have, a material impact on the consolidated financial statements. ASU 2022-06 amended and deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which we will no longer be permitted to apply the expedients provided in Topic 848. We will continue to evaluate the impact of reference rate reform on contract modifications and hedging relationships.

**2. 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, primarily comprised of investments over which Apollo can exercise significant influence, which 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:

| <i>(In millions)</i>                                   | September 30, 2024 |                             |                        |                         |                   |
|--|--------------------|-----------------------------|------------------------|-------------------------|-------------------|
|  | Amortized Cost     | Allowance for Credit Losses | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value        |
| <b>AFS securities</b>                                  |                    |                             |                        |                         |                   |
| US government and agencies                             | \$ 7,501           | \$ —                        | \$ 84                  | \$ (824)                | \$ 6,761          |
| US state, municipal and political subdivisions         | 1,175              | —                           | 2                      | (200)                   | 977               |
| Foreign governments                                    | 2,088              | —                           | 44                     | (374)                   | 1,758             |
| Corporate  | 95,432             | (168)                       | 1,309                  | (8,963)                 | 87,610            |
| CLO  | 27,362             | (1)                         | 437                    | (188)                   | 27,610            |
| ABS  | 22,488             | (74)                        | 500                    | (444)                   | 22,470            |
| CMBS   | 9,704              | (57)                        | 112                    | (395)                   | 9,364             |
| RMBS   | 8,502              | (377)                       | 338                    | (328)                   | 8,135             |
| <b>Total AFS securities</b>                            | <b>174,252</b>     | <b>(677)</b>                | <b>2,826</b>           | <b>(11,716)</b>         | <b>164,685</b>    |
| <b>AFS securities – related parties</b>                |                    |                             |                        |                         |                   |
| Corporate  | 1,642              | —                           | 7                      | (35)                    | 1,614             |
| CLO  | 5,763              | —                           | 41                     | (24)                    | 5,780             |
| ABS  | 10,725             | (1)                         | 40                     | (261)                   | 10,503            |
| <b>Total AFS securities – related parties</b>          | <b>18,130</b>      | <b>(1)</b>                  | <b>88</b>              | <b>(320)</b>            | <b>17,897</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 192,382</b>  | <b>\$ (678)</b>             | <b>\$ 2,914</b>        | <b>\$ (12,036)</b>      | <b>\$ 182,582</b> |

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

| <i>(In millions)</i>                                   | December 31, 2023 |                             |                        |                         |                   |
|--|-------------------|-----------------------------|------------------------|-------------------------|-------------------|
|  | Amortized Cost    | Allowance for Credit Losses | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value        |
| <b>AFS securities</b>                                  |                   |                             |                        |                         |                   |
| US government and agencies                             | \$ 6,161          | \$ —                        | \$ 67                  | \$ (829)                | \$ 5,399          |
| US state, municipal and political subdivisions         | 1,296             | —                           | —                      | (250)                   | 1,046             |
| Foreign governments                                    | 2,083             | —                           | 71                     | (255)                   | 1,899             |
| Corporate  | 88,343            | (129)                       | 830                    | (10,798)                | 78,246            |
| CLO  | 20,506            | (2)                         | 261                    | (558)                   | 20,207            |
| ABS  | 13,942            | (49)                        | 120                    | (630)                   | 13,383            |
| CMBS   | 7,070             | (29)                        | 52                     | (502)                   | 6,591             |
| RMBS   | 8,160             | (381)                       | 252                    | (464)                   | 7,567             |
| <b>Total AFS securities</b>                            | <b>147,561</b>    | <b>(590)</b>                | <b>1,653</b>           | <b>(14,286)</b>         | <b>134,338</b>    |
| <b>AFS securities – related parties</b>                |                   |                             |                        |                         |                   |
| Corporate  | 1,423             | —                           | 1                      | (72)                    | 1,352             |
| CLO  | 4,367             | —                           | 21                     | (120)                   | 4,268             |
| ABS  | 8,665             | (1)                         | 34                     | (309)                   | 8,389             |
| <b>Total AFS securities – related parties</b>          | <b>14,455</b>     | <b>(1)</b>                  | <b>56</b>              | <b>(501)</b>            | <b>14,009</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 162,016</b> | <b>\$ (591)</b>             | <b>\$ 1,709</b>        | <b>\$ (14,787)</b>      | <b>\$ 148,347</b> |

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

| <i>(In millions)</i>                                   | September 30, 2024 |                   |
|--|--------------------|-------------------|
|  | Amortized Cost     | Fair Value        |
| <b>AFS securities</b>                                  |                    |                   |
| Due in one year or less                                | \$ 2,407           | \$ 2,394          |
| Due after one year through five years                  | 19,358             | 19,138            |
| Due after five years through ten years                 | 27,393             | 26,016            |
| Due after ten years                                    | 57,038             | 49,558            |
| CLO, ABS, CMBS and RMBS                                | 68,056             | 67,579            |
| <b>Total AFS securities</b>                            | <b>174,252</b>     | <b>164,685</b>    |
| <b>AFS securities – related parties</b>                |                    |                   |
| Due after one year through five years                  | 1,028              | 1,024             |
| Due after five years through ten years                 | 43                 | 45                |
| Due after ten years                                    | 571                | 545               |
| CLO and ABS  | 16,488             | 16,283            |
| <b>Total AFS securities – related parties</b>          | <b>18,130</b>      | <b>17,897</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 192,382</b>  | <b>\$ 182,582</b> |

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.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**Unrealized Losses on AFS Securities**—The following summarizes the fair value and gross unrealized losses for AFS securities, including related parties, 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:

| <i>(In millions)</i>                                   | September 30, 2024  |                         |                   |                         |                  |                         |
|--|---------------------|-------------------------|-------------------|-------------------------|------------------|-------------------------|
|  | Less than 12 months |                         | 12 months or more |                         | Total            |                         |
|  | Fair Value          | Gross Unrealized Losses | Fair Value        | Gross Unrealized Losses | Fair Value       | Gross Unrealized Losses |
| <b>AFS securities</b>                                  |                     |                         |                   |                         |                  |                         |
| US government and agencies                             | \$ 1,031            | \$ (6)                  | \$ 3,795          | \$ (818)                | \$ 4,826         | \$ (824)                |
| US state, municipal and political subdivisions         | 22                  | (1)                     | 893               | (198)                   | 915              | (199)                   |
| Foreign governments                                    | 886                 | (134)                   | 737               | (239)                   | 1,623            | (373)                   |
| Corporate  | 7,810               | (314)                   | 45,086            | (8,624)                 | 52,896           | (8,938)                 |
| CLO  | 3,742               | (7)                     | 3,146             | (131)                   | 6,888            | (138)                   |
| ABS  | 435                 | (93)                    | 4,319             | (258)                   | 4,754            | (351)                   |
| CMBS   | 918                 | (5)                     | 2,074             | (341)                   | 2,992            | (346)                   |
| RMBS   | 270                 | (4)                     | 1,201             | (102)                   | 1,471            | (106)                   |
| <b>Total AFS securities</b>                            | <b>15,114</b>       | <b>(564)</b>            | <b>61,251</b>     | <b>(10,711)</b>         | <b>76,365</b>    | <b>(11,275)</b>         |
| <b>AFS securities – related parties</b>                |                     |                         |                   |                         |                  |                         |
| Corporate  | 211                 | (12)                    | 368               | (23)                    | 579              | (35)                    |
| CLO  | 680                 | (1)                     | 690               | (20)                    | 1,370            | (21)                    |
| ABS  | 2,403               | (34)                    | 3,398             | (213)                   | 5,801            | (247)                   |
| <b>Total AFS securities – related parties</b>          | <b>3,294</b>        | <b>(47)</b>             | <b>4,456</b>      | <b>(256)</b>            | <b>7,750</b>     | <b>(303)</b>            |
| <b>Total AFS securities, including related parties</b> | <b>\$ 18,408</b>    | <b>\$ (611)</b>         | <b>\$ 65,707</b>  | <b>\$ (10,967)</b>      | <b>\$ 84,115</b> | <b>\$ (11,578)</b>      |

| <i>(In millions)</i>                                   | December 31, 2023   |                         |                   |                         |                  |                         |
|--|---------------------|-------------------------|-------------------|-------------------------|------------------|-------------------------|
|  | Less than 12 months |                         | 12 months or more |                         | Total            |                         |
|  | Fair Value          | Gross Unrealized Losses | Fair Value        | Gross Unrealized Losses | Fair Value       | Gross Unrealized Losses |
| <b>AFS securities</b>                                  |                     |                         |                   |                         |                  |                         |
| US government and agencies                             | \$ 2,013            | \$ (94)                 | \$ 2,389          | \$ (735)                | \$ 4,402         | \$ (829)                |
| US state, municipal and political subdivisions         | 123                 | (5)                     | 888               | (245)                   | 1,011            | (250)                   |
| Foreign governments                                    | 690                 | (13)                    | 760               | (242)                   | 1,450            | (255)                   |
| Corporate  | 7,752               | (474)                   | 50,028            | (10,311)                | 57,780           | (10,785)                |
| CLO  | 689                 | (2)                     | 11,579            | (543)                   | 12,268           | (545)                   |
| ABS  | 2,129               | (75)                    | 4,378             | (458)                   | 6,507            | (533)                   |
| CMBS   | 859                 | (12)                    | 1,967             | (406)                   | 2,826            | (418)                   |
| RMBS   | 467                 | (9)                     | 2,057             | (263)                   | 2,524            | (272)                   |
| <b>Total AFS securities</b>                            | <b>14,722</b>       | <b>(684)</b>            | <b>74,046</b>     | <b>(13,203)</b>         | <b>88,768</b>    | <b>(13,887)</b>         |
| <b>AFS securities – related parties</b>                |                     |                         |                   |                         |                  |                         |
| Corporate  | 548                 | (35)                    | 382               | (37)                    | 930              | (72)                    |
| CLO  | 397                 | (16)                    | 2,592             | (102)                   | 2,989            | (118)                   |
| ABS  | 2,008               | (66)                    | 2,793             | (225)                   | 4,801            | (291)                   |
| <b>Total AFS securities – related parties</b>          | <b>2,953</b>        | <b>(117)</b>            | <b>5,767</b>      | <b>(364)</b>            | <b>8,720</b>     | <b>(481)</b>            |
| <b>Total AFS securities, including related parties</b> | <b>\$ 17,675</b>    | <b>\$ (801)</b>         | <b>\$ 79,813</b>  | <b>\$ (13,567)</b>      | <b>\$ 97,488</b> | <b>\$ (14,368)</b>      |

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

|                                  | September 30, 2024       |  |
|----------------------------------|--------------------------|--|
|                                  | Unrealized loss position | Unrealized loss position 12 months or more |
| AFS securities                   | 7,058                    | 6,167                                      |
| AFS securities – related parties | 139                      | 62   |

The unrealized losses on AFS securities can primarily be attributed to changes in market interest rates since the application of pushdown accounting or acquisition. We did not recognize the unrealized losses in income, unless as required for hedge accounting, 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 including purchased credit deteriorated (PCD) securities by asset type:

| <i>(In millions)</i>                                   | Three months ended September 30, 2024 |                       |   |                                   |  |                |
|--|---------------------------------------|-----------------------|---|-----------------------------------|--|----------------|
|  | Beginning balance                     | Additions             |   | Reductions                        |  | Ending balance |
|  |                                       | Initial credit losses | Initial credit losses on PCD securities | Securities sold during the period | Additions (reductions) to previously impaired securities |                |
| <b>AFS securities</b>                                  |                                       |                       |   |                                   |  |                |
| Corporate  | \$ 168                                | \$ —                  | \$ —                                    | \$ —                              | \$ —   | \$ 168         |
| CLO  | —                                     | 1                     | —                                       | —                                 | —  | 1              |
| ABS  | 67                                    | 13                    | —                                       | (14)                              | 8  | 74             |
| CMBS   | 57                                    | 1                     | —                                       | —                                 | (1)  | 57             |
| RMBS   | 378                                   | 5                     | —                                       | (4)                               | (2)  | 377            |
| <b>Total AFS securities</b>                            | <u>670</u>                            | <u>20</u>             | <u>—</u>                                | <u>(18)</u>                       | <u>5</u>   | <u>677</u>     |
| AFS securities – related parties, ABS                  | 1                                     | —                     | —                                       | —                                 | —  | 1              |
| <b>Total AFS securities, including related parties</b> | <u>\$ 671</u>                         | <u>\$ 20</u>          | <u>\$ —</u>                             | <u>\$ (18)</u>                    | <u>\$ 5</u>  | <u>\$ 678</u>  |

| <i>(In millions)</i>                                   | Three months ended September 30, 2023 |                       |   |                                   |  |                |
|--|---------------------------------------|-----------------------|---|-----------------------------------|--|----------------|
|  | Beginning balance                     | Additions             |   | Reductions                        |  | Ending balance |
|  |                                       | Initial credit losses | Initial credit losses on PCD securities | Securities sold during the period | Additions (reductions) to previously impaired securities |                |
| <b>AFS securities</b>                                  |                                       |                       |   |                                   |  |                |
| Foreign governments                                    | \$ 27                                 | \$ —                  | \$ —                                    | \$ —                              | \$ —   | \$ 27          |
| Corporate  | 73                                    | 67                    | —                                       | (2)                               | 2  | 140            |
| CLO  | 3                                     | —                     | —                                       | —                                 | —  | 3              |
| ABS  | 35                                    | 1                     | —                                       | (4)                               | (2)  | 30             |
| CMBS   | 6                                     | 1                     | —                                       | —                                 | —  | 7              |
| RMBS   | 377                                   | 4                     | 1                                       | (5)                               | (6)  | 371            |
| <b>Total AFS securities</b>                            | <u>521</u>                            | <u>73</u>             | <u>1</u>                                | <u>(11)</u>                       | <u>(6)</u>   | <u>578</u>     |
| AFS securities – related parties, ABS                  | 1                                     | —                     | —                                       | —                                 | —  | 1              |
| <b>Total AFS securities, including related parties</b> | <u>\$ 522</u>                         | <u>\$ 73</u>          | <u>\$ 1</u>                             | <u>\$ (11)</u>                    | <u>\$ (6)</u>  | <u>\$ 579</u>  |

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

| <i>(In millions)</i>                                   | Nine months ended September 30, 2024 |                       |   |                                   |  |                |
|--|--------------------------------------|-----------------------|---|-----------------------------------|--|----------------|
|  | Beginning balance                    | Additions             |   | Reductions                        |  | Ending balance |
|  |                                      | Initial credit losses | Initial credit losses on PCD securities | Securities sold during the period | Additions (reductions) to previously impaired securities |                |
| <b>AFS securities</b>                                  |                                      |                       |   |                                   |  |                |
| Corporate  | \$ 129                               | \$ 48                 | \$ —                                    | \$ (8)                            | \$ (1)   | \$ 168         |
| CLO  | 2                                    | 1                     | —                                       | —                                 | (2)  | 1              |
| ABS  | 49                                   | 25                    | —                                       | (15)                              | 15   | 74             |
| CMBS   | 29                                   | 27                    | —                                       | —                                 | 1  | 57             |
| RMBS   | 381                                  | 10                    | —                                       | (14)                              | —  | 377            |
| <b>Total AFS securities</b>                            | <b>590</b>                           | <b>111</b>            | <b>—</b>                                | <b>(37)</b>                       | <b>13</b>  | <b>677</b>     |
| AFS securities – related parties, ABS                  | 1                                    | —                     | —                                       | —                                 | —  | 1              |
| <b>Total AFS securities, including related parties</b> | <b>\$ 591</b>                        | <b>\$ 111</b>         | <b>\$ —</b>                             | <b>\$ (37)</b>                    | <b>\$ 13</b>   | <b>\$ 678</b>  |

| <i>(In millions)</i>                                   | Nine months ended September 30, 2023 |                       |   |                                   |  |                |
|--|--------------------------------------|-----------------------|---|-----------------------------------|--|----------------|
|  | Beginning balance                    | Additions             |   | Reductions                        |  | Ending balance |
|  |                                      | Initial credit losses | Initial credit losses on PCD securities | Securities sold during the period | Additions (reductions) to previously impaired securities |                |
| <b>AFS securities</b>                                  |                                      |                       |   |                                   |  |                |
| Foreign governments                                    | \$ 27                                | \$ —                  | \$ —                                    | \$ —                              | \$ —   | \$ 27          |
| Corporate  | 61                                   | 88                    | —                                       | (8)                               | (1)  | 140            |
| CLO  | 7                                    | 1                     | —                                       | —                                 | (5)  | 3              |
| ABS  | 29                                   | 2                     | —                                       | (4)                               | 3  | 30             |
| CMBS   | 5                                    | 4                     | —                                       | —                                 | (2)  | 7              |
| RMBS   | 329                                  | 15                    | 40                                      | (13)                              | —  | 371            |
| <b>Total AFS securities</b>                            | <b>458</b>                           | <b>110</b>            | <b>40</b>                               | <b>(25)</b>                       | <b>(5)</b>   | <b>578</b>     |
| <b>AFS securities – related parties</b>                |                                      |                       |   |                                   |  |                |
| CLO  | 1                                    | —                     | —                                       | —                                 | (1)  | —              |
| ABS  | —                                    | 1                     | —                                       | —                                 | —  | 1              |
| <b>Total AFS securities – related parties</b>          | <b>1</b>                             | <b>1</b>              | <b>—</b>                                | <b>—</b>                          | <b>(1)</b>   | <b>1</b>       |
| <b>Total AFS securities, including related parties</b> | <b>\$ 459</b>                        | <b>\$ 111</b>         | <b>\$ 40</b>                            | <b>\$ (25)</b>                    | <b>\$ (6)</b>  | <b>\$ 579</b>  |

**Net Investment Income**—Net investment income by asset class consists of the following:

| <i>(In millions)</i>         | Three months ended September 30, |                 | Nine months ended September 30, |                 |
|------------------------------|----------------------------------|-----------------|---------------------------------|-----------------|
|                              | 2024                             | 2023            | 2024                            | 2023            |
|                              | <b>AFS securities</b>            | <b>\$ 2,520</b> | <b>\$ 1,822</b>                 | <b>\$ 6,997</b> |
| Trading securities           | 40                               | 49              | 125                             | 135             |
| Equity securities            | 19                               | 14              | 65                              | 54              |
| Mortgage loans               | 1,007                            | 642             | 2,711                           | 1,632           |
| Investment funds             | 42                               | (13)            | 36                              | 59              |
| Funds withheld at interest   | 279                              | 486             | 1,001                           | 1,368           |
| Other                        | 218                              | 214             | 621                             | 623             |
| Investment revenue           | 4,125                            | 3,214           | 11,556                          | 8,811           |
| Investment expenses          | (348)                            | (286)           | (978)                           | (759)           |
| <b>Net investment income</b> | <b>\$ 3,777</b>                  | <b>\$ 2,928</b> | <b>\$ 10,578</b>                | <b>\$ 8,052</b> |

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

| <i>(In millions)</i>   | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |                   |
|--|-------------------------------------|-------------------|------------------------------------|-------------------|
|  | 2024                                | 2023              | 2024                               | 2023              |
| <b>AFS securities<sup>1</sup></b>                              |                                     |                   |                                    |                   |
| Gross realized gains on investment activity                    | \$ 744                              | \$ 55             | \$ 936                             | \$ 379            |
| Gross realized losses on investment activity                   | (237)                               | (431)             | (802)                              | (647)             |
| Net realized investment gains (losses) on AFS securities       | 507                                 | (376)             | 134                                | (268)             |
| Net recognized investment gains (losses) on trading securities | 119                                 | (137)             | 21                                 | (105)             |
| Net recognized investment gains (losses) on equity securities  | 38                                  | (3)               | 65                                 | (34)              |
| Net recognized investment gains (losses) on mortgage loans     | 1,139                               | (911)             | 874                                | (838)             |
| Derivative gains (losses)                                      | 1,608                               | (1,480)           | 2,486                              | (66)              |
| Provision for credit losses                                    | (14)                                | (60)              | (114)                              | (237)             |
| Other gains (losses)   | (1,858)                             | 343               | (384)                              | 355               |
| <b>Investment related gains (losses)</b>                       | <b>\$ 1,539</b>                     | <b>\$ (2,624)</b> | <b>\$ 3,082</b>                    | <b>\$ (1,193)</b> |

<sup>1</sup> Includes the effects of recognized gains or losses on AFS securities associated with designated hedges.

Proceeds from sales of AFS securities were \$8,539 million and \$724 million for the three months ended September 30, 2024 and 2023, respectively, and \$19,305 million and \$3,918 million for the nine months ended September 30, 2024 and 2023, respectively.

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

| <i>(In millions)</i>                 | Three months ended<br>September 30, |         | Nine months ended<br>September 30, |         |
|--------------------------------------|-------------------------------------|---------|------------------------------------|---------|
|                                      | 2024                                | 2023    | 2024                               | 2023    |
| <b>Trading securities</b>            | \$ 83                               | \$ (75) | \$ 42                              | \$ (35) |
| Trading securities – related parties | (1)                                 | 3       | (2)                                | 3       |
| <b>Equity securities</b>             | 28                                  | 6       | 56                                 | 9       |
| Equity securities – related parties  | 10                                  | (9)     | 2                                  | (16)    |

**Repurchase Agreements**—The following table summarizes the remaining contractual maturities of our repurchase agreements, which are included in payables for collateral on derivatives and securities to repurchase on the condensed consolidated balance sheets:

| <i>(In millions)</i>                      | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Less than 30 days                         | \$ —               | \$ 686            |
| 91 days to 1 year                         | 1,097              | —                 |
| Greater than 1 year                       | 1,569              | 3,167             |
| <b>Payables for repurchase agreements</b> | <b>\$ 2,666</b>    | <b>\$ 3,853</b>   |

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

| <i>(In millions)</i>  | September 30, 2024 |                 | December 31, 2023 |                 |
|---|--------------------|-----------------|-------------------|-----------------|
|   | Amortized Cost     | Fair Value      | Amortized Cost    | Fair Value      |
| <b>AFS securities</b>                                       |                    |                 |                   |                 |
| Foreign governments   | \$ 155             | \$ 113          | \$ 137            | \$ 99           |
| Corporate   | 1,770              | 1,549           | 2,735             | 2,307           |
| CLO   | 587                | 589             | 580               | 579             |
| ABS   | 597                | 559             | 1,207             | 1,086           |
| <b>Total securities pledged under repurchase agreements</b> | <b>\$ 3,109</b>    | <b>\$ 2,810</b> | <b>\$ 4,659</b>   | <b>\$ 4,071</b> |

**Reverse Repurchase Agreements**—As of September 30, 2024 and December 31, 2023, amounts loaned under reverse repurchase agreements were \$1,017 million and \$947 million, respectively, and the fair value of the collateral, comprised primarily of asset-backed securities and commercial mortgage loans, was \$2,347 million and \$1,504 million, respectively.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**Mortgage Loans, including related parties and consolidated VIEs**—Mortgage loans include both commercial and residential loans. We have elected the fair value option on our mortgage loan portfolio. See *Note 5 – 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:

| <i>(In millions)</i>                        | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Commercial mortgage loans                   | \$ 32,066          | \$ 27,630         |
| Commercial mortgage loans under development | 1,722              | 1,228             |
| <b>Total commercial mortgage loans</b>      | <b>33,788</b>      | <b>28,858</b>     |
| Mark to fair value                          | (1,926)            | (2,246)           |
| <b>Commercial mortgage loans</b>            | <b>31,862</b>      | <b>26,612</b>     |
| Residential mortgage loans                  | 30,616             | 21,894            |
| Mark to fair value                          | (320)              | (937)             |
| <b>Residential mortgage loans</b>           | <b>30,296</b>      | <b>20,957</b>     |
| <b>Mortgage loans</b>                       | <b>\$ 62,158</b>   | <b>\$ 47,569</b>  |

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:

| <i>(In millions, except percentages)</i> | September 30, 2024 |                     | December 31, 2023 |                     |
|--|--------------------|---------------------|-------------------|---------------------|
|  | Fair Value         | Percentage of Total | Fair Value        | Percentage of Total |
| <b>Property type</b>                     |                    |                     |                   |                     |
| Apartment                                | \$ 11,556          | 36.3 %              | \$ 9,591          | 36.0 %              |
| Office building                          | 4,140              | 13.0 %              | 4,455             | 16.7 %              |
| Industrial                               | 6,144              | 19.3 %              | 4,143             | 15.6 %              |
| Hotels                                   | 2,941              | 9.2 %               | 2,913             | 11.0 %              |
| Retail                                   | 2,447              | 7.7 %               | 2,158             | 8.1 %               |
| Other commercial                         | 4,634              | 14.5 %              | 3,352             | 12.6 %              |
| <b>Total commercial mortgage loans</b>   | <b>\$ 31,862</b>   | <b>100.0 %</b>      | <b>\$ 26,612</b>  | <b>100.0 %</b>      |
| <b>US region</b>                         |                    |                     |                   |                     |
| East North Central                       | \$ 1,494           | 4.7 %               | \$ 1,517          | 5.7 %               |
| East South Central                       | 443                | 1.3 %               | 523               | 2.0 %               |
| Middle Atlantic                          | 8,497              | 26.7 %              | 7,147             | 26.9 %              |
| Mountain                                 | 1,335              | 4.2 %               | 1,196             | 4.5 %               |
| New England                              | 1,126              | 3.5 %               | 1,295             | 4.9 %               |
| Pacific                                  | 5,788              | 18.2 %              | 4,860             | 18.3 %              |
| South Atlantic                           | 5,504              | 17.3 %              | 4,583             | 17.2 %              |
| West North Central                       | 228                | 0.7 %               | 249               | 0.9 %               |
| West South Central                       | 1,965              | 6.2 %               | 1,228             | 4.6 %               |
| <b>Total US region</b>                   | <b>26,380</b>      | <b>82.8 %</b>       | <b>22,598</b>     | <b>85.0 %</b>       |
| <b>International region</b>              |                    |                     |                   |                     |
| United Kingdom                           | 2,638              | 8.3 %               | 2,343             | 8.7 %               |
| Other international <sup>1</sup>         | 2,844              | 8.9 %               | 1,671             | 6.3 %               |
| <b>Total international region</b>        | <b>5,482</b>       | <b>17.2 %</b>       | <b>4,014</b>      | <b>15.0 %</b>       |
| <b>Total commercial mortgage loans</b>   | <b>\$ 31,862</b>   | <b>100.0 %</b>      | <b>\$ 26,612</b>  | <b>100.0 %</b>      |

<sup>1</sup> Represents all other countries, with each individual country comprising less than 5% of the portfolio.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

|  | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| <b>US States</b>   |                    |                   |
| California   | 26.2 %             | 27.6 %            |
| Florida  | 12.6 %             | 12.0 %            |
| Texas  | 7.0 %              | 6.1 %             |
| New York   | 5.1 %              | 5.9 %             |
| Other <sup>1</sup>                                       | 40.2 %             | 39.4 %            |
| Total US residential mortgage loan percentage            | 91.1 %             | 91.0 %            |
| <b>International</b>                                     |                    |                   |
| United Kingdom   | 5.1 %              | 4.0 %             |
| Other <sup>1</sup>                                       | 3.8 %              | 5.0 %             |
| Total international residential mortgage loan percentage | 8.9 %              | 9.0 %             |
| <b>Total residential mortgage loan percentage</b>        | <b>100.0 %</b>     | <b>100.0 %</b>    |

<sup>1</sup> Represents all other states or countries, with each individual state or country comprising less than 5% of the portfolio.

**Investment Funds**—Our investment fund portfolio strategy primarily focuses on core holdings of strategic origination and retirement services platforms, equity and credit funds, and other funds. Strategic origination platforms include investments sourced by affiliated platforms that originate loans to third parties and in which we gain exposure directly to the loan or indirectly through our ownership of the origination platform and/or securitizations of assets originated by the origination platform. Retirement services platforms include investments in equity of financial services companies. Our credit strategy comprises direct origination, asset-backed, multi credit and opportunistic credit funds focused on generating returns through high-quality credit underwriting and origination. Our equity strategy comprises private equity, hybrid value, secondaries equity, real estate equity, impact investing platform, infrastructure and clean transition equity funds that raise capital from investors to pursue control-oriented investments across the universe of private assets. Our investment funds can meet the definition of a VIE, which are discussed further in *Note 4 – 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 parties and consolidated VIEs:

|   | September 30, 2024 |                  | December 31, 2023 <sup>1</sup> |                  |
|---|--------------------|------------------|--------------------------------|------------------|
|   | Carrying value     | Percent of total | Carrying value                 | Percent of total |
| <i>(In millions, except percentages)</i>  |                    |                  |                                |                  |
| <b>Investment funds</b>   |                    |                  |                                |                  |
| Equity  | \$ 107             | 0.6 %            | \$ 109                         | 0.6 %            |
| <b>Investment funds – related parties</b>   |                    |                  |                                |                  |
| Strategic origination platforms   | 28                 | 0.2 %            | 32                             | 0.2 %            |
| Retirement services platforms   | 1,287              | 6.8 %            | 1,300                          | 7.3 %            |
| Equity  | 264                | 1.4 %            | 267                            | 1.5 %            |
| Credit  | 16                 | 0.1 %            | 20                             | 0.1 %            |
| Other   | 9                  | 0.0 %            | 13                             | 0.1 %            |
| Total investment funds – related parties  | 1,604              | 8.5 %            | 1,632                          | 9.2 %            |
| <b>Investment funds – consolidated VIEs</b>   |                    |                  |                                |                  |
| Strategic origination platforms   | 5,519              | 29.3 %           | 4,987                          | 28.2 %           |
| Retirement services platforms   | —                  | — %              | 483                            | 2.7 %            |
| Equity  | 7,837              | 41.6 %           | 7,032                          | 39.8 %           |
| Credit  | 3,077              | 16.3 %           | 2,852                          | 16.2 %           |
| Other   | 702                | 3.7 %            | 573                            | 3.3 %            |
| Total investment funds – consolidated VIEs  | 17,135             | 90.9 %           | 15,927                         | 90.2 %           |
| <b>Total investment funds, including related parties and funds owned by consolidated VIEs</b> | <b>\$ 18,846</b>   | <b>100.0 %</b>   | <b>\$ 17,668</b>               | <b>100.0 %</b>   |

<sup>1</sup> Prior period amounts have been reclassified to conform with the current year presentation as a result of aligning our investment fund categories to reflect our updated investment strategies.



**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**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 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 trust 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 US GAAP, with the related parties, 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 and classified as AFS or trading securities on the condensed consolidated balance sheets.

*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 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.

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

| <i>(In millions)</i>                                      | September 30, 2024 |                       | December 31, 2023 |                       |
|---|--------------------|-----------------------|-------------------|-----------------------|
|   | Carrying Value     | Maximum Loss Exposure | Carrying Value    | Maximum Loss Exposure |
| Investment funds  | \$ 107             | \$ 862                | \$ 109            | \$ 876                |
| Investment in related parties – investment funds          | 1,604              | 2,659                 | 1,632             | 2,377                 |
| Assets of consolidated VIEs – investment funds            | 17,135             | 23,698                | 15,927            | 22,240                |
| Investment in fixed maturity securities                   | 67,990             | 69,290                | 48,155            | 50,623                |
| Investment in related parties – fixed maturity securities | 16,902             | 20,764                | 13,495            | 15,608                |
| Investment in related parties – equity securities         | 257                | 257                   | 318               | 318                   |
| Total non-consolidated investments                        | <u>\$ 103,995</u>  | <u>\$ 117,530</u>     | <u>\$ 79,636</u>  | <u>\$ 92,042</u>      |

**Concentrations**—The following table represents our investment concentrations in excess of 10% of AHL stockholders’ equity:

| <i>(In millions)</i>    | September 30, 2024 |
|-------------------------|--------------------|
| AP Grange Holdings, LLC | \$ 4,626           |
| Atlas <sup>1</sup>      | 3,240              |
| Fox Hedge L.P.          | 3,050              |
|                         | December 31, 2023  |
| Wheels <sup>1</sup>     | \$ 1,591           |
| AT&T Inc.               | 1,526              |

<sup>1</sup> 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 11 – Related Parties.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**3. Derivative Instruments**

We use a variety of derivative instruments to manage risks, primarily equity, interest rate, credit, foreign currency and market volatility. See *Note 5 – Fair Value* for information about the fair value hierarchy for derivatives.

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

| (In millions)                                     | September 30, 2024 |                 |                  | December 31, 2023 |                 |                  |
|---|--------------------|-----------------|------------------|-------------------|-----------------|------------------|
|   | Notional Amount    | Fair Value      |                  | Notional Amount   | Fair Value      |                  |
|   |                    | Assets          | Liabilities      |                   | Assets          | Liabilities      |
| <b>Derivatives designated as hedges</b>           |                    |                 |                  |                   |                 |                  |
| Foreign currency hedges                           |                    |                 |                  |                   |                 |                  |
| Swaps   | 15,119             | \$ 503          | \$ 345           | 9,034             | \$ 477          | \$ 230           |
| Forwards  | 3,691              | 195             | 36               | 6,294             | 275             | 102              |
| Interest rate swaps                               | 4,506              | 56              | 418              | 4,468             | —               | 521              |
| Forwards on net investments                       | 218                | —               | 3                | 219               | —               | 6                |
| Interest rate swaps                               | 21,079             | 131             | 40               | 10,031            | 29              | 95               |
| <b>Total derivatives designated as hedges</b>     |                    | 885             | 842              |                   | 781             | 954              |
| <b>Derivatives not designated as hedges</b>       |                    |                 |                  |                   |                 |                  |
| Equity options                                    | 82,762             | 5,820           | 127              | 73,881            | 3,809           | 102              |
| Futures   | 44                 | 119             | —                | 35                | 72              | —                |
| Foreign currency swaps                            | 13,706             | 223             | 354              | 8,072             | 230             | 244              |
| Interest rate swaps                               | 1,870              | 76              | 1                | 3,499             | 81              | 9                |
| Other swaps                                       | 2,591              | 12              | 1                | 2,588             | 39              | 1                |
| Foreign currency forwards                         | 40,174             | 394             | 1,433            | 28,236            | 286             | 685              |
| Embedded derivatives                              |                    |                 |                  |                   |                 |                  |
| Funds withheld including related parties          |                    | (3,111)         | 80               |                   | (4,100)         | (64)             |
| Interest sensitive contract liabilities           |                    | —               | 11,996           |                   | —               | 9,059            |
| <b>Total derivatives not designated as hedges</b> |                    | 3,533           | 13,992           |                   | 417             | 10,036           |
| <b>Total derivatives</b>                          |                    | <u>\$ 4,418</u> | <u>\$ 14,834</u> |                   | <u>\$ 1,198</u> | <u>\$ 10,990</u> |

**Derivatives Designated as Hedges**

*Cash Flow Hedges* – We use interest rate swaps to convert floating-rate interest payments to fixed-rate interest payments to reduce exposure to interest rate changes. The interest rate swaps will expire by July 2031. During the three months ended September 30, 2024 and 2023, we recognized gains of \$152 million and \$91 million, respectively, in other comprehensive income (OCI) associated with these hedges. During the nine months ended September 30, 2024 and 2023, we recognized gains of \$149 million and losses of \$35 million, respectively, in OCI associated with these hedges. There were no amounts deemed ineffective during the three and nine months ended September 30, 2024 and 2023. As of September 30, 2024, no amounts were expected to be reclassified to income within the next 12 months.

*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:

| (In millions)                                  | September 30, 2024   |  | December 31, 2023  |  |
|--|--|--|--|--|
|  | Carrying amount of the hedged assets or liabilities <sup>1</sup> | Cumulative amount of fair value hedging gains (losses) | Carrying amount of the hedged assets or liabilities <sup>1</sup> | Cumulative amount of fair value hedging gains (losses) |
| <b>AFS securities</b>                          |  |  |  |  |
| Foreign currency forwards                      | \$ 3,851   | \$ (13)  | \$ 4,883   | \$ (15)  |
| Foreign currency swaps                         | 11,588   | 71   | 6,820  | (141)  |
| <b>Interest sensitive contract liabilities</b> |  |  |  |  |
| Foreign currency swaps                         | 2,507  | (44)   | 1,438  | 19   |
| Foreign currency interest rate swaps           | 4,220  | 205  | 4,010  | 363  |
| Interest rate swaps                            | 17,483   | (121)  | 6,910  | 189  |

<sup>1</sup> The carrying amount disclosed for AFS securities is amortized cost.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

| <i>(In millions)</i>                         | Derivatives | Hedged items | Net    | Amounts excluded                                   |  |
|--|-------------|--------------|--------|--|--|
|  |             |              |        | Recognized in income through amortization approach | Recognized in income through changes in fair value |
| <b>Three months ended September 30, 2024</b> |             |              |        |  |  |
| Investment related gains (losses)            |             |              |        |  |  |
| Foreign currency forwards                    | \$ (180)    | \$ 184       | \$ 4   | \$ 4   | \$ 8   |
| Foreign currency swaps                       | (313)       | 282          | (31)   | —  | —  |
| Foreign currency interest rate swaps         | 255         | (258)        | (3)    | —  | —  |
| Interest rate swaps                          | 382         | (386)        | (4)    | —  | —  |
| Interest sensitive contract benefits         |             |              |        |  |  |
| Foreign currency interest rate swaps         | 26          | (25)         | 1      | —  | —  |
| <b>Three months ended September 30, 2023</b> |             |              |        |  |  |
| Investment related gains (losses)            |             |              |        |  |  |
| Foreign currency forwards                    | \$ 179      | \$ (187)     | \$ (8) | \$ 21  | \$ 5   |
| Foreign currency swaps                       | 161         | (166)        | (5)    | —  | —  |
| Foreign currency interest rate swaps         | (90)        | 95           | 5      | —  | —  |
| Interest rate swaps                          | (74)        | 63           | (11)   | —  | —  |
| Interest sensitive contract benefits         |             |              |        |  |  |
| Foreign currency interest rate swaps         | 16          | (14)         | 2      | —  | —  |

| <i>(In millions)</i>                        | Derivatives | Hedged items | Net    | Amounts excluded                                   |  |
|---|-------------|--------------|--------|--|--|
|   |             |              |        | Recognized in income through amortization approach | Recognized in income through changes in fair value |
| <b>Nine months ended September 30, 2024</b> |             |              |        |  |  |
| Investment related gains (losses)           |             |              |        |  |  |
| Foreign currency forwards                   | \$ (1)      | \$ 1         | \$ —   | \$ 35  | \$ 14  |
| Foreign currency swaps                      | (158)       | 144          | (14)   | —  | —  |
| Foreign currency interest rate swaps        | 132         | (135)        | (3)    | —  | —  |
| Interest rate swaps                         | 267         | (310)        | (43)   | —  | —  |
| Interest sensitive contract benefits        |             |              |        |  |  |
| Foreign currency interest rate swaps        | 66          | (64)         | 2      | —  | —  |
| <b>Nine months ended September 30, 2023</b> |             |              |        |  |  |
| Investment related gains (losses)           |             |              |        |  |  |
| Foreign currency forwards                   | \$ 74       | \$ (77)      | \$ (3) | \$ 66  | \$ 12  |
| Foreign currency swaps                      | 59          | (57)         | 2      | —  | —  |
| Foreign currency interest rate swaps        | (5)         | 15           | 10     | —  | —  |
| Interest rate swaps                         | (92)        | 79           | (13)   | —  | —  |
| Interest sensitive contract benefits        |             |              |        |  |  |
| Foreign currency interest rate swaps        | 44          | (44)         | —      | —  | —  |

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

| <i>(In millions)</i>      | Three months ended September 30, |         | Nine months ended September 30, |         |
|---------------------------|----------------------------------|---------|---------------------------------|---------|
|                           | 2024                             | 2023    | 2024                            | 2023    |
| Foreign currency forwards | \$ 13                            | \$ (65) | \$ (2)                          | \$ (63) |
| Foreign currency swaps    | 56                               | (239)   | 82                              | (182)   |

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*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 September 30, 2024 and 2023, these derivatives had losses of \$14 million and gains of \$13 million, respectively. During the nine months ended September 30, 2024 and 2023, these derivatives had losses of \$11 million and gains of \$5 million, respectively. These derivatives are included in foreign currency translation and other adjustments on the condensed consolidated statements of comprehensive income (loss). As of September 30, 2024 and December 31, 2023, the cumulative foreign currency translations recorded in AOCI related to these net investment hedges were gains of \$15 million and \$26 million, respectively. During the three and nine months ended September 30, 2024 and 2023, 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.

*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.

*Other swaps* – Other swaps include total return swaps, credit default swaps and swaptions. We purchase total rate of return swaps to gain exposure and benefit from a reference asset or index without ownership. 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. Swaptions provide an option to enter into an interest rate swap and are used to hedge against interest rate exposure.

*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 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:

| <i>(In millions)</i>  | Three months ended<br>September 30, |                 | Nine months ended<br>September 30, |                 |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
|   | 2024                                | 2023            | 2024                               | 2023            |
| Equity options  | \$ 596                              | \$ (951)        | \$ 2,298                           | \$ 390          |
| Futures   | 26                                  | (73)            | 152                                | 22              |
| Swaps   | (126)                               | (24)            | (156)                              | 38              |
| Foreign currency forwards   | 209                                 | 146             | (657)                              | (191)           |
| Embedded derivatives on funds withheld                              | 747                                 | (780)           | 560                                | (439)           |
| <b>Amounts recognized in investment related gains (losses)</b>      | <b>1,452</b>                        | <b>(1,682)</b>  | <b>2,197</b>                       | <b>(180)</b>    |
| Embedded derivatives in indexed annuity products <sup>1</sup>       | (275)                               | 1,251           | (1,270)                            | (277)           |
| <b>Total gains (losses) on derivatives not designated as hedges</b> | <b>\$ 1,177</b>                     | <b>\$ (431)</b> | <b>\$ 927</b>                      | <b>\$ (457)</b> |

<sup>1</sup> Included in interest sensitive contract benefits on the condensed consolidated statements of income.

**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.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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:

| (In millions)             | Gross amount recognized <sup>1</sup> | Gross amounts not offset on the condensed consolidated balance sheets |                               | Net amount | Off-balance sheet securities collateral <sup>3</sup> | Net amount after securities collateral |
|---------------------------|--------------------------------------|---|-------------------------------|------------|--|--|
|                           |                                      | Financial instruments <sup>2</sup>                                    | Collateral (received)/pledged |            |  |  |
| <b>September 30, 2024</b> |                                      |   |                               |            |  |  |
| Derivative assets         | \$ 7,529                             | \$ (1,739)  | \$ (5,272)                    | \$ 518     | \$ —   | \$ 518                                 |
| Derivative liabilities    | (2,758)                              | 1,739   | 1,091                         | 72         | 1  | 73                                     |
| <b>December 31, 2023</b>  |                                      |   |                               |            |  |  |
| Derivative assets         | \$ 5,298                             | \$ (1,497)  | \$ (3,676)                    | \$ 125     | \$ —   | \$ 125                                 |
| Derivative liabilities    | (1,995)                              | 1,497   | 848                           | 350        | —  | 350                                    |

<sup>1</sup> The gross amounts of recognized derivative assets and derivative liabilities are reported on the condensed consolidated balance sheets. As of September 30, 2024 and December 31, 2023, amounts not subject to master netting or similar agreements were immaterial.

<sup>2</sup> 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.

<sup>3</sup> 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.

**4. Variable Interest Entities**

We determined that we are required to consolidate certain Apollo-managed investment funds and other Apollo-managed structures. Since the criteria for the primary beneficiary are satisfied by our related party group, we are deemed the primary beneficiary. In addition, we consolidate certain securitization entities where 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:

| (In millions)  | Three months ended September 30, |               | Nine months ended September 30, |               |
|--|----------------------------------|---------------|---------------------------------|---------------|
|  | 2024                             | 2023          | 2024                            | 2023          |
| Trading securities   | \$ 39                            | \$ 28         | \$ 104                          | \$ 79         |
| Mortgage loans   | 30                               | 29            | 91                              | 83            |
| Investment funds   | 22                               | 20            | 43                              | 55            |
| Other  | (14)                             | (2)           | (28)                            | (7)           |
| <b>Net investment income</b>                                   | <b>\$ 77</b>                     | <b>\$ 75</b>  | <b>\$ 210</b>                   | <b>\$ 210</b> |
| Net recognized investment gains (losses) on trading securities | \$ 29                            | \$ (16)       | \$ 21                           | \$ (15)       |
| Net recognized investment gains (losses) on mortgage loans     | 24                               | (25)          | (4)                             | (45)          |
| Net recognized investment gains on investment funds            | 414                              | 292           | 1,099                           | 833           |
| Other gains (losses)   | 2                                | (1)           | (7)                             | (29)          |
| <b>Investment related gains (losses)</b>                       | <b>\$ 469</b>                    | <b>\$ 250</b> | <b>\$ 1,109</b>                 | <b>\$ 744</b> |

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**5. 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.

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

| (In millions)  | September 30, 2024 |                  |                  |                   |                  |
|--|--------------------|------------------|------------------|-------------------|------------------|
|  | Total              | NAV              | Level 1          | Level 2           | Level 3          |
| <b>Assets</b>  |                    |                  |                  |                   |                  |
| AFS securities   |                    |                  |                  |                   |                  |
| US government and agencies   | \$ 6,761           | \$ —             | \$ 6,759         | \$ 2              | \$ —             |
| US state, municipal and political subdivisions                             | 977                | —                | —                | 977               | —                |
| Foreign governments  | 1,758              | —                | 756              | 967               | 35               |
| Corporate  | 87,610             | —                | 12               | 83,423            | 4,175            |
| CLO  | 27,610             | —                | —                | 27,610            | —                |
| ABS  | 22,470             | —                | —                | 6,855             | 15,615           |
| CMBS   | 9,364              | —                | —                | 9,347             | 17               |
| RMBS   | 8,135              | —                | —                | 7,792             | 343              |
| Total AFS securities   | 164,685            | —                | 7,527            | 136,973           | 20,185           |
| Trading securities   | 1,684              | —                | 24               | 1,623             | 37               |
| Equity securities  | 1,292              | —                | 207              | 1,059             | 26               |
| Mortgage loans   | 58,587             | —                | —                | —                 | 58,587           |
| Funds withheld at interest – embedded derivative                           | (2,581)            | —                | —                | —                 | (2,581)          |
| Derivative assets  | 7,529              | —                | 143              | 7,385             | 1                |
| Short-term investments   | 409                | —                | 202              | 39                | 168              |
| Other investments  | 1,507              | —                | —                | 603               | 904              |
| Cash and cash equivalents  | 13,587             | —                | 13,587           | —                 | —                |
| Restricted cash  | 964                | —                | 964              | —                 | —                |
| Investments in related parties   |                    |                  |                  |                   |                  |
| AFS securities   |                    |                  |                  |                   |                  |
| Corporate  | 1,614              | —                | —                | 233               | 1,381            |
| CLO  | 5,780              | —                | —                | 5,215             | 565              |
| ABS  | 10,503             | —                | —                | 694               | 9,809            |
| Total AFS securities – related parties                                     | 17,897             | —                | —                | 6,142             | 11,755           |
| Trading securities   | 619                | —                | —                | —                 | 619              |
| Equity securities  | 257                | —                | —                | —                 | 257              |
| Mortgage loans   | 1,345              | —                | —                | —                 | 1,345            |
| Investment funds   | 1,106              | —                | —                | —                 | 1,106            |
| Funds withheld at interest – embedded derivative                           | (530)              | —                | —                | —                 | (530)            |
| Other investments  | 348                | —                | —                | —                 | 348              |
| Reinsurance recoverable  | 1,710              | —                | —                | —                 | 1,710            |
| Other assets   | 313                | —                | —                | —                 | 313              |
| Assets of consolidated VIEs  |                    |                  |                  |                   |                  |
| Trading securities   | 2,379              | —                | —                | 441               | 1,938            |
| Mortgage loans   | 2,226              | —                | —                | —                 | 2,226            |
| Investment funds   | 17,135             | 16,317           | —                | —                 | 818              |
| Other investments  | 159                | —                | 5                | —                 | 154              |
| Cash and cash equivalents  | 305                | —                | 305              | —                 | —                |
| <b>Total assets measured at fair value</b>                                 | <b>\$ 292,932</b>  | <b>\$ 16,317</b> | <b>\$ 22,964</b> | <b>\$ 154,265</b> | <b>\$ 99,386</b> |
| <b>Liabilities</b>   |                    |                  |                  |                   |                  |
| Interest sensitive contract liabilities                                    |                    |                  |                  |                   |                  |
| Embedded derivative  | \$ 11,996          | \$ —             | \$ —             | \$ —              | \$ 11,996        |
| Universal life benefits  | 820                | —                | —                | —                 | 820              |
| Future policy benefits   |                    |                  |                  |                   |                  |
| AmerUs Life Insurance Company (AmerUs) Closed Block                        | 1,166              | —                | —                | —                 | 1,166            |
| Indianapolis Life Insurance Company (ILICO) Closed Block and life benefits | 545                | —                | —                | —                 | 545              |
| Market risk benefits   | 4,402              | —                | —                | —                 | 4,402            |
| Derivative liabilities   | 2,758              | —                | 1                | 2,756             | 1                |
| Other liabilities  | 337                | —                | —                | —                 | 337              |
| <b>Total liabilities measured at fair value</b>                            | <b>\$ 22,024</b>   | <b>\$ —</b>      | <b>\$ 1</b>      | <b>\$ 2,756</b>   | <b>\$ 19,267</b> |

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

December 31, 2023

| <i>(In millions)</i>                             | Total             | NAV              | Level 1          | Level 2           | Level 3          |
|--|-------------------|------------------|------------------|-------------------|------------------|
| <b>Assets</b>                                    |                   |                  |                  |                   |                  |
| AFS securities                                   |                   |                  |                  |                   |                  |
| US government and agencies                       | \$ 5,399          | \$ —             | \$ 5,392         | \$ 7              | \$ —             |
| US state, municipal and political subdivisions   | 1,046             | —                | —                | 1,046             | —                |
| Foreign governments                              | 1,899             | —                | 895              | 964               | 40               |
| Corporate  | 78,246            | —                | 10               | 75,711            | 2,525            |
| CLO  | 20,207            | —                | —                | 20,207            | —                |
| ABS  | 13,383            | —                | —                | 6,440             | 6,943            |
| CMBS   | 6,591             | —                | —                | 6,570             | 21               |
| RMBS   | 7,567             | —                | —                | 7,302             | 265              |
| Total AFS securities                             | 134,338           | —                | 6,297            | 118,247           | 9,794            |
| Trading securities                               | 1,706             | —                | 24               | 1,654             | 28               |
| Equity securities                                | 935               | —                | 210              | 699               | 26               |
| Mortgage loans                                   | 44,115            | —                | —                | —                 | 44,115           |
| Funds withheld at interest – embedded derivative | (3,379)           | —                | —                | —                 | (3,379)          |
| Derivative assets                                | 5,298             | —                | 108              | 5,190             | —                |
| Short-term investments                           | 341               | —                | —                | 236               | 105              |
| Other investments                                | 943               | —                | —                | 313               | 630              |
| Cash and cash equivalents                        | 13,020            | —                | 13,020           | —                 | —                |
| Restricted cash                                  | 1,761             | —                | 1,761            | —                 | —                |
| Investments in related parties                   |                   |                  |                  |                   |                  |
| AFS securities                                   |                   |                  |                  |                   |                  |
| Corporate  | 1,352             | —                | —                | 181               | 1,171            |
| CLO  | 4,268             | —                | —                | 3,762             | 506              |
| ABS  | 8,389             | —                | —                | 563               | 7,826            |
| Total AFS securities – related parties           | 14,009            | —                | —                | 4,506             | 9,503            |
| Trading securities                               | 838               | —                | —                | —                 | 838              |
| Equity securities                                | 318               | —                | 63               | —                 | 255              |
| Mortgage loans                                   | 1,281             | —                | —                | —                 | 1,281            |
| Investment funds                                 | 1,082             | —                | —                | —                 | 1,082            |
| Funds withheld at interest – embedded derivative | (721)             | —                | —                | —                 | (721)            |
| Other investments                                | 343               | —                | —                | —                 | 343              |
| Reinsurance recoverable                          | 1,367             | —                | —                | —                 | 1,367            |
| Other assets                                     | 378               | —                | —                | —                 | 378              |
| Assets of consolidated VIEs                      |                   |                  |                  |                   |                  |
| Trading securities                               | 2,136             | —                | —                | 284               | 1,852            |
| Mortgage loans                                   | 2,173             | —                | —                | —                 | 2,173            |
| Investment funds                                 | 15,927            | 14,950           | —                | —                 | 977              |
| Other investments                                | 103               | —                | —                | 2                 | 101              |
| Cash and cash equivalents                        | 98                | —                | 98               | —                 | —                |
| <b>Total assets measured at fair value</b>       | <b>\$ 238,410</b> | <b>\$ 14,950</b> | <b>\$ 21,581</b> | <b>\$ 131,131</b> | <b>\$ 70,748</b> |
| <b>Liabilities</b>                               |                   |                  |                  |                   |                  |
| Interest sensitive contract liabilities          |                   |                  |                  |                   |                  |
| Embedded derivative                              | \$ 9,059          | \$ —             | \$ —             | \$ —              | \$ 9,059         |
| Universal life benefits                          | 834               | —                | —                | —                 | 834              |
| Future policy benefits                           |                   |                  |                  |                   |                  |
| AmerUs Closed Block                              | 1,178             | —                | —                | —                 | 1,178            |
| ILICO Closed Block and life benefits             | 522               | —                | —                | —                 | 522              |
| Market risk benefits                             | 3,751             | —                | —                | —                 | 3,751            |
| Derivative liabilities                           | 1,995             | —                | 17               | 1,977             | 1                |
| Other liabilities                                | 266               | —                | —                | (64)              | 330              |
| <b>Total liabilities measured at fair value</b>  | <b>\$ 17,605</b>  | <b>\$ —</b>      | <b>\$ 17</b>     | <b>\$ 1,913</b>   | <b>\$ 15,675</b> |



**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**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 these 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.

*Other investments* – The fair values of other investments are primarily determined using a discounted cash flow model using discount rates for similar investments.

*Funds withheld at interest embedded derivatives* – Funds withheld at interest embedded derivatives represent 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, and are analogous to a total return swap with a floating rate leg. The fair value of embedded derivatives on funds withheld and modco agreements is measured as the unrealized gain (loss) on the underlying assets and classified as Level 3.

*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.

*Other assets and market risk benefits liability* – Other assets at fair value consist of market risk benefit assets. See *Note 7 – Long-duration Contracts* for additional information on market risk benefits valuation methodology and additional fair value disclosures. The estimates are classified as Level 3.

*Interest sensitive contract liabilities embedded derivatives* – 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.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*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 reflect the riskiness of the business. These universal life policyholder liabilities and corresponding reinsurance recoverable are classified as Level 3.

*Other liabilities* – Other liabilities include funds withheld liability embedded derivatives, as described above in funds withheld at interest embedded derivatives, and a ceded modco agreement of certain inforce funding agreement contracts for which we elected the fair value option. We estimate the fair value of the ceded modco agreement by discounting projected cash flows for net settlements and certain periodic and non-periodic payments. Unobservable inputs include estimates for asset portfolio returns and economic inputs used in the discount rate, including risk margin. Depending on the projected cash flows and other assumptions, the contract may be recorded as an asset or liability. The estimate is 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:

| <i>(In millions)</i>        | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |                 |
|-----------------------------|-------------------------------------|-------------------|------------------------------------|-----------------|
|                             | 2024                                | 2023              | 2024                               | 2023            |
| Trading securities          | \$ 131                              | \$ (137)          | \$ 31                              | \$ (105)        |
| Mortgage loans              | 1,186                               | (984)             | 868                                | (909)           |
| Investment funds            | 37                                  | (66)              | 18                                 | 25              |
| Future policy benefits      | (46)                                | 59                | 12                                 | 64              |
| Other                       | 5                                   | (4)               | 9                                  | (71)            |
| <b>Total gains (losses)</b> | <b>\$ 1,313</b>                     | <b>\$ (1,132)</b> | <b>\$ 938</b>                      | <b>\$ (996)</b> |

Gains and losses on trading securities, mortgage loans, investments of consolidated VIEs, and other are recorded in investment related gains (losses) on the condensed consolidated statements of income. Gains and losses related to investment funds are recorded in net investment income on the condensed consolidated statements of income. 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.

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

| <i>(In millions)</i>     | September 30, 2024 | December 31, 2023 |
|--------------------------|--------------------|-------------------|
| Unpaid principal balance | \$ 64,404          | \$ 50,752         |
| Mark to fair value       | (2,246)            | (3,183)           |
| <b>Fair value</b>        | <b>\$ 62,158</b>   | <b>\$ 47,569</b>  |

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

| <i>(In millions)</i>  | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Unpaid principal balance of commercial mortgage loans 90 days or more past due and/or in non-accrual status | \$ 507             | \$ 221            |
| Mark to fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status       | (191)              | (74)              |
| Fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status               | <u>\$ 316</u>      | <u>\$ 147</u>     |
| Fair value of commercial mortgage loans 90 days or more past due  | \$ 254             | \$ 64             |
| Fair value of commercial mortgage loans in non-accrual status   | 316                | 147               |

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

| <i>(In millions)</i>   | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Unpaid principal balance of residential mortgage loans 90 days or more past due and/or in non-accrual status | \$ 850             | \$ 528            |
| Mark to fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status       | (74)               | (49)              |
| Fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status               | <u>\$ 776</u>      | <u>\$ 479</u>     |
| Fair value of residential mortgage loans 90 days or more past due <sup>1</sup>                               | \$ 776             | \$ 479            |
| Fair value of residential mortgage loans in non-accrual status   | 679                | 355               |

<sup>1</sup> As of September 30, 2024 and December 31, 2023 includes \$97 million and \$124 million, respectively, of residential mortgage loans that are guaranteed by US government-sponsored agencies.

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:

| <i>(In millions)</i> | Three months ended<br>September 30, |         | Nine months ended<br>September 30, |         |
|----------------------|-------------------------------------|---------|------------------------------------|---------|
|                      | 2024                                | 2023    | 2024                               | 2023    |
| Mortgage loans       | \$ (19)                             | \$ (20) | \$ (49)                            | \$ (31) |

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

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

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

| Three months ended September 30, 2024            |                    |  |                 |   |                        |                    |  |   |
|--|--------------------|--|-----------------|---|------------------------|--------------------|--|---|
| (In millions)                                    | Beginning balance  | Total realized and unrealized gains (losses) |                 | Net purchases, issuances, sales and settlements | Net transfers in (out) | Ending balance     | Total gains (losses) included in earnings <sup>1</sup> | Total gains (losses) included in OCI <sup>1</sup> |
|  |                    | Included in income                           | Included in OCI |   |                        |                    |  |   |
| <b>Assets</b>                                    |                    |  |                 |   |                        |                    |  |   |
| AFS securities                                   |                    |  |                 |   |                        |                    |  |   |
| Foreign governments                              | \$ 34              | \$ —   | \$ 1            | \$ —  | \$ —                   | \$ 35              | \$ —   | \$ —  |
| Corporate  | 8,114              | 6  | 80              | 775   | (4,800)                | 4,175              | 2  | 98  |
| ABS  | 8,420              | 1  | 313             | 2,202   | 4,679                  | 15,615             | —  | 301   |
| CMBS   | 20                 | 2  | (5)             | —   | —                      | 17                 | —  | (3)   |
| RMBS   | 261                | 2  | 2               | 78  | —                      | 343                | —  | 2   |
| Trading securities                               | 37                 | 1  | —               | (1)   | —                      | 37                 | 1  | —   |
| Equity securities                                | 36                 | (1)  | —               | —   | (9)                    | 26                 | —  | —   |
| Mortgage loans                                   | 52,645             | 1,096  | —               | 4,846   | —                      | 58,587             | 1,236  | —   |
| Funds withheld at interest – embedded derivative | (3,283)            | 702  | —               | —   | —                      | (2,581)            | —  | —   |
| Derivative assets                                | 1                  | —  | —               | —   | —                      | 1                  | —  | —   |
| Short-term investments                           | 80                 | —  | —               | 166   | (78)                   | 168                | —  | —   |
| Other investments                                | 904                | —  | —               | —   | —                      | 904                | (1)  | —   |
| Investments in related parties                   |                    |  |                 |   |                        |                    |  |   |
| AFS securities                                   |                    |  |                 |   |                        |                    |  |   |
| Corporate  | 1,194              | (3)  | 12              | (23)  | 201                    | 1,381              | —  | 9   |
| CLO  | 521                | —  | 2               | 42  | —                      | 565                | —  | 2   |
| ABS  | 10,580             | 28   | 75              | (874)   | —                      | 9,809              | 7  | 73  |
| Trading securities                               | 719                | —  | —               | (100)   | —                      | 619                | (1)  | —   |
| Equity securities                                | 247                | 10   | —               | —   | —                      | 257                | 10   | —   |
| Mortgage loans                                   | 1,320              | 39   | —               | (14)  | —                      | 1,345              | (43)   | —   |
| Investment funds                                 | 1,066              | 40   | —               | —   | —                      | 1,106              | 40   | —   |
| Funds withheld at interest – embedded derivative | (717)              | 187  | —               | —   | —                      | (530)              | —  | —   |
| Other investments                                | 335                | 13   | —               | —   | —                      | 348                | 13   | —   |
| Reinsurance recoverable                          | 1,518              | 99   | —               | 93  | —                      | 1,710              | —  | —   |
| Assets of consolidated VIEs                      |                    |  |                 |   |                        |                    |  |   |
| Trading securities                               | 1,876              | 82   | —               | 34  | (54)                   | 1,938              | 82   | —   |
| Mortgage loans                                   | 2,120              | 51   | —               | 55  | —                      | 2,226              | 51   | —   |
| Investment funds                                 | 913                | (1)  | —               | 338   | (432)                  | 818                | (1)  | —   |
| Other investments                                | 113                | 4  | —               | 37  | —                      | 154                | 4  | —   |
| <b>Total Level 3 assets</b>                      | <b>\$ 89,074</b>   | <b>\$ 2,358</b>                              | <b>\$ 480</b>   | <b>\$ 7,654</b>                                 | <b>\$ (493)</b>        | <b>\$ 99,073</b>   | <b>\$ 1,400</b>  | <b>\$ 482</b>                                     |
| <b>Liabilities</b>                               |                    |  |                 |   |                        |                    |  |   |
| Interest sensitive contract liabilities          |                    |  |                 |   |                        |                    |  |   |
| Embedded derivative                              | \$ (11,234)        | \$ (275)                                     | \$ —            | \$ (487)  | \$ —                   | \$ (11,996)        | \$ —   | \$ —  |
| Universal life benefits                          | (769)              | (51)   | —               | —   | —                      | (820)              | —  | —   |
| Future policy benefits                           |                    |  |                 |   |                        |                    |  |   |
| AmerUs Closed Block                              | (1,120)            | (46)   | —               | —   | —                      | (1,166)            | —  | —   |
| ILICO Closed Block and life benefits             | (529)              | (16)   | —               | —   | —                      | (545)              | —  | —   |
| Derivative liabilities                           | (1)                | —  | —               | —   | —                      | (1)                | —  | —   |
| Other liabilities                                | (253)              | (86)   | —               | 2   | —                      | (337)              | —  | —   |
| <b>Total Level 3 liabilities</b>                 | <b>\$ (13,906)</b> | <b>\$ (474)</b>                              | <b>\$ —</b>     | <b>\$ (485)</b>                                 | <b>\$ —</b>            | <b>\$ (14,865)</b> | <b>\$ —</b>  | <b>\$ —</b>                                       |

<sup>1</sup> Related to instruments held at end of period.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Three months ended September 30, 2023

| (In millions)                                    | Beginning balance  | Total realized and unrealized gains (losses) |                 | Net purchases, issuances, sales and settlements | Net transfers in (out) | Ending balance    | Total gains (losses) included in earnings <sup>1</sup> | Total gains (losses) included in OCI <sup>1</sup> |
|--|--------------------|--|-----------------|---|------------------------|-------------------|--|---|
|  |                    | Included in income                           | Included in OCI |   |                        |                   |  |   |
| <b>Assets</b>                                    |                    |  |                 |   |                        |                   |  |   |
| AFS securities                                   |                    |  |                 |   |                        |                   |  |   |
| Foreign governments                              | \$ 48              | \$ —   | \$ (2)          | \$ —  | \$ —                   | \$ 46             | \$ —   | \$ (2)  |
| Corporate  | 2,460              | (8)  | (25)            | (26)  | (20)                   | 2,381             | —  | (27)  |
| ABS  | 5,305              | —  | 14              | (255)   | (438)                  | 4,626             | —  | 4   |
| CMBS   | 12                 | —  | —               | —   | —                      | 12                | —  | —   |
| RMBS   | 6                  | —  | —               | 261   | (4)                    | 263               | —  | —   |
| Trading securities                               | 38                 | (1)  | —               | (5)   | —                      | 32                | (1)  | —   |
| Equity securities                                | 67                 | 7  | —               | —   | —                      | 74                | 7  | —   |
| Mortgage loans                                   | 34,668             | (850)  | —               | 4,160   | —                      | 37,978            | (850)  | —   |
| Funds withheld at interest – embedded derivative | (4,356)            | (625)  | —               | —   | —                      | (4,981)           | —  | —   |
| Short-term investments                           | 30                 | —  | (1)             | 100   | —                      | 129               | —  | (1)   |
| Other investments                                | 337                | (5)  | —               | 145   | —                      | 477               | (5)  | —   |
| Investments in related parties                   |                    |  |                 |   |                        |                   |  |   |
| AFS securities                                   |                    |  |                 |   |                        |                   |  |   |
| Corporate  | 1,171              | 1  | (10)            | 24  | —                      | 1,186             | —  | (10)  |
| CLO  | 495                | —  | 8               | —   | —                      | 503               | —  | 8   |
| ABS  | 7,742              | (2)  | (11)            | 110   | —                      | 7,839             | (6)  | (14)  |
| Trading securities                               | 867                | 4  | —               | —   | —                      | 871               | 3  | —   |
| Equity securities                                | 252                | (7)  | —               | —   | —                      | 245               | (7)  | —   |
| Mortgage loans                                   | 1,296              | (61)   | —               | (1)   | —                      | 1,234             | (61)   | —   |
| Investment funds                                 | 1,061              | (18)   | —               | —   | —                      | 1,043             | (18)   | —   |
| Funds withheld at interest – embedded derivative | (1,297)            | 325  | —               | —   | —                      | (972)             | —  | —   |
| Other investments                                | 343                | (16)   | —               | —   | —                      | 327               | (16)   | —   |
| Reinsurance recoverable                          | 1,436              | (135)  | —               | —   | —                      | 1,301             | —  | —   |
| Assets of consolidated VIEs                      |                    |  |                 |   |                        |                   |  |   |
| Trading securities                               | 1,425              | (48)   | —               | (45)  | 526                    | 1,858             | (48)   | —   |
| Mortgage loans                                   | 2,113              | (73)   | —               | 2   | —                      | 2,042             | (73)   | —   |
| Investment funds                                 | 1,351              | (30)   | —               | 81  | —                      | 1,402             | (30)   | —   |
| Other investments                                | 99                 | 5  | —               | (12)  | —                      | 92                | 5  | —   |
| <b>Total Level 3 assets</b>                      | <b>\$ 56,969</b>   | <b>\$ (1,537)</b>                            | <b>\$ (27)</b>  | <b>\$ 4,539</b>                                 | <b>\$ 64</b>           | <b>\$ 60,008</b>  | <b>\$ (1,100)</b>                                      | <b>\$ (42)</b>                                    |
| <b>Liabilities</b>                               |                    |  |                 |   |                        |                   |  |   |
| Interest sensitive contract liabilities          |                    |  |                 |   |                        |                   |  |   |
| Embedded derivative                              | \$ (8,198)         | \$ 1,251                                     | \$ —            | \$ (398)  | \$ —                   | \$ (7,345)        | \$ —   | \$ —  |
| Universal life benefits                          | (854)              | 115  | —               | —   | —                      | (739)             | —  | —   |
| Future policy benefits                           |                    |  |                 |   |                        |                   |  |   |
| AmerUs Closed Block                              | (1,159)            | 59   | —               | —   | —                      | (1,100)           | —  | —   |
| ILICO Closed Block and life benefits             | (571)              | 20   | —               | —   | —                      | (551)             | —  | —   |
| Derivative liabilities                           | (1)                | —  | —               | —   | —                      | (1)               | —  | —   |
| Other liabilities                                | (209)              | (4)  | —               | —   | —                      | (213)             | —  | —   |
| <b>Total Level 3 liabilities</b>                 | <b>\$ (10,992)</b> | <b>\$ 1,441</b>                              | <b>\$ —</b>     | <b>\$ (398)</b>                                 | <b>\$ —</b>            | <b>\$ (9,949)</b> | <b>\$ —</b>  | <b>\$ —</b>                                       |

<sup>1</sup> Related to instruments held at end of period.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Nine months ended September 30, 2024

| (In millions)                                       | Total realized and<br>unrealized gains (losses) |                       | Net purchases,<br>issuances,<br>sales and<br>settlements | Net<br>transfers in<br>(out) | Ending<br>balance | Total gains<br>(losses)<br>included in<br>earnings <sup>1</sup> | Total gains<br>(losses)<br>included in<br>OCI <sup>1</sup> |                    |
|---|---|-----------------------|--|------------------------------|-------------------|---|--|--------------------|
|   | Beginning<br>balance                            | Included in<br>income |  |                              |                   |   |  | Included in<br>OCI |
| <b>Assets</b>                                       |   |                       |  |                              |                   |   |  |                    |
| AFS securities                                      |   |                       |  |                              |                   |   |  |                    |
| Foreign governments                                 | \$ 40   | \$ —                  | \$ 1   | \$ (6)                       | \$ —              | \$ 35   | \$ —   | \$ 1               |
| Corporate   | 2,525   | 3                     | 87   | 2,387                        | (827)             | 4,175   | —  | 110                |
| ABS   | 6,943   | (14)                  | 314  | 8,371                        | 1                 | 15,615  | —  | 298                |
| CMBS  | 21  | 1                     | (5)  | —                            | —                 | 17  | —  | (3)                |
| RMBS  | 265   | 5                     | 3  | 72                           | (2)               | 343   | —  | 2                  |
| Trading securities                                  | 28  | 1                     | —  | (6)                          | 14                | 37  | —  | —                  |
| Equity securities                                   | 26  | (1)                   | —  | 1                            | —                 | 26  | —  | —                  |
| Mortgage loans                                      | 44,115  | 825                   | —  | 13,647                       | —                 | 58,587  | 965  | —                  |
| Funds withheld at interest –<br>embedded derivative | (3,379)   | 798                   | —  | —                            | —                 | (2,581)   | —  | —                  |
| Derivative assets                                   | —   | —                     | —  | —                            | 1                 | 1   | —  | —                  |
| Short-term investments                              | 105   | —                     | —  | 142                          | (79)              | 168   | —  | —                  |
| Other investments                                   | 630   | (6)                   | —  | 280                          | —                 | 904   | (7)  | —                  |
| Investments in related parties                      |   |                       |  |                              |                   |   |  |                    |
| AFS securities                                      |   |                       |  |                              |                   |   |  |                    |
| Corporate   | 1,171   | (2)                   | 33   | (22)                         | 201               | 1,381   | —  | 31                 |
| CLO   | 506   | —                     | 17   | 42                           | —                 | 565   | —  | 18                 |
| ABS   | 7,826   | 46                    | 22   | 1,915                        | —                 | 9,809   | 2  | 20                 |
| Trading securities                                  | 838   | (1)                   | —  | (218)                        | —                 | 619   | (2)  | —                  |
| Equity securities                                   | 255   | 2                     | —  | —                            | —                 | 257   | 2  | —                  |
| Mortgage loans                                      | 1,281   | 41                    | —  | 23                           | —                 | 1,345   | (41)   | —                  |
| Investment funds                                    | 1,082   | 24                    | —  | —                            | —                 | 1,106   | 24   | —                  |
| Funds withheld at interest –<br>embedded derivative | (721)   | 191                   | —  | —                            | —                 | (530)   | —  | —                  |
| Other investments                                   | 343   | 5                     | —  | —                            | —                 | 348   | 5  | —                  |
| Reinsurance recoverable                             | 1,367   | 51                    | —  | 292                          | —                 | 1,710   | —  | —                  |
| Assets of consolidated VIEs                         |   |                       |  |                              |                   |   |  |                    |
| Trading securities                                  | 1,852   | 31                    | —  | 103                          | (48)              | 1,938   | 30   | —                  |
| Mortgage loans                                      | 2,173   | 2                     | —  | 51                           | —                 | 2,226   | 2  | —                  |
| Investment funds                                    | 977   | (66)                  | —  | 339                          | (432)             | 818   | (66)   | —                  |
| Other investments                                   | 101   | —                     | —  | 53                           | —                 | 154   | 1  | —                  |
| <b>Total Level 3 assets</b>                         | <b>\$ 70,370</b>                                | <b>\$ 1,936</b>       | <b>\$ 472</b>  | <b>\$ 27,466</b>             | <b>\$ (1,171)</b> | <b>\$ 99,073</b>  | <b>\$ 915</b>  | <b>\$ 477</b>      |
| <b>Liabilities</b>                                  |   |                       |  |                              |                   |   |  |                    |
| Interest sensitive contract liabilities             |   |                       |  |                              |                   |   |  |                    |
| Embedded derivative                                 | \$ (9,059)                                      | \$ (1,270)            | \$ —   | \$ (1,667)                   | \$ —              | \$ (11,996)   | \$ —   | \$ —               |
| Universal life benefits                             | (834)   | 14                    | —  | —                            | —                 | (820)   | —  | —                  |
| Future policy benefits                              |   |                       |  |                              |                   |   |  |                    |
| AmerUs Closed Block                                 | (1,178)   | 12                    | —  | —                            | —                 | (1,166)   | —  | —                  |
| ILICO Closed Block and life<br>benefits             | (522)   | (23)                  | —  | —                            | —                 | (545)   | —  | —                  |
| Derivative liabilities                              | (1)   | —                     | —  | —                            | —                 | (1)   | —  | —                  |
| Other liabilities                                   | (330)   | (123)                 | —  | 52                           | 64                | (337)   | —  | —                  |
| <b>Total Level 3 liabilities</b>                    | <b>\$ (11,924)</b>                              | <b>\$ (1,390)</b>     | <b>\$ —</b>  | <b>\$ (1,615)</b>            | <b>\$ 64</b>      | <b>\$ (14,865)</b>  | <b>\$ —</b>  | <b>\$ —</b>        |

<sup>1</sup> Related to instruments held at end of period.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Nine months ended September 30, 2023

| (In millions)                                       | Total realized and<br>unrealized gains (losses) |                       | Net purchases,<br>issuances,<br>sales and<br>settlements | Net<br>transfers in<br>(out) | Ending<br>balance | Total gains<br>(losses)<br>included in<br>earnings <sup>1</sup> | Total gains<br>(losses)<br>included in<br>OCI <sup>1</sup> |                    |
|---|---|-----------------------|--|------------------------------|-------------------|---|--|--------------------|
|   | Beginning<br>balance                            | Included in<br>income |  |                              |                   |   |  | Included in<br>OCI |
| <b>Assets</b>                                       |   |                       |  |                              |                   |   |  |                    |
| AFS securities                                      |   |                       |  |                              |                   |   |  |                    |
| Foreign governments                                 | \$ 1  | \$ —                  | \$ (2)   | \$ 47                        | \$ —              | \$ 46   | \$ —   | \$ (2)             |
| Corporate   | 1,665   | (9)                   | (1)  | 1,170                        | (444)             | 2,381   | —  | (7)                |
| ABS   | 4,867   | —                     | (36)   | 794                          | (999)             | 4,626   | —  | (49)               |
| CMBS  | —   | —                     | —  | —                            | 12                | 12  | —  | (1)                |
| RMBS  | 232   | 6                     | 2  | 258                          | (235)             | 263   | —  | —                  |
| Trading securities                                  | 53  | 2                     | —  | (12)                         | (11)              | 32  | —  | —                  |
| Equity securities                                   | 92  | (5)                   | —  | —                            | (13)              | 74  | (5)  | —                  |
| Mortgage loans                                      | 27,454  | (794)                 | —  | 11,318                       | —                 | 37,978  | (792)  | —                  |
| Funds withheld at interest –<br>embedded derivative | (4,847)   | (134)                 | —  | —                            | —                 | (4,981)   | —  | —                  |
| Short-term investments                              | 36  | —                     | (3)  | 70                           | 26                | 129   | —  | (1)                |
| Other investments                                   | 441   | (5)                   | —  | 41                           | —                 | 477   | (7)  | —                  |
| Investments in related parties                      |   |                       |  |                              |                   |   |  |                    |
| AFS securities                                      |   |                       |  |                              |                   |   |  |                    |
| Corporate   | 812   | 2                     | (18)   | 175                          | 215               | 1,186   | —  | (18)               |
| CLO   | 303   | —                     | 15   | 185                          | —                 | 503   | —  | 15                 |
| ABS   | 5,542   | 7                     | 38   | 1,968                        | 284               | 7,839   | (2)  | 32                 |
| Trading securities                                  | 878   | 6                     | —  | (13)                         | —                 | 871   | 3  | —                  |
| Equity securities                                   | 279   | (2)                   | —  | (32)                         | —                 | 245   | (3)  | —                  |
| Mortgage loans                                      | 1,302   | (44)                  | —  | (24)                         | —                 | 1,234   | (44)   | —                  |
| Investment funds                                    | 959   | 52                    | —  | 32                           | —                 | 1,043   | 53   | —                  |
| Funds withheld at interest –<br>embedded derivative | (1,425)   | 453                   | —  | —                            | —                 | (972)   | —  | —                  |
| Other investments                                   | 303   | (18)                  | —  | 42                           | —                 | 327   | (19)   | —                  |
| Reinsurance recoverable                             | 1,388   | (87)                  | —  | —                            | —                 | 1,301   | —  | —                  |
| Assets of consolidated VIEs                         |   |                       |  |                              |                   |   |  |                    |
| Trading securities                                  | 622   | (40)                  | —  | (55)                         | 1,331             | 1,858   | (40)   | —                  |
| Mortgage loans                                      | 2,055   | (71)                  | —  | 58                           | —                 | 2,042   | (71)   | —                  |
| Investment funds                                    | 2,471   | (7)                   | —  | 73                           | (1,135)           | 1,402   | (7)  | —                  |
| Other investments                                   | 99  | 7                     | —  | (14)                         | —                 | 92  | 7  | —                  |
| <b>Total Level 3 assets</b>                         | <b>\$ 45,582</b>                                | <b>\$ (681)</b>       | <b>\$ (5)</b>  | <b>\$ 16,081</b>             | <b>\$ (969)</b>   | <b>\$ 60,008</b>  | <b>\$ (927)</b>  | <b>\$ (31)</b>     |
| <b>Liabilities</b>                                  |   |                       |  |                              |                   |   |  |                    |
| Interest sensitive contract liabilities             |   |                       |  |                              |                   |   |  |                    |
| Embedded derivative                                 | \$ (5,841)                                      | \$ (277)              | \$ —   | \$ (1,227)                   | \$ —              | \$ (7,345)  | \$ —   | \$ —               |
| Universal life benefits                             | (829)   | 90                    | —  | —                            | —                 | (739)   | —  | —                  |
| Future policy benefits                              |   |                       |  |                              |                   |   |  |                    |
| AmerUs Closed Block                                 | (1,164)   | 64                    | —  | —                            | —                 | (1,100)   | —  | —                  |
| ILICO Closed Block and life<br>benefits             | (548)   | (3)                   | —  | —                            | —                 | (551)   | —  | —                  |
| Derivative liabilities                              | (1)   | —                     | —  | —                            | —                 | (1)   | —  | —                  |
| Other liabilities                                   | (142)   | (71)                  | —  | —                            | —                 | (213)   | —  | —                  |
| <b>Total Level 3 liabilities</b>                    | <b>\$ (8,525)</b>                               | <b>\$ (197)</b>       | <b>\$ —</b>  | <b>\$ (1,227)</b>            | <b>\$ —</b>       | <b>\$ (9,949)</b>   | <b>\$ —</b>  | <b>\$ —</b>        |

<sup>1</sup> Related to instruments held at end of period.

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**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:

| Three months ended September 30, 2024   |                  |                 |                 |                   |  |                 |                   |                              |
|---|------------------|-----------------|-----------------|-------------------|--|-----------------|-------------------|------------------------------|
| <i>(In millions)</i>                    | Purchases        | Issuances       | Sales           | Settlements       | Net purchases,<br>issuances,<br>sales and<br>settlements | Transfers in    | Transfers<br>out  | Net<br>transfers in<br>(out) |
| <b>Assets</b>                           |                  |                 |                 |                   |  |                 |                   |                              |
| AFS securities                          |                  |                 |                 |                   |  |                 |                   |                              |
| Corporate                               | \$ 912           | \$ —            | \$ (16)         | \$ (121)          | \$ 775   | \$ 68           | \$ (4,868)        | \$ (4,800)                   |
| ABS                                     | 3,004            | —               | (351)           | (451)             | 2,202  | 4,897           | (218)             | 4,679                        |
| RMBS                                    | 81               | —               | —               | (3)               | 78   | —               | —                 | —                            |
| Trading securities                      | —                | —               | —               | (1)               | (1)  | —               | —                 | —                            |
| Equity securities                       | —                | —               | —               | —                 | —  | —               | (9)               | (9)                          |
| Mortgage loans                          | 7,518            | —               | —               | (2,672)           | 4,846  | —               | —                 | —                            |
| Short-term investments                  | 168              | —               | —               | (2)               | 166  | —               | (78)              | (78)                         |
| Investments in related parties          |                  |                 |                 |                   |  |                 |                   |                              |
| AFS securities                          |                  |                 |                 |                   |  |                 |                   |                              |
| Corporate                               | 45               | —               | (65)            | (3)               | (23)   | 201             | —                 | 201                          |
| CLO                                     | 42               | —               | —               | —                 | 42   | —               | —                 | —                            |
| ABS                                     | 1,193            | —               | —               | (2,067)           | (874)  | —               | —                 | —                            |
| Trading securities                      | —                | —               | —               | (100)             | (100)  | —               | —                 | —                            |
| Mortgage loans                          | —                | —               | —               | (14)              | (14)   | —               | —                 | —                            |
| Reinsurance recoverable                 | —                | 94              | —               | (1)               | 93   | —               | —                 | —                            |
| Assets of consolidated VIEs             |                  |                 |                 |                   |  |                 |                   |                              |
| Trading securities                      | 38               | —               | (4)             | —                 | 34   | 34              | (88)              | (54)                         |
| Mortgage loans                          | 70               | —               | —               | (15)              | 55   | —               | —                 | —                            |
| Investment funds                        | 338              | —               | —               | —                 | 338  | —               | (432)             | (432)                        |
| Other investments                       | 37               | —               | —               | —                 | 37   | —               | —                 | —                            |
| <b>Total Level 3 assets</b>             | <b>\$ 13,446</b> | <b>\$ 94</b>    | <b>\$ (436)</b> | <b>\$ (5,450)</b> | <b>\$ 7,654</b>  | <b>\$ 5,200</b> | <b>\$ (5,693)</b> | <b>\$ (493)</b>              |
| <b>Liabilities</b>                      |                  |                 |                 |                   |  |                 |                   |                              |
| Interest sensitive contract liabilities |                  |                 |                 |                   |  |                 |                   |                              |
| – embedded derivative                   | \$ —             | \$ (750)        | \$ —            | \$ 263            | \$ (487)   | \$ —            | \$ —              | \$ —                         |
| Other liabilities                       | —                | —               | —               | 2                 | 2  | —               | —                 | —                            |
| <b>Total Level 3 liabilities</b>        | <b>\$ —</b>      | <b>\$ (750)</b> | <b>\$ —</b>     | <b>\$ 265</b>     | <b>\$ (485)</b>  | <b>\$ —</b>     | <b>\$ —</b>       | <b>\$ —</b>                  |



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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Three months ended September 30, 2023

| <i>(In millions)</i>                    | Purchases       | Issuances       | Sales           | Settlements       | Net purchases,<br>issuances,<br>sales and<br>settlements | Transfers in  | Transfers<br>out | Net<br>transfers in<br>(out) |
|---|-----------------|-----------------|-----------------|-------------------|--|---------------|------------------|------------------------------|
| <b>Assets</b>                           |                 |                 |                 |                   |  |               |                  |                              |
| AFS securities                          |                 |                 |                 |                   |  |               |                  |                              |
| Corporate                               | \$ 26           | \$ —            | \$ —            | \$ (52)           | \$ (26)  | \$ —          | \$ (20)          | \$ (20)                      |
| ABS                                     | 221             | —               | (13)            | (463)             | (255)  | 357           | (795)            | (438)                        |
| RMBS                                    | 261             | —               | —               | —                 | 261  | —             | (4)              | (4)                          |
| Trading securities                      | —               | —               | —               | (5)               | (5)  | —             | —                | —                            |
| Mortgage loans                          | 5,696           | —               | (285)           | (1,251)           | 4,160  | —             | —                | —                            |
| Short-term investments                  | 100             | —               | —               | —                 | 100  | —             | —                | —                            |
| Other investments                       | 145             | —               | —               | —                 | 145  | —             | —                | —                            |
| Investments in related parties          |                 |                 |                 |                   |  |               |                  |                              |
| AFS securities                          |                 |                 |                 |                   |  |               |                  |                              |
| Corporate                               | 27              | —               | —               | (3)               | 24   | —             | —                | —                            |
| ABS                                     | 426             | —               | —               | (316)             | 110  | —             | —                | —                            |
| Trading securities                      | 1               | —               | (1)             | —                 | —  | —             | —                | —                            |
| Mortgage loans                          | —               | —               | —               | (1)               | (1)  | —             | —                | —                            |
| Assets of consolidated VIEs             |                 |                 |                 |                   |  |               |                  |                              |
| Trading securities                      | 6               | —               | (51)            | —                 | (45)   | 526           | —                | 526                          |
| Mortgage loans                          | 4               | —               | —               | (2)               | 2  | —             | —                | —                            |
| Investment funds                        | 113             | —               | (32)            | —                 | 81   | —             | —                | —                            |
| Other investments                       | 2               | —               | (14)            | —                 | (12)   | —             | —                | —                            |
| <b>Total Level 3 assets</b>             | <b>\$ 7,028</b> | <b>\$ —</b>     | <b>\$ (396)</b> | <b>\$ (2,093)</b> | <b>\$ 4,539</b>  | <b>\$ 883</b> | <b>\$ (819)</b>  | <b>\$ 64</b>                 |
| <b>Liabilities</b>                      |                 |                 |                 |                   |  |               |                  |                              |
| Interest sensitive contract liabilities |                 |                 |                 |                   |  |               |                  |                              |
| – embedded derivative                   | \$ —            | \$ (573)        | \$ —            | \$ 175            | \$ (398)   | \$ —          | \$ —             | \$ —                         |
| <b>Total Level 3 liabilities</b>        | <b>\$ —</b>     | <b>\$ (573)</b> | <b>\$ —</b>     | <b>\$ 175</b>     | <b>\$ (398)</b>  | <b>\$ —</b>   | <b>\$ —</b>      | <b>\$ —</b>                  |

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Nine months ended September 30, 2024

| <i>(In millions)</i>                    | Purchases        | Issuances         | Sales             | Settlements        | Net purchases,<br>issuances,<br>sales and<br>settlements | Transfers in    | Transfers<br>out  | Net<br>transfers in<br>(out) |
|---|------------------|-------------------|-------------------|--------------------|--|-----------------|-------------------|------------------------------|
| <b>Assets</b>                           |                  |                   |                   |                    |  |                 |                   |                              |
| AFS securities                          |                  |                   |                   |                    |  |                 |                   |                              |
| Foreign governments                     | \$ —             | \$ —              | \$ —              | \$ (6)             | \$ (6)   | \$ —            | \$ —              | \$ —                         |
| Corporate                               | 2,623            | —                 | (18)              | (218)              | 2,387  | 166             | (993)             | (827)                        |
| ABS                                     | 9,635            | —                 | (423)             | (841)              | 8,371  | 748             | (747)             | 1                            |
| RMBS                                    | 81               | —                 | —                 | (9)                | 72   | —               | (2)               | (2)                          |
| Trading securities                      | —                | —                 | —                 | (6)                | (6)  | 14              | —                 | 14                           |
| Equity securities                       | 2                | —                 | (1)               | —                  | 1  | 9               | (9)               | —                            |
| Mortgage loans                          | 19,226           | —                 | (26)              | (5,553)            | 13,647   | —               | —                 | —                            |
| Derivative assets                       | —                | —                 | —                 | —                  | —  | 1               | —                 | 1                            |
| Short-term investments                  | 171              | —                 | (6)               | (23)               | 142  | —               | (79)              | (79)                         |
| Other investments                       | 280              | —                 | —                 | —                  | 280  | —               | —                 | —                            |
| Investments in related parties          |                  |                   |                   |                    |  |                 |                   |                              |
| AFS securities                          |                  |                   |                   |                    |  |                 |                   |                              |
| Corporate                               | 51               | —                 | (66)              | (7)                | (22)   | 201             | —                 | 201                          |
| CLO                                     | 42               | —                 | —                 | —                  | 42   | —               | —                 | —                            |
| ABS                                     | 5,780            | —                 | (504)             | (3,361)            | 1,915  | —               | —                 | —                            |
| Trading securities                      | 4                | —                 | —                 | (222)              | (218)  | —               | —                 | —                            |
| Mortgage loans                          | 87               | —                 | —                 | (64)               | 23   | —               | —                 | —                            |
| Reinsurance recoverable                 | —                | 294               | —                 | (2)                | 292  | —               | —                 | —                            |
| Assets of consolidated VIEs             |                  |                   |                   |                    |  |                 |                   |                              |
| Trading securities                      | 201              | —                 | (91)              | (7)                | 103  | 40              | (88)              | (48)                         |
| Mortgage loans                          | 125              | —                 | —                 | (74)               | 51   | —               | —                 | —                            |
| Investment funds                        | 339              | —                 | —                 | —                  | 339  | —               | (432)             | (432)                        |
| Other investments                       | 56               | —                 | (3)               | —                  | 53   | —               | —                 | —                            |
| <b>Total Level 3 assets</b>             | <b>\$ 38,703</b> | <b>\$ 294</b>     | <b>\$ (1,138)</b> | <b>\$ (10,393)</b> | <b>\$ 27,466</b>   | <b>\$ 1,179</b> | <b>\$ (2,350)</b> | <b>\$ (1,171)</b>            |
| <b>Liabilities</b>                      |                  |                   |                   |                    |  |                 |                   |                              |
| Interest sensitive contract liabilities |                  |                   |                   |                    |  |                 |                   |                              |
| – embedded derivative                   | \$ —             | \$ (2,408)        | \$ —              | \$ 741             | \$ (1,667)   | \$ —            | \$ —              | \$ —                         |
| Other liabilities                       | —                | —                 | —                 | 52                 | 52   | 64              | —                 | 64                           |
| <b>Total Level 3 liabilities</b>        | <b>\$ —</b>      | <b>\$ (2,408)</b> | <b>\$ —</b>       | <b>\$ 793</b>      | <b>\$ (1,615)</b>  | <b>\$ 64</b>    | <b>\$ —</b>       | <b>\$ 64</b>                 |

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Nine months ended September 30, 2023

| <i>(In millions)</i>                    | Purchases        | Issuances         | Sales           | Settlements       | Net purchases,<br>issuances,<br>sales and<br>settlements | Transfers in    | Transfers<br>out  | Net<br>transfers in<br>(out) |
|---|------------------|-------------------|-----------------|-------------------|--|-----------------|-------------------|------------------------------|
| <b>Assets</b>                           |                  |                   |                 |                   |  |                 |                   |                              |
| AFS securities                          |                  |                   |                 |                   |  |                 |                   |                              |
| Foreign governments                     | \$ 53            | \$ —              | \$ —            | \$ (6)            | \$ 47  | \$ —            | \$ —              | \$ —                         |
| Corporate                               | 1,338            | —                 | —               | (168)             | 1,170  | 29              | (473)             | (444)                        |
| ABS                                     | 1,552            | —                 | (33)            | (725)             | 794  | 695             | (1,694)           | (999)                        |
| CMBS                                    | —                | —                 | —               | —                 | —  | 12              | —                 | 12                           |
| RMBS                                    | 262              | —                 | —               | (4)               | 258  | 5               | (240)             | (235)                        |
| Trading securities                      | 8                | —                 | —               | (20)              | (12)   | 5               | (16)              | (11)                         |
| Equity securities                       | —                | —                 | —               | —                 | —  | —               | (13)              | (13)                         |
| Mortgage loans                          | 14,361           | —                 | (348)           | (2,695)           | 11,318   | —               | —                 | —                            |
| Short-term investments                  | 100              | —                 | —               | (30)              | 70   | 26              | —                 | 26                           |
| Other investments                       | 472              | —                 | —               | (431)             | 41   | —               | —                 | —                            |
| Investments in related parties          |                  |                   |                 |                   |  |                 |                   |                              |
| AFS securities                          |                  |                   |                 |                   |  |                 |                   |                              |
| Corporate                               | 184              | —                 | —               | (9)               | 175  | 215             | —                 | 215                          |
| CLO                                     | 185              | —                 | —               | —                 | 185  | —               | —                 | —                            |
| ABS                                     | 3,132            | —                 | (162)           | (1,002)           | 1,968  | 284             | —                 | 284                          |
| Trading securities                      | 28               | —                 | (38)            | (3)               | (13)   | —               | —                 | —                            |
| Equity securities                       | —                | —                 | —               | (32)              | (32)   | —               | —                 | —                            |
| Mortgage loans                          | —                | —                 | —               | (24)              | (24)   | —               | —                 | —                            |
| Investment funds                        | 32               | —                 | —               | —                 | 32   | —               | —                 | —                            |
| Other investments                       | 42               | —                 | —               | —                 | 42   | —               | —                 | —                            |
| Assets of consolidated VIEs             |                  |                   |                 |                   |  |                 |                   |                              |
| Trading securities                      | 26               | —                 | (81)            | —                 | (55)   | 1,362           | (31)              | 1,331                        |
| Mortgage loans                          | 63               | —                 | —               | (5)               | 58   | —               | —                 | —                            |
| Investment funds                        | 113              | —                 | (40)            | —                 | 73   | 475             | (1,610)           | (1,135)                      |
| Other investments                       | 7                | —                 | (21)            | —                 | (14)   | —               | —                 | —                            |
| <b>Total Level 3 assets</b>             | <b>\$ 21,958</b> | <b>\$ —</b>       | <b>\$ (723)</b> | <b>\$ (5,154)</b> | <b>\$ 16,081</b>   | <b>\$ 3,108</b> | <b>\$ (4,077)</b> | <b>\$ (969)</b>              |
| <b>Liabilities</b>                      |                  |                   |                 |                   |  |                 |                   |                              |
| Interest sensitive contract liabilities |                  |                   |                 |                   |  |                 |                   |                              |
| – embedded derivative                   | \$ —             | \$ (1,708)        | \$ —            | \$ 481            | \$ (1,227)   | \$ —            | \$ —              | \$ —                         |
| <b>Total Level 3 liabilities</b>        | <b>\$ —</b>      | <b>\$ (1,708)</b> | <b>\$ —</b>     | <b>\$ 481</b>     | <b>\$ (1,227)</b>  | <b>\$ —</b>     | <b>\$ —</b>       | <b>\$ —</b>                  |

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

*AFS, trading and equity securities* – We use discounted cash flow models to calculate the fair value for certain fixed maturity and equity 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.

*Investment funds* – We use various methods of valuing our investment funds from both independent pricing services and affiliated modeling.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*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 full withdrawal (surrender rate) assumptions. 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, trading and equity securities, mortgage loans, investment funds and the embedded derivatives of fixed indexed annuities, including those of consolidated VIEs:

| September 30, 2024   |            |                           |                     |         |         |                     |  |
|--|------------|---------------------------|---------------------|---------|---------|---------------------|--|
| <i>(In millions, except percentages and multiples)</i>                                 | Fair value | Valuation technique       | Unobservable inputs | Minimum | Maximum | Weighted average    | Impact of an increase in the input on fair value |
| AFS, trading and equity securities   | \$ 27,344  | Discounted cash flow      | Discount rate       | 4.3 %   | 17.7 %  | 6.9 % <sup>1</sup>  | Decrease   |
| Mortgage loans   | 62,158     | Discounted cash flow      | Discount rate       | 1.0 %   | 36.5 %  | 7.4 % <sup>1</sup>  | Decrease   |
| Investment funds   | 1,623      | Discounted cash flow      | Discount rate       | 6.3 %   | 13.5 %  | 11.3 % <sup>1</sup> | Decrease   |
| Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives | 11,996     | Discounted cash flow      | Nonperformance risk | 0.5 %   | 1.2 %   | 0.8 % <sup>2</sup>  | Decrease   |
|  |            |                           | Option budget       | 0.5 %   | 6.0 %   | 2.7 % <sup>3</sup>  | Increase   |
|  |            |                           | Surrender rate      | 6.2 %   | 14.0 %  | 8.7 % <sup>3</sup>  | Decrease   |
| December 31, 2023  |            |                           |                     |         |         |                     |  |
| <i>(In millions, except percentages and multiples)</i>                                 | Fair value | Valuation technique       | Unobservable inputs | Minimum | Maximum | Weighted average    | Impact of an increase in the input on fair value |
| AFS, trading and equity securities   | \$ 14,247  | Discounted cash flow      | Discount rate       | 2.3 %   | 18.1 %  | 7.0 % <sup>1</sup>  | Decrease   |
| Mortgage loans   | 47,569     | Discounted cash flow      | Discount rate       | 2.5 %   | 20.6 %  | 6.8 % <sup>1</sup>  | Decrease   |
| Investment funds   | 1,574      | Discounted cash flow      | Discount rate       | 6.3 %   | 13.5 %  | 11.2 % <sup>1</sup> | Decrease   |
|  | 483        | Net tangible asset values | Implied multiple    | 1.14x   | 1.14x   | 1.14x               | Increase   |
| Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives | 9,059      | Discounted cash flow      | Nonperformance risk | 0.4 %   | 1.4 %   | 0.9 % <sup>2</sup>  | Decrease   |
|  |            |                           | Option budget       | 0.5 %   | 6.0 %   | 2.3 % <sup>3</sup>  | Increase   |
|  |            |                           | Surrender rate      | 6.0 %   | 13.4 %  | 8.7 % <sup>3</sup>  | Decrease   |

<sup>1</sup> The discount rate weighted average is calculated based on the relative fair values of the securities or loans.

<sup>2</sup> The nonperformance risk weighted average is based on the projected cash flows attributable to the embedded derivative.

<sup>3</sup> The option budget and surrender rate weighted averages are calculated based on projected account values.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**Financial Instruments Without Readily Determinable Fair Values**—We elected the measurement alternative for certain equity securities that did not have a readily determinable fair value. The equity securities were held at cost less any impairment. During the third quarter of 2024, the equity securities were distributed as a dividend to AGM. As of December 31, 2023, the carrying amount of the equity securities was \$358 million, net of an impairment of \$42 million.

**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:

|  | September 30, 2024 |                   |               |               |                 |                   |
|--|--------------------|-------------------|---------------|---------------|-----------------|-------------------|
| (In millions)  | Carrying Value     | Fair Value        | NAV           | Level 1       | Level 2         | Level 3           |
| <b>Financial assets</b>                                      |                    |                   |               |               |                 |                   |
| Investment funds   | \$ 107             | \$ 107            | \$ 107        | \$ —          | \$ —            | \$ —              |
| Policy loans   | 320                | 320               | —             | —             | 320             | —                 |
| Funds withheld at interest                                   | 23,812             | 23,812            | —             | —             | —               | 23,812            |
| Short-term investments                                       | 205                | 205               | —             | —             | —               | 205               |
| Other investments  | 17                 | 28                | —             | —             | —               | 28                |
| Investments in related parties                               |                    |                   |               |               |                 |                   |
| Investment funds   | 498                | 498               | 498           | —             | —               | —                 |
| Funds withheld at interest                                   | 5,974              | 5,974             | —             | —             | —               | 5,974             |
| Short-term investments                                       | 812                | 812               | —             | —             | 812             | —                 |
| <b>Total financial assets not carried at fair value</b>      | <b>\$ 31,745</b>   | <b>\$ 31,756</b>  | <b>\$ 605</b> | <b>\$ —</b>   | <b>\$ 1,132</b> | <b>\$ 30,019</b>  |
| <b>Financial liabilities</b>                                 |                    |                   |               |               |                 |                   |
| Interest sensitive contract liabilities                      | \$ 191,137         | \$ 187,554        | \$ —          | \$ —          | \$ —            | \$ 187,554        |
| Debt   | 5,725              | 5,448             | —             | 591           | 4,857           | —                 |
| Securities to repurchase                                     | 2,666              | 2,666             | —             | —             | 2,666           | —                 |
| Funds withheld liability                                     | 3,416              | 3,416             | —             | —             | —               | 3,416             |
| <b>Total financial liabilities not carried at fair value</b> | <b>\$ 202,944</b>  | <b>\$ 199,084</b> | <b>\$ —</b>   | <b>\$ 591</b> | <b>\$ 7,523</b> | <b>\$ 190,970</b> |

|  | December 31, 2023 |                   |               |             |                 |                   |
|--|-------------------|-------------------|---------------|-------------|-----------------|-------------------|
| (In millions)  | Carrying Value    | Fair Value        | NAV           | Level 1     | Level 2         | Level 3           |
| <b>Financial assets</b>                                      |                   |                   |               |             |                 |                   |
| Investment funds   | \$ 109            | \$ 109            | \$ 109        | \$ —        | \$ —            | \$ —              |
| Policy loans   | 334               | 334               | —             | —           | 334             | —                 |
| Funds withheld at interest                                   | 27,738            | 27,738            | —             | —           | —               | 27,738            |
| Other investments  | 46                | 52                | —             | —           | —               | 52                |
| Investments in related parties                               |                   |                   |               |             |                 |                   |
| Investment funds   | 550               | 550               | 550           | —           | —               | —                 |
| Funds withheld at interest                                   | 7,195             | 7,195             | —             | —           | —               | 7,195             |
| Short-term investments                                       | 947               | 947               | —             | —           | 947             | —                 |
| <b>Total financial assets not carried at fair value</b>      | <b>\$ 36,919</b>  | <b>\$ 36,925</b>  | <b>\$ 659</b> | <b>\$ —</b> | <b>\$ 1,281</b> | <b>\$ 34,985</b>  |
| <b>Financial liabilities</b>                                 |                   |                   |               |             |                 |                   |
| Interest sensitive contract liabilities                      | \$ 154,095        | \$ 146,038        | \$ —          | \$ —        | \$ —            | \$ 146,038        |
| Debt   | 4,209             | 3,660             | —             | —           | 3,660           | —                 |
| Securities to repurchase                                     | 3,853             | 3,853             | —             | —           | 3,853           | —                 |
| Funds withheld liability                                     | 350               | 350               | —             | —           | 350             | —                 |
| <b>Total financial liabilities not carried at fair value</b> | <b>\$ 162,507</b> | <b>\$ 153,901</b> | <b>\$ —</b>   | <b>\$ —</b> | <b>\$ 7,863</b> | <b>\$ 146,038</b> |

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, funds withheld at interest and liability, short-term investments and securities to repurchase, the carrying amount approximates fair value.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*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 1 or Level 2. The pricing services use quoted market prices, if available, or 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.

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

The following represents a rollforward of DAC and DSI by product, and a rollforward of VOBA. See *Note 7 – Long-duration Contracts* for more information on our products.

| Nine months ended September 30, 2024 |                                |                   |                    |                       |                   |          |                         |
|--------------------------------------|--------------------------------|-------------------|--------------------|-----------------------|-------------------|----------|-------------------------|
| <i>(In millions)</i>                 | DAC                            |                   |                    |                       | DSI               |          | Total DAC, DSI and VOBA |
|                                      | Traditional deferred annuities | Indexed annuities | Funding agreements | Other investment-type | Indexed annuities | VOBA     |                         |
| Balance at December 31, 2023         | \$ 890                         | \$ 1,517          | \$ 10              | \$ 11                 | \$ 970            | \$ 2,581 | \$ 5,979                |
| Additions                            | 404                            | 751               | 36                 | —                     | 479               | —        | 1,670                   |
| Amortization                         | (176)                          | (131)             | (8)                | (1)                   | (88)              | (274)    | (678)                   |
| Balance at September 30, 2024        | \$ 1,118                       | \$ 2,137          | \$ 38              | \$ 10                 | \$ 1,361          | \$ 2,307 | \$ 6,971                |

| Nine months ended September 30, 2023 |                                |                   |                    |                       |                   |          |                         |
|--------------------------------------|--------------------------------|-------------------|--------------------|-----------------------|-------------------|----------|-------------------------|
| <i>(In millions)</i>                 | DAC                            |                   |                    |                       | DSI               |          | Total DAC, DSI and VOBA |
|                                      | Traditional deferred annuities | Indexed annuities | Funding agreements | Other investment-type | Indexed annuities | VOBA     |                         |
| Balance at December 31, 2022         | \$ 304                         | \$ 755            | \$ 11              | \$ 9                  | \$ 399            | \$ 2,988 | \$ 4,466                |
| Additions                            | 426                            | 609               | 2                  | 3                     | 447               | —        | 1,487                   |
| Amortization                         | (74)                           | (69)              | (3)                | (1)                   | (40)              | (315)    | (502)                   |
| Other                                | —                              | —                 | —                  | —                     | —                 | (3)      | (3)                     |
| Balance at September 30, 2023        | \$ 656                         | \$ 1,295          | \$ 10              | \$ 11                 | \$ 806            | \$ 2,670 | \$ 5,448                |

Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds, including traditional deferred annuities and indexed annuities, are amortized on a constant-level basis for a cohort of contracts using initial premium or deposit. Significant inputs and assumptions are required for determining the expected duration of the cohort and involves using accepted actuarial methods to determine decrement rates related to policyholder behavior for lapses, withdrawals (surrenders) and mortality. The assumptions used to determine the amortization of DAC and DSI are consistent with those used to estimate the related liability balance.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of policyholder funds are amortized using the effective interest method, which primarily includes funding agreements. The effective interest method requires inputs to project future cash flows, which for funding agreements includes contractual terms of notional value, periodic interest payments based on either fixed or floating interest rates, and duration. For other investment-type contracts which include immediate annuities and assumed endowments without significant mortality risks, assumptions are required related to policyholder behavior for lapses and withdrawals (surrenders).

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**7. Long-duration Contracts**

*Interest sensitive contract liabilities* – Interest sensitive contract liabilities primarily include:

- traditional deferred annuities,
- indexed annuities consisting of fixed indexed and index-linked variable annuities,
- funding agreements, and
- other investment-type contracts comprising of immediate annuities without significant mortality risk (which includes pension group annuities without life contingencies) and assumed endowments without significant mortality risks.

The following represents a rollforward of the policyholder account balance by product within interest sensitive contract liabilities. Where explicit policyholder account balances do not exist, the disaggregated rollforward represents the recorded reserve.

|  | Nine months ended September 30, 2024 |                   |                    |                       |                   |
|--|--------------------------------------|-------------------|--------------------|-----------------------|-------------------|
| <i>(In millions, except percentages)</i> | Traditional deferred annuities       | Indexed annuities | Funding agreements | Other investment-type | Total             |
| <b>Balance at December 31, 2023</b>      | \$ 64,763                            | \$ 93,147         | \$ 32,350          | \$ 7,629              | \$ 197,889        |
| Deposits                                 | 19,786                               | 12,761            | 24,083             | 933                   | 57,563            |
| Policy charges                           | (2)                                  | (522)             | —                  | —                     | (524)             |
| Surrenders and withdrawals               | (3,691)                              | (9,724)           | —                  | (63)                  | (13,478)          |
| Benefit payments                         | (830)                                | (1,204)           | (7,746)            | (173)                 | (9,953)           |
| Interest credited                        | 2,323                                | 2,313             | 1,173              | 152                   | 5,961             |
| Foreign exchange                         | (1)                                  | 1                 | 116                | (56)                  | 60                |
| Other                                    | —                                    | —                 | 421                | (74)                  | 347               |
| <b>Balance at September 30, 2024</b>     | <u>\$ 82,348</u>                     | <u>\$ 96,772</u>  | <u>\$ 50,397</u>   | <u>\$ 8,348</u>       | <u>\$ 237,865</u> |
| Weighted average crediting rate          | 4.3 %                                | 2.6 %             | 4.5 %              | 2.6 %                 |                   |
| Net amount at risk                       | \$ 427                               | \$ 15,221         | \$ —               | \$ 65                 |                   |
| Cash surrender value                     | 78,049                               | 89,378            | —                  | 7,112                 |                   |

|  | Nine months ended September 30, 2023 |                   |                    |                       |                   |
|--|--------------------------------------|-------------------|--------------------|-----------------------|-------------------|
| <i>(In millions, except percentages)</i> | Traditional deferred annuities       | Indexed annuities | Funding agreements | Other investment-type | Total             |
| <b>Balance at December 31, 2022</b>      | \$ 43,518                            | \$ 92,660         | \$ 27,439          | \$ 4,722              | \$ 168,339        |
| Deposits                                 | 18,011                               | 8,960             | 4,893              | 3,760                 | 35,624            |
| Policy charges                           | (2)                                  | (481)             | —                  | —                     | (483)             |
| Surrenders and withdrawals               | (8,207)                              | (8,292)           | (110)              | (25)                  | (16,634)          |
| Benefit payments                         | (738)                                | (1,216)           | (2,264)            | (223)                 | (4,441)           |
| Interest credited                        | 1,284                                | 802               | 628                | 110                   | 2,824             |
| Foreign exchange                         | (77)                                 | (1)               | (26)               | (344)                 | (448)             |
| Other <sup>1</sup>                       | 63                                   | 77                | (46)               | (1,419)               | (1,325)           |
| <b>Balance at September 30, 2023</b>     | <u>\$ 53,852</u>                     | <u>\$ 92,509</u>  | <u>\$ 30,514</u>   | <u>\$ 6,581</u>       | <u>\$ 183,456</u> |
| Weighted average crediting rate          | 3.7 %                                | 2.3 %             | 3.1 %              | 2.7 %                 |                   |
| Net amount at risk                       | \$ 425                               | \$ 14,438         | \$ —               | \$ 104                |                   |
| Cash surrender value                     | 50,352                               | 84,052            | —                  | 5,335                 |                   |

<sup>1</sup> Other includes \$1,371 million reduction of reserves related to the Venerable Insurance and Annuity Company (VIAC) recapture agreement. See Note 11 – Related Parties for further information.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The following is a reconciliation of interest sensitive contract liabilities to the condensed consolidated balance sheets:

| <i>(In millions)</i>                           | September 30,     |                   |
|--|-------------------|-------------------|
|  | 2024              | 2023              |
| Traditional deferred annuities                 | \$ 82,348         | \$ 53,852         |
| Indexed annuities                              | 96,772            | 92,509            |
| Funding agreements                             | 50,397            | 30,514            |
| Other investment-type                          | 8,348             | 6,581             |
| Reconciling items <sup>1</sup>                 | 7,571             | 5,609             |
| <b>Interest sensitive contract liabilities</b> | <b>\$ 245,436</b> | <b>\$ 189,065</b> |

<sup>1</sup> Reconciling items primarily include embedded derivatives in indexed annuities, unaccrued host contract adjustments on indexed annuities, negative VOBA, sales inducement liabilities, and wholly ceded universal life insurance contracts.

The following represents policyholder account balances by range of guaranteed minimum crediting rates, as well as the related range of the difference between rates being credited to policyholders and the respective guaranteed minimums:

| <i>(In millions)</i> | September 30, 2024    |   |  |                   |
|----------------------|-----------------------|---|--|-------------------|
|                      | At guaranteed minimum | 1 basis point – 100 basis points above guaranteed minimum | Greater than 100 basis points above guaranteed minimum | Total             |
| < 2.0%               | \$ 28,488             | \$ 15,531   | \$ 126,352   | \$ 170,371        |
| 2.0% – < 4.0%        | 23,576                | 1,787   | 1,927  | 27,290            |
| 4.0% – < 6.0%        | 28,764                | 75  | 1  | 28,840            |
| 6.0% and greater     | 11,364                | —   | —  | 11,364            |
| <b>Total</b>         | <b>\$ 92,192</b>      | <b>\$ 17,393</b>  | <b>\$ 128,280</b>                                      | <b>\$ 237,865</b> |

| <i>(In millions)</i> | September 30, 2023    |   |  |                   |
|----------------------|-----------------------|---|--|-------------------|
|                      | At guaranteed minimum | 1 basis point – 100 basis points above guaranteed minimum | Greater than 100 basis points above guaranteed minimum | Total             |
| < 2.0%               | \$ 28,564             | \$ 19,709   | \$ 90,121  | \$ 138,394        |
| 2.0% – < 4.0%        | 28,838                | 1,128   | 541  | 30,507            |
| 4.0% – < 6.0%        | 11,433                | 9   | 1  | 11,443            |
| 6.0% and greater     | 3,112                 | —   | —  | 3,112             |
| <b>Total</b>         | <b>\$ 71,947</b>      | <b>\$ 20,846</b>  | <b>\$ 90,663</b>                                       | <b>\$ 183,456</b> |



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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*Future policy benefits* – Future policy benefits consist primarily of payout annuities, including single premium immediate annuities with life contingencies (which include pension group annuities with life contingencies), and whole life insurance contracts.

The following is a rollforward by product within future policy benefits:

|   | Nine months ended September 30, 2024        |            |           |
|---|---|------------|-----------|
|   | Payout annuities with<br>life contingencies | Whole life | Total     |
| <i>(In millions, except percentages and years)</i>                    |   |            |           |
| <b>Present value of expected net premiums</b>                         |   |            |           |
| Beginning balance   | \$ —  | \$ 1,182   | \$ 1,182  |
| Effect of changes in discount rate assumptions                        | —   | (45)       | (45)      |
| Effect of foreign exchange on the change in discount rate assumptions | —   | (2)        | (2)       |
| Beginning balance at original discount rate                           | —   | 1,135      | 1,135     |
| Effect of actual to expected experience                               | —   | (4)        | (4)       |
| Adjusted balance  | —   | 1,131      | 1,131     |
| Interest accrual  | —   | 17         | 17        |
| Net premium collected   | —   | (144)      | (144)     |
| Foreign exchange  | —   | (28)       | (28)      |
| Ending balance at original discount rate                              | —   | 976        | 976       |
| Effect of changes in discount rate assumptions                        | —   | 41         | 41        |
| Effect of foreign exchange on the change in discount rate assumptions | —   | 1          | 1         |
| Ending balance  | \$ —  | \$ 1,018   | \$ 1,018  |
| <b>Present value of expected future policy benefits</b>               |   |            |           |
| Beginning balance   | \$ 45,001                                   | \$ 3,371   | \$ 48,372 |
| Effect of changes in discount rate assumptions                        | 6,233                                       | (89)       | 6,144     |
| Effect of foreign exchange on the change in discount rate assumptions | 1   | (6)        | (5)       |
| Beginning balance at original discount rate                           | 51,235                                      | 3,276      | 54,511    |
| Effect of changes in cash flow assumptions                            | (104)                                       | —          | (104)     |
| Effect of actual to expected experience                               | (89)  | (4)        | (93)      |
| Adjusted balance  | 51,042                                      | 3,272      | 54,314    |
| Issuances   | 1,010                                       | —          | 1,010     |
| Interest accrual  | 1,353                                       | 52         | 1,405     |
| Benefit payments  | (3,355)                                     | (66)       | (3,421)   |
| Foreign exchange  | 33  | (64)       | (31)      |
| Ending balance at original discount rate                              | 50,083                                      | 3,194      | 53,277    |
| Effect of changes in discount rate assumptions                        | (5,362)                                     | 46         | (5,316)   |
| Effect of foreign exchange on the change in discount rate assumptions | (16)  | (3)        | (19)      |
| Ending balance  | \$ 44,705                                   | \$ 3,237   | \$ 47,942 |
| Net future policy benefits  | \$ 44,705                                   | \$ 2,219   | \$ 46,924 |
| Weighted-average liability duration <i>(in years)</i>                 | 9.4   | 31.3       |           |
| Weighted-average interest accretion rate                              | 3.7 %                                       | 4.8 %      |           |
| Weighted-average current discount rate                                | 5.0 %                                       | 4.0 %      |           |
| Expected future gross premiums, undiscounted                          | \$ —  | \$ 1,255   |           |
| Expected future gross premiums, discounted <sup>1</sup>               | —   | 1,064      |           |
| Expected future benefit payments, undiscounted                        | 73,523                                      | 10,235     |           |

<sup>1</sup> Discounted at the original discount rate.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

| (In millions, except percentages and years)                           | Nine months ended September 30, 2023     |            |           |
|---|--|------------|-----------|
|   | Payout annuities with life contingencies | Whole life | Total     |
| <b>Present value of expected future policy benefits</b>               |  |            |           |
| Beginning balance   | \$ 36,422                                | \$ —       | \$ 36,422 |
| Effect of changes in discount rate assumptions                        | 8,425                                    | —          | 8,425     |
| Effect of foreign exchange on the change in discount rate assumptions | (13)                                     | —          | (13)      |
| Beginning balance at original discount rate                           | 44,834                                   | —          | 44,834    |
| Effect of changes in cash flow assumptions                            | (297)                                    | —          | (297)     |
| Effect of actual to expected experience                               | (36)                                     | —          | (36)      |
| Adjusted balance  | 44,501                                   | —          | 44,501    |
| Issuances   | 9,120                                    | —          | 9,120     |
| Interest accrual  | 1,194                                    | —          | 1,194     |
| Benefit payments  | (2,731)                                  | —          | (2,731)   |
| Foreign exchange  | 6  | —          | 6         |
| Other <sup>1</sup>  | (1,509)                                  | —          | (1,509)   |
| Ending balance at original discount rate                              | 50,581                                   | —          | 50,581    |
| Effect of changes in discount rate assumptions                        | (9,753)                                  | —          | (9,753)   |
| Effect of foreign exchange on the change in discount rate assumptions | 12                                       | —          | 12        |
| Ending balance  | \$ 40,840                                | \$ —       | \$ 40,840 |
| Net future policy benefits  | \$ 40,840                                | \$ —       | \$ 40,840 |
| Weighted-average liability duration (in years)                        | 9.6                                      | 0.0        |           |
| Weighted-average interest accretion rate                              | 3.6 %                                    | — %        |           |
| Weighted-average current discount rate                                | 6.1 %                                    | — %        |           |
| Expected future benefit payments, undiscounted                        | \$ 73,933                                | \$ —       |           |

<sup>1</sup> Other includes \$1,509 million reduction of reserves related to the VIAC recapture agreement. See Note 11 – Related Parties for further information.

The following is a reconciliation of future policy benefits to the condensed consolidated balance sheets:

| (In millions)                            | September 30,    |                  |
|--|------------------|------------------|
|  | 2024             | 2023             |
| Payout annuities with life contingencies | \$ 44,705        | \$ 40,840        |
| Whole life                               | 2,219            | —                |
| Reconciling items <sup>1</sup>           | 6,038            | 5,832            |
| <b>Future policy benefits</b>            | <b>\$ 52,962</b> | <b>\$ 46,672</b> |

<sup>1</sup> Reconciling items primarily include the deferred profit liability and negative VOBA associated with the liability for future policy benefits. Additionally, it includes term life reserves, fully ceded whole life reserves, and reserves for immaterial lines of business including accident and health and disability, as well as other insurance benefit reserves for no-lapse guarantees with universal life contracts, all of which are fully ceded.

The following is a reconciliation of premiums and interest expense relating to future policy benefits to the condensed consolidated statements of income:

| (In millions)                            | Premiums                        |                 | Interest expense                |                 |
|--|---------------------------------|-----------------|---------------------------------|-----------------|
|  | Nine months ended September 30, |                 | Nine months ended September 30, |                 |
|  | 2024                            | 2023            | 2024                            | 2023            |
| Payout annuities with life contingencies | \$ 985                          | \$ 9,142        | \$ 1,353                        | \$ 1,194        |
| Whole life                               | 154                             | —               | 35                              | —               |
| Reconciling items <sup>1</sup>           | 24                              | 21              | —                               | —               |
| <b>Total</b>                             | <b>\$ 1,163</b>                 | <b>\$ 9,163</b> | <b>\$ 1,388</b>                 | <b>\$ 1,194</b> |

<sup>1</sup> Reconciling items primarily relate to immaterial lines of business including term life, fully ceded whole life, and accident and health and disability.

Significant assumptions and inputs to the calculation of future policy benefits for payout annuities with life contingencies include policyholder demographic data, assumptions for policyholder longevity and policyholder utilization for contracts with deferred lives, and discount rates. For whole life products, significant assumptions and inputs include policyholder demographic data, assumptions for mortality, morbidity, and lapse and discount rates.

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

We base certain key assumptions related to policyholder behavior on industry standard data adjusted to align with actual company experience, if necessary. At least annually, we review all significant cash flow assumptions and update as necessary, unless emerging experience indicates a more frequent review is necessary. The discount rate reflects market observable inputs from upper-medium grade fixed income instrument yields and is interpolated, where necessary, to conform to the duration of our liabilities.

During the nine months ended September 30, 2024, the present value of expected future policy benefits decreased by \$430 million, which was driven by \$3,421 million of benefit payments and \$104 million of favorable unlocking of assumptions, offset by \$1,405 million of interest accruals, \$1,010 million of issuances, primarily pension group annuities, and an \$832 million change in discount rate assumptions related to a decrease in market observable rates.

During the nine months ended September 30, 2023, the present value of expected future policy benefits increased by \$4,418 million, which was driven by \$9,120 million of issuances, primarily pension group annuities, and \$1,194 million of interest accrual, partially offset by \$2,731 million of benefit payments, a \$1,509 million reduction in reserve related to recapture, a \$1,328 million change in discount rate assumptions related to an increase in rates, and \$297 million resulting from favorable unlocking of assumptions, primarily related to higher interest rates and favorable mortality experience lowering future benefit payments.

The following is a summary of rereasurement gains (losses) included within future policy and other policy benefits on the condensed consolidated statements of income:

| <i>(In millions)</i>                      | Nine months ended September 30, |              |
|---|---------------------------------|--------------|
|   | 2024                            | 2023         |
| Reserves                                  | \$ 193                          | \$ 333       |
| Deferred profit liability                 | (37)                            | (243)        |
| Negative VOBA                             | (52)                            | (54)         |
| <b>Total rereasurement gains (losses)</b> | <b>\$ 104</b>                   | <b>\$ 36</b> |

During the nine months ended September 30, 2024 and 2023, we recorded reserve increases of \$15 million and \$110 million, respectively, on the condensed consolidated statements of income as a result of the present value of benefits and expenses exceeding the present value of gross premiums.

*Market risk benefits* – We issue and reinsure traditional deferred and indexed annuity products that contain guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) riders that meet the criteria to be classified as market risk benefits.

The following is a rollforward of net market risk benefit liabilities by product:

| <i>(In millions, except years)</i>  | Nine months ended September 30, 2024 |                   |              |
|---|--------------------------------------|-------------------|--------------|
|   | Traditional deferred annuities       | Indexed annuities | Total        |
| <b>Balance at December 31, 2023</b>   | \$ 192                               | \$ 3,181          | \$ 3,373     |
| Effect of changes in instrument-specific credit risk                            | 2                                    | (10)              | (8)          |
| Balance, beginning of period, before changes in instrument-specific credit risk | 194                                  | 3,171             | 3,365        |
| Issuances   | —                                    | 270               | 270          |
| Interest accrual  | 8                                    | 143               | 151          |
| Attributed fees collected   | 1                                    | 265               | 266          |
| Benefit payments  | (3)                                  | (39)              | (42)         |
| Effect of changes in interest rates   | (2)                                  | (34)              | (36)         |
| Effect of changes in equity   | —                                    | (115)             | (115)        |
| Effect of actual policyholder behavior compared to expected behavior            | 5                                    | 64                | 69           |
| Effect of changes in future expected policyholder behavior                      | (3)                                  | 88                | 85           |
| Effect of changes in other future expected assumptions                          | —                                    | (19)              | (19)         |
| Balance, end of period, before changes in instrument-specific credit risk       | 200                                  | 3,794             | 3,994        |
| Effect of changes in instrument-specific credit risk                            | 1                                    | 94                | 95           |
| <b>Balance at September 30, 2024</b>  | <b>201</b>                           | <b>3,888</b>      | <b>4,089</b> |
| Less: Reinsurance recoverable   | —                                    | (40)              | (40)         |
| Balance at September 30, 2024, net of reinsurance                               | \$ 201                               | \$ 3,848          | \$ 4,049     |
| Net amount at risk  | \$ 427                               | \$ 15,221         |              |
| Weighted-average attained age of contract holders <i>(in years)</i>             | 76                                   | 69                |              |

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**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Nine months ended September 30, 2023

| <i>(In millions, except years)</i>  | Nine months ended September 30, 2023 |                   |                 |
|---|--------------------------------------|-------------------|-----------------|
|   | Traditional deferred annuities       | Indexed annuities | Total           |
| <b>Balance at December 31, 2022</b>   | \$ 170                               | \$ 2,319          | \$ 2,489        |
| Effect of changes in instrument-specific credit risk                            | 13                                   | 353               | 366             |
| Balance, beginning of period, before changes in instrument specific credit risk | 183                                  | 2,672             | 2,855           |
| Issuances   | —                                    | 47                | 47              |
| Interest accrual  | 7                                    | 108               | 115             |
| Attributed fees collected   | 2                                    | 250               | 252             |
| Benefit payments  | (1)                                  | (24)              | (25)            |
| Effect of changes in interest rates   | (18)                                 | (591)             | (609)           |
| Effect of changes in equity   | —                                    | (26)              | (26)            |
| Effect of actual policyholder behavior compared to expected behavior            | 4                                    | 42                | 46              |
| Effect of changes in future expected policyholder behavior                      | (3)                                  | 78                | 75              |
| Effect of changes in other future expected assumptions                          | —                                    | 6                 | 6               |
| Balance, end of period, before changes in instrument-specific credit risk       | 174                                  | 2,562             | 2,736           |
| Effect of changes in instrument-specific credit risk                            | (7)                                  | (139)             | (146)           |
| <b>Balance at September 30, 2023</b>  | <b>\$ 167</b>                        | <b>\$ 2,423</b>   | <b>\$ 2,590</b> |
| Net amount at risk  | \$ 425                               | \$ 14,438         |                 |
| Weighted-average attained age of contract holders <i>(in years)</i>             | 75                                   | 69                |                 |

The following is a reconciliation of market risk benefits to the condensed consolidated balance sheets. Market risk benefit assets are included in other assets on the condensed consolidated balance sheets.

| <i>(In millions)</i>           | September 30, 2024 |                 |                 | September 30, 2023 |                 |                 |
|--------------------------------|--------------------|-----------------|-----------------|--------------------|-----------------|-----------------|
|                                | Asset              | Liability       | Net liability   | Asset              | Liability       | Net liability   |
| Traditional deferred annuities | \$ —               | \$ 201          | \$ 201          | \$ —               | \$ 167          | \$ 167          |
| Indexed annuities              | 313                | 4,201           | 3,888           | 431                | 2,854           | 2,423           |
| <b>Total</b>                   | <b>\$ 313</b>      | <b>\$ 4,402</b> | <b>\$ 4,089</b> | <b>\$ 431</b>      | <b>\$ 3,021</b> | <b>\$ 2,590</b> |

During the nine months ended September 30, 2024, net market risk benefit liabilities increased by \$716 million, which was primarily driven by \$270 million of issuances, \$266 million in fees collected from policyholders, and \$151 million of interest accrual.

During the nine months ended September 30, 2023, net market risk benefit liabilities increased by \$101 million, which was primarily driven by \$252 million in fees collected from policyholders, a \$220 million change in instrument-specific credit risk related to tightening of credit spreads and \$115 million of interest accrual, partially offset by a decrease of \$609 million related to changes in the risk-free discount rate across the curve.

The determination of the fair value of market risk benefits requires the use of inputs related to fees and assessments and assumptions in determining the projected benefits in excess of the projected account balance. Judgment is required for both economic and actuarial assumptions, which can be either observable or unobservable, that impact future policyholder account growth.

Economic assumptions include interest rates and implied volatilities throughout the duration of the liability. For indexed annuities, assumptions also include projected equity returns which impact cash flows attributable to indexed strategies, implied equity volatilities, expected index credits on the next policy anniversary date and future equity option costs. Assumptions related to the level of option budgets used for determining the future equity option costs and the impact on future policyholder account value growth are considered unobservable inputs.

Policyholder behavior assumptions are unobservable inputs and are established using accepted actuarial valuation methods to estimate withdrawals (surrender rate) and income rider utilization. Assumptions are generally based on industry data and pricing assumptions which are updated for actual experience, if necessary. Actual experience may be limited for recently issued products.

All inputs are used to project excess benefits and fees over a range of risk-neutral, stochastic interest rate scenarios. For indexed annuities, stochastic equity return scenarios are also included within the range. A risk margin is incorporated within the discount rate to reflect uncertainty in the projected cash flows such as variations in policyholder behavior, as well as a credit spread to reflect nonperformance risk, which is considered an unobservable input. We use our public credit rating relative to the US Treasury curve as of the valuation date to reflect our nonperformance risk in the fair value estimate of market risk benefits.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

The following summarizes the unobservable inputs for market risk benefits:

| September 30, 2024                       |            |                      |                     |         |         |                     |  |
|--|------------|----------------------|---------------------|---------|---------|---------------------|--|
| <i>(In millions, except percentages)</i> | Fair value | Valuation technique  | Unobservable inputs | Minimum | Maximum | Weighted average    | Impact of an increase in the input on fair value |
| Market risk benefits, net                | \$ 4,089   | Discounted cash flow | Nonperformance risk | 0.5 %   | 1.2 %   | 1.1 % <sup>1</sup>  | Decrease   |
|  |            |                      | Option budget       | 0.5 %   | 6.0 %   | 2.2 % <sup>2</sup>  | Decrease   |
|  |            |                      | Surrender rate      | 3.3 %   | 7.0 %   | 4.5 % <sup>2</sup>  | Decrease   |
|  |            |                      | Utilization rate    | 28.6 %  | 95.0 %  | 84.7 % <sup>3</sup> | Increase   |
| September 30, 2023                       |            |                      |                     |         |         |                     |  |
| <i>(In millions, except percentages)</i> | Fair value | Valuation technique  | Unobservable inputs | Minimum | Maximum | Weighted average    | Impact of an increase in the input on fair value |
| Market risk benefits, net                | \$ 2,590   | Discounted cash flow | Nonperformance risk | 0.6 %   | 1.6 %   | 1.4 % <sup>1</sup>  | Decrease   |
|  |            |                      | Option budget       | 0.5 %   | 5.9 %   | 1.9 % <sup>2</sup>  | Decrease   |
|  |            |                      | Surrender rate      | 3.4 %   | 6.5 %   | 4.6 % <sup>2</sup>  | Decrease   |
|  |            |                      | Utilization rate    | 28.6 %  | 95.0 %  | 83.2 % <sup>3</sup> | Increase   |

<sup>1</sup> The nonperformance risk weighted average is based on the cash flows underlying the market risk benefit reserve.

<sup>2</sup> The option budget and surrender rate weighted averages are calculated based on projected account values.

<sup>3</sup> The utilization of GLWB withdrawals represents the estimated percentage of policyholders that are expected to use their income rider over the duration of the contract, with the weighted average based on current account values.

**8. Debt**

**Liquidity Facility**—On June 28, 2024, AHL and ALRe entered into a new revolving credit agreement with a syndicate of banks and Wells Fargo Bank, National Association, as administrative agent (Liquidity Facility), which replaced our previous revolving credit agreement dated as of June 30, 2023. The previous credit agreement, and the commitments under it, expired on June 28, 2024. The Liquidity Facility is unsecured and has a commitment termination date of June 27, 2025, subject to any extensions of additional 364-day periods with consent of extending lenders and/or “term-out” of outstanding loans (by which, at our election, the outstanding loans may be converted to term loans which shall have a maturity of up to one year after the original maturity date), in each case in accordance with the terms of the Liquidity Facility. In connection with the Liquidity Facility, ALRe guaranteed all of the obligations of AHL under the Liquidity Facility and the related loan documents. 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 \$2.6 billion, subject to being increased up to \$3.1 billion in total on the terms described in the Liquidity Facility. 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 \$10.2 billion; and
2. Restrictions on our ability to incur liens, with certain exceptions.

Interest accrues on outstanding borrowings at either the adjusted term secured overnight financing rate plus a margin or the base rate plus a margin, with applicable margin varying based on ALRe’s financial strength rating. Rates and terms are as defined in the Liquidity Facility.

As of September 30, 2024 and December 31, 2023, we had no amounts outstanding under the current or previous liquidity facilities and were in compliance with all financial covenants under the facilities.

**Senior Notes**—During the first quarter of 2024, we issued \$1.0 billion of 6.250% Senior Notes due April 1, 2054 (2054 Senior Notes). We will pay interest on the 2054 Senior Notes semi-annually, commencing on October 1, 2024.

**Subordinated Notes**—During the first quarter of 2024, we issued \$575 million of 7.250% Fixed-Rate Reset Junior Subordinated Debentures due March 30, 2064 (2064 Subordinated Notes). We will pay interest at an annual fixed rate of 7.250% on the 2064 Subordinated Notes quarterly, commencing on June 30, 2024 until March 30, 2029. On March 30, 2029, and every fifth annual anniversary thereafter, the interest rate will reset to the Five-Year US Treasury Rate (as defined in the applicable prospectus supplement) plus 2.986%. We may defer interest payments for up to five consecutive years.

During the fourth quarter of 2024, we issued \$600 million of 6.625% Fixed-Rate Reset Junior Subordinated Debentures due October 15, 2054 (2054 Subordinated Notes). We will pay interest at an annual fixed rate of 6.625% on the 2054 Subordinated Notes semi-annually, commencing on April 15, 2025 until October 15, 2034. On October 15, 2034, and every fifth annual anniversary thereafter, the interest rate will reset to the Five-Year US Treasury Rate (as defined in the applicable prospectus supplement) plus 2.607%. We may defer interest payments for up to five consecutive years.

**ATHENE HOLDING LTD.**

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The following is a summary of our debt:

| <i>(In millions, except percentages)</i> | Issue Date        | Maturity Date    | Principal Balance | Outstanding Balance |                   |
|--|-------------------|------------------|-------------------|---------------------|-------------------|
|  |                   |                  |                   | September 30, 2024  | December 31, 2023 |
| 4.125% 2028 Senior Notes                 | January 12, 2018  | January 12, 2028 | \$ 1,000          | \$ 1,054            | \$ 1,066          |
| 6.150% 2030 Senior Notes                 | April 3, 2020     | April 3, 2030    | 500               | 582                 | 593               |
| 3.500% 2031 Senior Notes                 | October 8, 2020   | January 15, 2031 | 500               | 521                 | 523               |
| 6.650% 2033 Senior Notes                 | November 21, 2022 | February 1, 2033 | 400               | 395                 | 395               |
| 5.875% 2034 Senior Notes                 | December 12, 2023 | January 15, 2034 | 600               | 584                 | 583               |
| 3.950% 2051 Senior Notes                 | May 25, 2021      | May 25, 2051     | 500               | 545                 | 545               |
| 3.450% 2052 Senior Notes                 | December 13, 2021 | May 15, 2052     | 500               | 504                 | 504               |
| 6.250% 2054 Senior Notes                 | March 22, 2024    | April 1, 2054    | 1,000             | 982                 | —                 |
| 7.250% 2064 Subordinated Notes           | March 7, 2024     | March 30, 2064   | 575               | 558                 | —                 |
| <b>Total debt</b>                        |                   |                  | <b>\$ 5,575</b>   | <b>\$ 5,725</b>     | <b>\$ 4,209</b>   |

**9. Equity**

**Common Dividends**—During the three months ended September 30, 2024, we declared and distributed \$499 million of dividends to AGM, which were provided in the form of assets in kind. Additionally, we declared and paid \$374 million of common stock cash dividends during the nine months ended September 30, 2024.

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

| <i>(In millions)</i>   | Unrealized investment gains (losses) on AFS securities without a credit allowance | Unrealized investment gains (losses) on AFS securities with a credit allowance | Unrealized gains (losses) on hedging instruments | Remeasurement gains (losses) on future policy benefits related to discount rate | Remeasurement gains (losses) on market risk benefits related to credit risk | Foreign currency translation and other adjustments | Accumulated other comprehensive income (loss) |
|--|---|--|--|---|---|--|---|
| Balance at June 30, 2024   | \$ (9,670)  | \$ (277)   | \$ (83)  | \$ 4,218  | \$ 5  | \$ (2)   | \$ (5,809)                                    |
| Other comprehensive income (loss) before reclassifications                                   | 5,142   | (22)   | 225  | (2,263)   | (93)  | 36   | 3,025   |
| Less: Reclassification adjustments for gains (losses) realized in net income <sup>1</sup>    | (348)   | (8)  | 4  | —   | —   | —  | (352)   |
| Less: Income tax expense (benefit)   | 1,122   | (3)  | 47   | (472)   | (20)  | 6  | 680   |
| Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of tax | 886   | 7  | 60   | (596)   | (9)   | 7  | 355   |
| <b>Balance at September 30, 2024</b>   | <b>\$ (6,188)</b>   | <b>\$ (295)</b>  | <b>\$ 31</b>                                     | <b>\$ 3,023</b>   | <b>\$ (59)</b>  | <b>\$ 21</b>                                       | <b>\$ (3,467)</b>                             |

<sup>1</sup> Recognized in investment related gains (losses) on the condensed consolidated statements of income.

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**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

| <i>(In millions)</i>   | Unrealized investment gains (losses) on AFS securities without a credit allowance | Unrealized investment gains (losses) on AFS securities with a credit allowance | Unrealized gains (losses) on hedging instruments | Remeasurement gains (losses) on future policy benefits related to discount rate | Remeasurement gains (losses) on market risk benefits related to credit risk | Foreign currency translation and other adjustments | Accumulated other comprehensive income (loss) |
|--|---|--|--|---|---|--|---|
| Balance at June 30, 2023   | \$ (11,049)   | \$ (378)   | \$ 26  | \$ 4,708  | \$ 312  | \$ 5   | \$ (6,376)                                    |
| Other comprehensive income (loss) before reclassifications   | (3,199)   | 33   | (192)  | 1,317   | (254)   | (21)   | (2,316)                                       |
| Less: Reclassification adjustments for gains (losses) realized in net income <sup>1</sup>  | (11)  | —  | 21   | —   | —   | —  | 10  |
| Less: Income tax expense (benefit)   | (654)   | 6  | (46)   | 273   | (52)  | (3)  | (476)   |
| Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of subsidiary issuance of equity interests and tax | (577)   | (3)  | (26)   | 471   | (8)   | (4)  | (147)   |
| <b>Balance at September 30, 2023</b>   | <b>\$ (13,006)</b>  | <b>\$ (348)</b>  | <b>\$ (115)</b>                                  | <b>\$ 5,281</b>   | <b>\$ 118</b>   | <b>\$ (9)</b>                                      | <b>\$ (8,079)</b>                             |

<sup>1</sup> Recognized in investment related gains (losses) on the condensed consolidated statements of income.

| <i>(In millions)</i>   | Unrealized investment gains (losses) on AFS securities without a credit allowance | Unrealized investment gains (losses) on AFS securities with a credit allowance | Unrealized gains (losses) on hedging instruments | Remeasurement gains (losses) on future policy benefits related to discount rate | Remeasurement gains (losses) on market risk benefits related to credit risk | Foreign currency translation and other adjustments | Accumulated other comprehensive income (loss) |
|--|---|--|--|---|---|--|---|
| Balance at December 31, 2023   | \$ (8,672)  | \$ (289)   | \$ (82)  | \$ 3,458  | \$ 3  | \$ 13  | \$ (5,569)                                    |
| Other comprehensive income (loss) before reclassifications                                   | 3,528   | (19)   | 264  | (832)   | (87)  | 15   | 2,869   |
| Less: Reclassification adjustments for gains (losses) realized in net income <sup>1</sup>    | (237)   | (14)   | 35   | —   | —   | —  | (216)   |
| Less: Income tax expense (benefit)   | 776   | (1)  | 49   | (176)   | (18)  | 2  | 632   |
| Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of tax | 505   | 2  | 67   | (221)   | (7)   | 5  | 351   |
| <b>Balance at September 30, 2024</b>   | <b>\$ (6,188)</b>   | <b>\$ (295)</b>  | <b>\$ 31</b>                                     | <b>\$ 3,023</b>   | <b>\$ (59)</b>  | <b>\$ 21</b>                                       | <b>\$ (3,467)</b>                             |

<sup>1</sup> Recognized in investment related gains (losses) on the condensed consolidated statements of income.

| <i>(In millions)</i>   | Unrealized investment gains (losses) on AFS securities without a credit allowance | Unrealized investment gains (losses) on AFS securities with a credit allowance | Unrealized gains (losses) on hedging instruments | Remeasurement gains (losses) on future policy benefits related to discount rate | Remeasurement gains (losses) on market risk benefits related to credit risk | Foreign currency translation and other adjustments | Accumulated other comprehensive income (loss) |
|--|---|--|--|---|---|--|---|
| Balance at December 31, 2022   | \$ (12,565)   | \$ (334)   | \$ 47  | \$ 5,256  | \$ 285  | \$ (10)  | \$ (7,321)                                    |
| Other comprehensive income (loss) before reclassifications   | (1,841)   | (31)   | (214)  | 1,328   | (220)   | 6  | (972)   |
| Less: Reclassification adjustments for gains (losses) realized in net income <sup>1</sup>  | (105)   | —  | 66   | —   | —   | —  | (39)  |
| Less: Income tax expense (benefit)   | (828)   | (12)   | (68)   | 777   | (46)  | 2  | (175)   |
| Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of subsidiary issuance of equity interests and tax | (467)   | (5)  | (50)   | 526   | (7)   | 3  | —   |
| <b>Balance at September 30, 2023</b>   | <b>\$ (13,006)</b>  | <b>\$ (348)</b>  | <b>\$ (115)</b>                                  | <b>\$ 5,281</b>   | <b>\$ 118</b>   | <b>\$ (9)</b>                                      | <b>\$ (8,079)</b>                             |

<sup>1</sup> Recognized in investment related gains (losses) on the condensed consolidated statements of income.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**10. Income Taxes**

The income tax expense was \$191 million and \$162 million for the three months ended September 30, 2024 and 2023, respectively. Our effective tax rate was 11% and 33% for the three months ended September 30, 2024 and 2023, respectively. The income tax expense was \$659 million and \$458 million for the nine months ended September 30, 2024 and 2023, respectively. Our effective tax rate was 15% and 18% for the nine months ended September 30, 2024 and 2023, respectively.

The UK enacted legislation in July 2023 implementing certain provisions of the Organisation for Economic Cooperation and Development's "Pillar Two" global minimum tax initiative (Pillar Two) that will apply to multinational enterprises for accounting periods beginning on or after December 31, 2023. On February 22, 2024, the UK enacted certain amendments to its Pillar Two legislation which similarly take effect for accounting periods beginning on or after December 31, 2023. We are continuing to evaluate the potential impact on future periods of Pillar Two, pending legislative adoption by individual countries, as such legislative changes could result in changes to our effective tax rate. The Company evaluated the enacted legislation and concluded there was no material impact to the effective tax rate for the three and nine months ended September 30, 2024.

On December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act of 2023 (Bermuda CIT). Commencing on January 1, 2025, the Bermuda CIT will generally impose a 15% corporate income tax on in-scope entities that are resident in Bermuda or have a Bermuda permanent establishment, without regard to any assurances that have been given pursuant to the Exempted Undertakings Tax Protection Act 1966. We recorded material deferred tax assets as of December 31, 2023 as a result of the passage of the Bermuda CIT, primarily related to an estimated opening tax loss carryforward under Bermuda CIT. Throughout 2024, we will evaluate and record any applicable adjustments to these deferred tax assets. We evaluated the existing deferred tax assets and determined that no adjustments were necessary as of September 30, 2024.

**11. Related Parties**

**Apollo**

*Fee structure* – Substantially all of our investments are managed by Apollo. Apollo provides us with a full suite of services for our investment portfolio, including direct investment management, asset allocation, mergers and acquisitions asset diligence and certain operational support services, 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 measured liquidity risk and complexity risk, rather than assuming incremental 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. Effective December 31, 2023, in addition to the base and sub-allocation fees specified above, we pay Apollo a target annual performance fee of \$37.5 million, with the amount of the annual performance fee ranging from between 0% and 200% of such target amount, based on our spread related earnings for the year relative to our targets, beginning with the performance period for the second half of 2023.

During the three months ended September 30, 2024 and 2023, we incurred management fees, inclusive of the base, sub-allocation and performance fees, of \$327 million and \$249 million, respectively. During the nine months ended September 30, 2024 and 2023, we incurred management fees, inclusive of the base, sub-allocation and performance fees, of \$920 million and \$703 million, respectively. Management fees are included within net investment income on the condensed consolidated statements of income. As of September 30, 2024 and December 31, 2023, management fees payable were \$142 million and \$101 million, respectively, and are included in other liabilities on the condensed consolidated balance sheets. Such amounts include fees incurred attributable to Athene Co-Invest Reinsurance Affiliate Holding Ltd. (together with its subsidiaries, ACRA 1) and Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd. (together with its subsidiaries, ACRA 2) including any noncontrolling interests associated with ACRA 1 and ACRA 2 (collectively, 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.



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*Governance* – We have an 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.

AGM owns all of our common stock and James Belardi, our Chief Executive Officer, serves as a member of the board of directors and an executive officer of AGM, and Chief Executive Officer of Apollo Insurance Solutions Group LP (ISG), which is also a subsidiary of AGM. 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, five of the eleven 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 bylaws 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**

*Apollo Aligned Alternatives Aggregator, L.P. (AAA)* – We consolidate AAA as a VIE and AAA holds the majority of our alternative investments portfolio. Apollo established AAA to provide a single vehicle through which investors participate in a portfolio of alternative investments, including those managed by Apollo. Additionally, we believe AAA enhances Apollo’s ability to increase alternative assets under management (AUM) by raising capital from third parties, which allows us to achieve greater scale and diversification for alternatives. During the third quarter of 2024, AAA underwent a restructuring which resulted in a change in consolidation that reduced our noncontrolling interests by \$1,107 million and does not represent a withdrawal from AAA.

*Athora Holding Ltd. (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 September 30, 2024, we have not exercised our right of first refusal to reinsure liabilities ceded to Athora’s insurance or reinsurance subsidiaries.

We have investments in Athora’s equity, which we hold as a related party investment fund on the condensed consolidated balance sheets, and non-redeemable preferred equity securities. The following table summarizes our investments in Athora:

| <i>(In millions)</i>  | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Investment fund   | \$ 1,106           | \$ 1,082          |
| Non-redeemable preferred equity and corporate debt securities | 296                | 249               |
| <b>Total investment in Athora</b>                             | <b>\$ 1,402</b>    | <b>\$ 1,331</b>   |

Additionally, as of September 30, 2024 and December 31, 2023, we had \$61 million and \$61 million, respectively, of funding agreements outstanding to Athora. We also have commitments to make additional investments in Athora of \$540 million as of September 30, 2024.

*Atlas Securitized Products Holdings LP (Atlas)* – We have an equity investment in Atlas, an asset-backed specialty lender, through our investment in AAA. As of September 30, 2024 and December 31, 2023, we held \$2,449 million and \$1,008 million, respectively, of related party AFS securities issued by Atlas. Additionally, we held \$792 million and \$921 million of reverse repurchase agreements issued by Atlas as of September 30, 2024 and December 31, 2023, respectively, which are held as related party short-term investments on the condensed consolidated balance sheets. As of September 30, 2024, we have commitments to make additional investments in Atlas of \$2,973 million. Additionally, see *Note 12 – Commitments and Contingencies* for further information on assurance letters issued in support of Atlas.

*Catalina* – We have an investment in Apollo Rose II (B) (Apollo Rose). Apollo Rose holds common and preferred equity interests in Catalina Holdings (Bermuda) Ltd. (together with its subsidiaries, Catalina). During the third quarter of 2024, we distributed \$141 million of our investment in Apollo Rose representing Catalina common equity interests to AGM as a dividend. This distribution resulted in our deconsolidation of Apollo Rose as a VIE. As of September 30, 2024, we held \$201 million of redeemable preferred equity securities issued by Apollo Rose, which are held as related party AFS securities on the condensed consolidated balance sheets.

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We have a strategic modco reinsurance agreement with Catalina to cede certain inforce funding agreements. We elected the fair value option on this agreement and had a liability of \$257 million and \$330 million as of September 30, 2024 and December 31, 2023, respectively, which is included in other liabilities on the condensed consolidated balance sheets. During the first quarter of 2024, we also entered into a modco reinsurance agreement with Catalina to cede a quota share of retail deferred annuity products. As of September 30, 2024, we had a reinsurance recoverable balance of \$3,372 million related to this agreement.

*MidCap FinCo Designated Activity Company (MidCap Financial)* – We have various investments in MidCap Financial including an investment through AAA, senior unsecured notes and redeemable preferred stock. We also hold structured securities issued by MidCap Financial affiliates. As of September 30, 2024 and December 31, 2023, we held securities issued by MidCap Financial and its affiliates of \$2,004 million and \$1,844 million, respectively, which are included in related party AFS securities 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 and 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 investments in PK Air through our investment in AAA. We also held PK Air notes of \$1,633 million and \$1,617 million as of September 30, 2024 and December 31, 2023, respectively, which are included in related party AFS securities on the condensed consolidated balance sheets. We have commitments to make additional investments in PK Air of \$40 million as of September 30, 2024.

*Strategic Partnership* – We have an agreement pursuant to which we may invest up to \$2.875 billion 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. As of September 30, 2024 and December 31, 2023, we held \$1,894 million and \$1,725 million, respectively, of investments under the Strategic Partnership and these investments are typically included as investments of consolidated VIEs or related party investment funds on the condensed consolidated balance sheets.

*Venerable* – VA Capital Company LLC (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 Holdings, Inc. (together with its subsidiaries, Venerable). We have a minority equity investment in VA Capital, which was \$180 million and \$181 million as of September 30, 2024 and December 31, 2023, respectively, and is included in related party investment funds on the condensed consolidated balance sheets and accounted for as an equity method investment.

We also have coinsurance and modco agreements with VIAC, which is a subsidiary of Venerable. VIAC is a related party due to our investment in VA Capital. Effective July 1, 2023, VIAC recaptured \$2.7 billion of reserves, which represents a portion of their business that was subject to those coinsurance and modco agreements. We recognized a gain of \$555 million, which is included in other revenues on the condensed consolidated statements of income, in the third quarter of 2023 as a result of the settlement of the recapture agreement. As a result of our intent to transfer the assets supporting this business to VIAC in connection with the recapture, we were required by US GAAP to recognize the unrealized losses on these assets of \$104 million as intent-to-sell impairments in the second quarter of 2023.

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 fair value and were \$348 million and \$343 million as of September 30, 2024 and December 31, 2023, 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.

*Wheels* – We invest in Wheels, Inc., (Wheels) indirectly through our investment in AAA. We also own securities issued by Wheels of \$928 million and \$981 million as of September 30, 2024 and December 31, 2023, respectively, which are included in related party AFS securities on the condensed consolidated balance sheets. We also have commitments to make additional investments in Wheels of \$81 million as of September 30, 2024.

*ACRA and Apollo/Athene Dedicated Investment Programs I and II (collectively, ADIP)* – ACRA 1 is partially owned by Apollo/Athene Dedicated Investment Program (ADIP I), a series of funds managed by Apollo. ALRe currently holds 36.55% of the economic interests in ACRA 1 and all of ACRA 1’s voting interests, with ADIP I holding the remaining 63.45% of the economic interests. ACRA 2 is partially owned by Apollo/Athene Dedicated Investment Program II (ADIP II), a fund managed by Apollo. Effective October 1, 2024, ACRA 2 repurchased a portion of its shares held by ALRe, which increased ADIP II’s ownership of economic interests in ACRA 2 to 63%, with ALRe owning the remaining 37%. ALRe holds all of ACRA 2’s voting interests.

We received capital contributions and paid distributions relating to ACRA of the following:

| (In millions)           | Three months ended September 30, |        | Nine months ended September 30, |        |
|-------------------------|----------------------------------|--------|---------------------------------|--------|
|                         | 2024                             | 2023   | 2024                            | 2023   |
| Contributions from ADIP | \$ 126                           | \$ 325 | \$ 831                          | \$ 325 |
| Distributions to ADIP   | (95)                             | (254)  | (603)                           | (381)  |

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

Additionally, as of September 30, 2024 and December 31, 2023, we had \$265 million and \$213 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 the noncontrolling interests.

*Unsecured Revolving Promissory Note Receivable with AGM*—AHL has an unsecured revolving promissory note with AGM which allows AGM to borrow funds from AHL. The note has a borrowing capacity of \$500 million. Interest accrues at the US mid-term applicable federal rate per year and has a maturity date of December 13, 2025, or earlier at AHL’s request. The note receivable had an outstanding balance of \$143 million and \$109 million as of September 30, 2024 and December 31, 2023, respectively.

*Unsecured Revolving Promissory Note Payable with AGM*—AHL has an unsecured revolving promissory note with AGM which allows AHL to borrow funds from AGM. The note has a borrowing capacity of \$500 million. Interest accrues at the US mid-term applicable federal rate per year and has a maturity date of December 13, 2025, or earlier at AGM’s request. There was no outstanding balance on the note payable as of September 30, 2024 and December 31, 2023.

**12. 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 \$27.2 billion as of September 30, 2024. 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 September 30, 2024 and December 31, 2023, we had \$13.0 billion and \$6.5 billion, 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 September 30, 2024 and December 31, 2023, we had \$23.0 billion and \$19.9 billion, respectively, of FABN funding agreements outstanding. We had \$11.9 billion of board-authorized FABN capacity remaining as of September 30, 2024.

We also issue secured and other funding agreements. Secured funding agreements involve special-purpose, unaffiliated entities entering into repurchase agreements with a third party, the proceeds of which are used by the special-purpose entities to purchase funding agreements from us. As of September 30, 2024 and December 31, 2023, we had \$14.1 billion and \$6.0 billion, respectively, of secured and other 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:

| <i>(In millions)</i>           | September 30, 2024 | December 31, 2023 |
|--------------------------------|--------------------|-------------------|
| AFS securities                 | \$ 42,446          | \$ 32,458         |
| Trading securities             | 1,777              | 139               |
| Equity securities              | 304                | 80                |
| Mortgage loans                 | 23,171             | 14,257            |
| Investment funds               | 777                | 409               |
| Derivative assets              | 68                 | 73                |
| Short-term investments         | 14                 | 153               |
| Other investments              | 623                | 313               |
| Restricted cash                | 974                | 1,761             |
| <b>Total restricted assets</b> | <b>\$ 70,154</b>   | <b>\$ 49,643</b>  |

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

**Letters of Credit**—We have undrawn letters of credit totaling \$1,306 million as of September 30, 2024. These letters of credit were issued for our reinsurance program and have expirations through May 22, 2028.

**ATHENE HOLDING LTD.**

**Notes to Condensed Consolidated Financial Statements** *(Unaudited)*

**Assurance Letter**—In connection with our, Apollo and Credit Suisse AG’s (CS) previously announced transaction, Atlas acquired certain assets of the CS Securitized Products Group and agreed to pay CS \$3.3 billion, of which \$0.4 billion is deferred until February 8, 2026, and \$2.9 billion is deferred until February 8, 2028. In March 2024, in connection with Atlas concluding its investment management agreement with CS, the deferred purchase obligation amount was reduced to \$2.5 billion. In addition, certain strategic investors have made equity commitments to Atlas which therefore obligates these investors for a portion of the deferred purchase obligation. This deferred purchase price is an obligation first of Atlas, and (as a result of additional guarantees provided by AAA, Apollo Asset Management, Inc. (AAM) and AHL) second of AAA, third of AAM, fourth of AHL and fifth of AARE. AARE and AAM have each issued an assurance letter to CS to guarantee the full amount. Our guarantees are not probable of payment, hence there are no liabilities recorded for the guarantees on the condensed consolidated financial statements.

**Guaranty Association Assessments**—Guaranty associations may subject member insurers, including us, to assessments that require the insurers to pay funds to cover contractual obligations under insurance policies issued by insurance companies that become impaired or insolvent. The assessments are based on an insurer’s proportionate share of premiums written in that state during a specified one-year or three-year period for lines of business in which the impaired or insolvent insurer engaged, subject to prescribed limits. On December 30, 2022, the North Carolina Wake County Superior Court entered an Order of Liquidation (Liquidation Order) against Bankers Life Insurance Company (BLIC) and Colorado Bankers Life Insurance Company (CBLIC), which was affirmed by the North Carolina Court of Appeals on March 5, 2024. On April 9, 2024, GBIG Holdings, LLC (GBIG), the sole shareholder of BLIC and CBLIC, filed a Petition for Discretionary Review requesting the North Carolina Supreme Court review the decision by the North Carolina Court of Appeals to affirm the Liquidation Order. On July 11, 2024, GBIG filed a Motion to Withdraw its Petition for Discretionary Review. We are not a party to this litigation. The North Carolina Supreme Court granted the Motion to Withdraw on August 23, 2024, which makes the Liquidation Order effective on November 30, 2024. Shortly thereafter, guaranty associations began levying assessments and we expect those assessments to continue for the foreseeable future. As of September 30, 2024, we have recorded a liability of \$177 million, based on our current best estimate of these assessments. The actual amount of assessments levied against us during the year ended December 31, 2024 or in future years in connection with the BLIC and CBLIC insolvencies may vary from this estimate. We expect to recover \$5 million of assessments paid through future premium tax credits.

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

### Index to 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 that specializes in issuing, reinsuring and acquiring retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. AGM is the beneficial owner of 100% of our common stock and controls all of the voting power to elect members to our board of directors. We focus on generating spread income by combining our two core competencies of (1) sourcing long-term, persistent liabilities and (2) using the global scale and reach of Apollo’s asset management business to actively source or originate assets with our preferred risk and return characteristics. 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.

We have established a significant base of earnings and, as of September 30, 2024, 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 estimated 8.4 year weighted-average life of our net reserve liabilities. The weighted-average life includes deferred annuities, pension group annuities, funding agreements, payout annuities, life insurance contracts and other products.

Our total assets have grown to \$355.0 billion as of September 30, 2024. For the nine months ended September 30, 2024, we generated an annualized net investment spread of 1.76%.

The following table presents the inflows and outflows generated from our organic and inorganic channels as well as the breakout between Athene, the ACRA noncontrolling interests and third-party reinsurers:

| <i>(In millions)</i>   | Three months ended September 30, |             | Nine months ended September 30, |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | 2024                             | 2023        | 2024                            | 2023        |
| Retail   | \$ 9,209                         | \$ 6,523    | \$ 27,810                       | \$ 21,883   |
| Flow reinsurance   | 944                              | 3,174       | 4,544                           | 7,749       |
| Funding agreements <sup>1</sup>                                    | 9,570                            | 3,245       | 23,581                          | 4,893       |
| Pension group annuities  | 294                              | —           | 871                             | 9,058       |
| Gross organic inflows  | 20,017                           | 12,942      | 56,806                          | 43,583      |
| Gross inorganic inflows  | —                                | —           | —                               | —           |
| Total gross inflows  | 20,017                           | 12,942      | 56,806                          | 43,583      |
| Gross outflows <sup>2</sup>  | (8,158)                          | (10,738)    | (26,333)                        | (26,752)    |
| Net flows  | \$ 11,859                        | \$ 2,204    | \$ 30,473                       | \$ 16,831   |
| Inflows attributable to Athene <sup>3</sup>                        | \$ 14,705                        | \$ 3,101    | \$ 40,136                       | \$ 29,974   |
| Inflows attributable to ACRA noncontrolling interests <sup>3</sup> | 4,244                            | 9,841       | 13,505                          | 13,609      |
| Inflows ceded to third-party reinsurers <sup>4</sup>               | 1,068                            | —           | 3,165                           | —           |
| Total gross inflows  | \$ 20,017                        | \$ 12,942   | \$ 56,806                       | \$ 43,583   |
| Outflows attributable to Athene                                    | \$ (6,176)                       | \$ (9,550)  | \$ (21,551)                     | \$ (22,972) |
| Outflows attributable to ACRA noncontrolling interests             | (1,982)                          | (1,188)     | (4,782)                         | (3,780)     |
| Total gross outflows <sup>2</sup>                                  | \$ (8,158)                       | \$ (10,738) | \$ (26,333)                     | \$ (26,752) |

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

<sup>2</sup> Gross outflows include full and partial policyholder withdrawals on deferred annuities, death benefits, pension group annuity benefit payments, payments on payout annuities, payments related to interest, maturities and repurchases of funding agreements and block reinsurance outflows.

<sup>3</sup> Effective July 1, 2023, ALRe sold 50% of ACRA 2’s economic interests to ADIP II. Effective December 31, 2023, ACRA 2 repurchased a portion of its shares held by ALRe, which increased ADIP II’s ownership of economic interests in ACRA 2 to 60%, with ALRe owning the remaining 40% of the economic interests.

<sup>4</sup> During the first quarter of 2024, we entered into a modco reinsurance agreement with Catalina to cede a quota share of our retail deferred annuity business issued on or after January 1, 2024.

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

Our organic channels, including retail, flow reinsurance and institutional products, provided gross inflows of \$56.8 billion and \$43.6 billion for the nine months ended September 30, 2024 and 2023, respectively, which were underwritten to attractive returns. Gross organic inflows increased \$13.2 billion, or 30% 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, death benefits, pension group annuity benefit payments, payments on payout annuities, payments related to interest, maturities and repurchases of funding agreements and block reinsurance outflows (collectively, gross outflows), in the aggregate were \$26.3 billion and \$26.8 billion for the nine months ended September 30, 2024 and 2023, respectively. The decrease in gross outflows of \$419 million was primarily driven by the VIAC recapture transaction in the third quarter of 2023 as well as a decrease in outflows related to policies underlying certain reinsurance blocks compared to 2023, partially offset by an increase in funding agreement maturities in 2024 and an increase in annuity policies which have reached the end of the surrender charge periods in a higher rate environment. We believe that our credit profile, 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 source additional volumes of profitably underwritten liabilities in various market environments. We intend 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 \$27.8 billion and \$21.9 billion for the nine months ended September 30, 2024 and 2023, respectively. The increase in our retail channel was driven by record sales of our fixed indexed annuity (FIA) products as well as increased multi-year guaranteed annuity (MYGA) sales compared to 2023. Overall sales were strong across our bank, independent marketing organization (IMO) and broker-dealer channels, exhibiting strong sales execution, the current rate environment, growing product offerings and our continued expansion into large financial institutions. We have maintained our disciplined approach to pricing and our targeted underwritten returns. We aim to continue to grow our retail channel by deepening our relationships with our approximately 38 IMOs and with our growing network of 18 banks and 149 broker-dealers, collectively representing approximately 139,000 independent agents. Our strong financial position and diverse, capital-efficient products allow us to be dependable partners with IMOs, banks and broker-dealers as well as to consistently write new business. We expect our retail channel to continue to benefit from our credit profile, product launches and continuous product enhancements as we look to capture new potential distribution opportunities. We believe this can support sales growth at our targeted returns from increased volumes via existing IMO relationships and allow continued expansion of our bank and broker-dealer channels.

Within our flow reinsurance channel, we target reinsurance business consistent with our preferred liability characteristics, which provides us another opportunistic channel to source liabilities with attractive crediting rates. We generated inflows through our flow reinsurance channel of \$4.5 billion and \$7.7 billion for the nine months ended September 30, 2024 and 2023, respectively. The decrease in our flow reinsurance channel from 2023 was primarily driven by continued increased competitive dynamics in the current year. 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 \$24.5 billion and \$14.0 billion for the nine months ended September 30, 2024 and 2023, respectively. The increase in our institutional channel was driven by higher funding agreement inflows, partially offset by lower pension group annuity inflows. We issued funding agreements in the aggregate principal amount of \$23.6 billion and \$4.9 billion for the nine months ended September 30, 2024 and 2023, respectively. The increase in our funding agreement channel from the prior year was driven by record inflows related to a resurgence in FABN issuance, as well as an increase in secured and other funding agreement and FHLB issuances, in 2024 amid more favorable market conditions. Funding agreement inflows for the nine months ended September 30, 2024 consisted of \$9.2 billion of FABN issuances, \$7.6 billion of secured and other funding agreement issuances, \$6.8 billion of FHLB issuances and no long-term repurchase agreement issuances. As of September 30, 2024, we had funding agreements outstanding of \$23.0 billion under our FABN program, \$14.1 billion of secured and other funding agreements, \$13.0 billion with the FHLB and \$2.7 billion of long-term repurchase agreements. We issued group annuity contracts in the aggregate principal amount of \$871 million and \$9.1 billion during the nine months ended September 30, 2024 and 2023, respectively. The decrease in our pension group annuity channel was primarily related to closing a \$7.6 billion transaction, our largest single pension group annuity transaction to date, in the second quarter of 2023. The pension group annuity channel was also impacted by the competitive market environment, along with other factors, in 2024. Since entering the pension group annuity market in 2017, we have closed 49 deals resulting in the issuance or reinsurance of group annuities of \$52.6 billion with more than 555,000 plan participants as of September 30, 2024. 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 plan to continue to grow and diversify our business, both organically and inorganically, with a focus on international expansion, particularly in Asia. We believe our corporate development 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.

To support our growth strategies and capital deployment opportunities, we established ACRA 1 as a long-duration, on-demand capital vehicle. We own 36.55% of the economic interests in ACRA 1, with the remaining 63.45% of the economic interests being owned by ADIP I, a series of funds managed by Apollo. During the commitment period, ACRA 1 participated in certain transactions by drawing a portion of the required capital for such transactions from third-party investors equal to ADIP I's proportionate economic interest in ACRA 1. The commitment period for ACRA 1 expired in August 2023.

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

To further support our growth and capital deployment opportunities following the deployment of capital by ACRA 1, we funded ACRA 2 in December 2022 as another long-duration, on-demand capital vehicle. Effective July 1, 2023, ALRe sold 50% of its non-voting, economic interests in ACRA 2 to ADIP II for \$640 million. Effective December 31, 2023, ACRA 2 repurchased a portion of its shares held by ALRe, which increased ADIP II's ownership of economic interests in ACRA 2 to 60%, with ALRe owning the remaining 40% of the economic interests. Effective October 1, 2024, ACRA 2 repurchased a portion of its shares held by ALRe, which increased ADIP II's ownership of economic interests in ACRA 2 to 63%, with ALRe owning the remaining 37% of the economic interests. ALRe holds all of ACRA 2's voting interests. ACRA 2 participates in certain transactions by drawing a portion of the required capital for such transactions from third-party investors equal to ADIP II's proportionate economic interest in ACRA 2.

These stockholder-friendly, strategic capital solutions allow us the flexibility to simultaneously deploy capital across multiple accretive avenues, while maintaining a strong financial position.

Executing our growth strategy requires that we have sufficient capital available to deploy. We believe that we have significant capital available to support our growth aspirations. As of September 30, 2024, we estimate that we had approximately \$8.4 billion in capital available to deploy, consisting of approximately \$2.0 billion in excess equity capital, \$2.9 billion in untapped leverage capacity (assuming an adjusted leverage ratio of not more than 30%, subject to maintaining a sufficient level of capital required to maintain our desired financial strength ratings from rating agencies), and \$3.5 billion in available undrawn capital at ACRA.

### ***Athene Annuity & Life Company (AAIA) and Athene Annuity & Life Assurance Company (AADE) Merger***

As discussed previously in our 2023 Annual Report, on December 20, 2023, AAIA and AADE executed an agreement and plan of merger. On October 11, 2024, AADE merged with and into AAIA, with AAIA as the surviving entity following the receipt of all required regulatory approvals. The merger was completed to streamline the Company's operational processes, enhance operational efficiency, and reduce administrative costs.

## Industry Trends and Competition

### ***Economic and Market Conditions***

As a leading financial services company specializing in retirement services, we are affected by the condition of global financial markets and the economy. Price fluctuations within equity, credit, commodity and foreign exchange markets, as well as interest rates and global inflation, 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.

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 conflicts in the Middle East and between Ukraine and Russia, and corresponding sanctions imposed on Russia by the United States and other countries, and new or evolving legal and regulatory requirements on business investment, hiring, migration, labor supply and global supply chains.

We carefully monitor economic and market conditions that could potentially give rise to global market volatility and affect our business operations, investment portfolios and derivatives, which includes global inflation. US inflation has continued to ease in 2024 with the US Bureau of Labor Statistics reporting the annual US inflation rate decreased to 2.4% as of September 30, 2024, compared to 3.0% as of June 30, 2024. As a result of the continued decline in US inflation, in September 2024, the US Federal Reserve lowered the benchmark interest rate target range to 4.75% to 5.00% from a target range of 5.25% to 5.50%, marking the first cut in rates since the pandemic.

Equity market performance was strong during the third quarter of 2024. In the US, the S&P 500 Index increased by 5.5% during the quarter, following an increase of 3.9% in the second quarter of 2024. In terms of economic conditions in the US, the Bureau of Economic Analysis reported real GDP increased at an annual rate of 2.8% in the third quarter of 2024, following an increase of 3.0% in the second quarter of 2024. As of October 2024, the International Monetary Fund estimated that the US economy will expand by 2.8% in 2024 and 2.2% in 2025. The US Bureau of Labor Statistics reported that the US unemployment rate remained at 4.1% as of September 30, 2024. Oil finished the third quarter of 2024 down 16.4% from the second quarter of 2024.

Foreign exchange rates can materially impact the valuations of our investments and liabilities that are denominated in currencies other than the US dollar. The US dollar weakened in the third quarter of 2024 compared to the euro and Japanese yen. Relative to the US dollar, the euro appreciated 3.9% in the third quarter of 2024, after depreciating 0.7% in the second quarter of 2024. Relative to the US dollar, the Japanese yen appreciated 11.9% in the third quarter of 2024, after depreciating 5.9% in the second quarter of 2024. We generally undertake hedging activities to mitigate foreign exchange currency risk.

### ***Interest Rate Environment***

Rates decreased during the third quarter of 2024 with the US 10-year Treasury yield at 3.81% compared to 4.36% at the end of the second quarter of 2024, primarily due to the US Federal Reserve's decision to lower the benchmark interest rate target range by 50 basis points at its September meeting.



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

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 significantly, 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 asset liability management (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 and which we expect would underperform in a declining rate environment. We manage our interest rate risk in a declining rate environment through hedging activity or the issuance of additional floating rate liabilities to lower our overall net floating rate position. As of September 30, 2024, our net invested asset portfolio included \$49.8 billion of floating rate investments, or 21% of our net invested assets, and our net reserve liabilities included \$35.0 billion of floating rate liabilities at notional, or 15% of our net invested assets, resulting in \$14.8 billion of net floating rate assets, or 6% 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. See *Note 7 – Long-duration Contracts* to the condensed consolidated financial statements for policyholder account balances by range of guaranteed minimum crediting rates and the related distance to those respective guaranteed minimums. The policyholder account balances represent deferred annuities, funding agreements and other investment-type products. 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. Our funding agreements and other investment-type products, as well as our remaining liabilities associated with immediate annuities, pension group annuity obligations and life contracts, provide us little to no discretionary ability to change the rates of interest payable to the respective policyholder or institution.

See *Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risks* in this report and *Part II—Item 7A. Quantitative and Qualitative Disclosures About Market Risks* in our 2023 Annual Report, which include a discussion regarding interest rate and other significant risks and our strategies for managing these risks.

### **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 US 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 fixed annuity market.

According to the Life Insurance and Market Research Association (LIMRA), total annuity market sales in the US were \$216.6 billion for the six months ended June 30, 2024, a 19.6% increase from the same time period in 2023, as higher interest rates resulted in continued growth in the US annuity market. In the total annuity market, for the six months ended June 30, 2024 (the most recent period for which specific market share data is available), we were the largest provider of annuities based on sales of \$18.7 billion, translating to an 8.6% market share. For the six months ended June 30, 2023, we were the largest provider of annuities based on sales of \$15.5 billion, translating to an 8.5% market share.

According to LIMRA, total fixed annuity market sales in the US were \$156.7 billion for the six months ended June 30, 2024, a 17.6% increase from the same time period in 2023. In the total fixed annuity market, for the six months ended June 30, 2024 (the most recent period for which specific market share data is available), we were the largest provider of fixed annuities based on sales of \$18.2 billion, translating to an 11.6% market share. For the six months ended June 30, 2023, we were the largest provider of fixed annuities based on sales of \$15.0 billion, translating to an 11.3% market share.

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According to LIMRA, total fixed indexed annuity market sales in the US were \$59.3 billion for the six months ended June 30, 2024, a 22.5% increase from the same time period in 2023. For the six months ended June 30, 2024 (the most recent period for which specific market share data is available), we were the largest provider of FIAs based on sales of \$7.6 billion, translating to a 12.8% market share. For the six months ended June 30, 2023, we were the second largest provider of FIAs based on sales of \$5.0 billion, translating to a 10.3% market share.

According to LIMRA, total registered indexed linked annuity (RILA) market sales in the US were \$30.8 billion for the six months ended June 30, 2024, a 41.7% increase from the same time period in 2023. For the six months ended June 30, 2024 (the most recent period for which specific market share data is available), we were the tenth largest provider of RILAs based on sales of \$568 million, translating to a 1.8% market share. For the six months ended June 30, 2023, we were the eleventh largest provider of RILAs based on sales of \$420 million, translating to a 1.9% 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 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), which consists of investment gains (losses), net of offsets, and non-operating change in insurance liabilities and related derivatives, both defined below, 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. See – *Non-GAAP Measure Reconciliations* for the appropriate reconciliations to the most directly comparable US GAAP measures.

#### *Spread Related Earnings (SRE)*

Spread related earnings is a pre-tax non-GAAP measure used to evaluate our financial performance including the impact of any reinsurance transactions and excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our spread related earnings equals net income available to AHL common stockholder 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 provision for credit losses 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, all foreign exchange impacts and the change in provision for credit losses 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 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.

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- **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 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 available to AHL common stockholder 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 available to AHL common stockholder, 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 available to AHL common stockholder.

### *Net Investment Spread*

Net investment spread is a key measure of profitability used in analyzing the trends of our core business operations. 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.

Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our net invested assets. 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 earnings add (a) alternative investment gains and losses, (b) gains and losses related to certain equity securities, (c) net VIE impacts (revenues, expenses and noncontrolling interests), (d) forward points gains and losses on foreign exchange derivative hedges, (e) amortization of premium/discount on held-for-trading securities and (f) the change in fair value of reinsurance assets, and remove the proportionate share of the ACRA net investment income associated with the noncontrolling interests. 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 on business related to ceded reinsurance transactions. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure. We believe a measure like net investment earned rate is useful in analyzing the trends of our core business operations, profitability and pricing discipline. While we believe net investment earned rate 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 net investment income presented under US GAAP.

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 interests. 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 on business related to 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, profitability and pricing discipline. 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.

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### *Other Operating Expenses*

Other operating expenses excludes interest expense, policy acquisition expenses, net of deferrals, integration, restructuring and other non-operating expenses, stock compensation and long-term incentive plan expenses and the proportionate share of the ACRA operating expenses associated with the noncontrolling interests. 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.

### *Adjusted Senior Debt-to-Capital Ratio*

Adjusted senior 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 senior debt-to-capital ratio is calculated as senior debt at notional value divided by adjusted capitalization. Adjusted capitalization includes our adjusted AHL common stockholder's equity, preferred stock and the notional value of our total debt. Adjusted AHL common stockholder's equity is calculated as the ending AHL stockholders' 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 senior debt-to-capital ratio should not be used as a substitute for the debt-to-capital ratio. However, we believe the adjustments to stockholders' equity and debt are significant to gaining an understanding of our capitalization, debt utilization and debt capacity.

### *Adjusted Leverage Ratio*

Adjusted leverage 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 leverage ratio is calculated as total debt at notional value adjusted to exclude 50% of the notional value of subordinated debt as an equity credit plus 50% of preferred stock divided by adjusted capitalization. Adjusted capitalization includes our adjusted AHL common stockholder's equity, preferred stock and the notional value of our total debt. Adjusted AHL common stockholder's equity is calculated as the ending AHL stockholders' 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 leverage ratio should not be used as a substitute for the leverage ratio. However, we believe the adjustments to stockholders' equity and debt are significant to gaining an understanding of our capitalization, debt and preferred stock utilization and overall leverage capacity, because they provide insight into how rating agencies measure our capitalization, which is a consideration in how we manage our leverage capacity.

### *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 condensed 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 condensed 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 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 the derivative collateral offsetting the related cash positions. We include the underlying investments supporting our assumed funds withheld and modco agreements and exclude the underlying investments related to ceded reinsurance transactions 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 interests. 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.

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***Net Reserve Liabilities***

In managing our business, we also analyze net reserve liabilities, which does not correspond to total liabilities as disclosed in our condensed 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 interests. Net reserve liabilities are 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. 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.

**Results of Operations**

The following summarizes the condensed consolidated results of operations:

| <i>(In millions)</i>  | Three months ended September 30, |               | Nine months ended September 30, |                 |
|---|----------------------------------|---------------|---------------------------------|-----------------|
|   | 2024                             | 2023          | 2024                            | 2023            |
| Revenues  | \$ 6,522                         | \$ 1,436      | \$ 16,907                       | \$ 18,182       |
| Benefits and expenses   | 4,847                            | 943           | 12,423                          | 15,675          |
| <b>Income before income taxes</b>                                     | <b>1,675</b>                     | <b>493</b>    | <b>4,484</b>                    | <b>2,507</b>    |
| Income tax expense  | 191                              | 162           | 659                             | 458             |
| <b>Net income</b>   | <b>1,484</b>                     | <b>331</b>    | <b>3,825</b>                    | <b>2,049</b>    |
| Less: Net income (loss) attributable to noncontrolling interests      | 859                              | (155)         | 1,379                           | 354             |
| <b>Net income attributable to Athene Holding Ltd. stockholders</b>    | <b>625</b>                       | <b>486</b>    | <b>2,446</b>                    | <b>1,695</b>    |
| Less: Preferred stock dividends                                       | 45                               | 44            | 136                             | 136             |
| <b>Net income available to Athene Holding Ltd. common stockholder</b> | <b>\$ 580</b>                    | <b>\$ 442</b> | <b>\$ 2,310</b>                 | <b>\$ 1,559</b> |

***Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023***

In this section, references to 2024 refer to the three months ended September 30, 2024 and references to 2023 refer to the three months ended September 30, 2023.

***Net Income Available to Athene Holding Ltd. Common Stockholder***

Net income available to Athene Holding Ltd. common stockholder increased by \$138 million, or 31%, to \$580 million in 2024 from \$442 million in 2023. The increase in net income available to Athene Holding Ltd. common stockholder was primarily driven by a \$5.1 billion increase in revenues, partially offset by a \$3.9 billion increase in benefits and expenses, a \$1.0 billion increase in net income attributable to noncontrolling interests and a \$29 million increase in income tax expense.

***Revenues***

Revenues increased by \$5.1 billion to \$6.5 billion in 2024 from \$1.4 billion in 2023. The increase was primarily driven by an increase in investment related gains (losses), an increase in net investment income, an increase in premiums and an increase in VIE investment related gains (losses), partially offset by a decrease in other revenues.

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Investment related gains (losses) increased by \$4.2 billion to \$1.5 billion in 2024 from \$(2.6) billion in 2023, primarily due to the favorable change in fair value of mortgage loans, FIA hedging derivatives, reinsurance assets and trading securities, partially offset by unfavorable net foreign exchange impacts. The change in fair value of mortgage loans increased \$1.7 billion, the change in fair value of reinsurance assets increased \$1.5 billion and the change in fair value of trading securities increased \$144 million, primarily driven by a decrease in US Treasury rates in 2024 compared to an increase in 2023. The change in fair value of FIA hedging derivatives increased \$1.6 billion, primarily driven by favorable performance of the equity indices upon which our call options are based. The largest percentage of our call options are based on the S&P 500 index, which increased 5.5% in 2024, compared to a decrease of 3.6% in 2023. The unfavorable net foreign exchange impacts were primarily related to the weakening of the US dollar against foreign currencies in 2024 compared to 2023.

Net investment income increased by \$849 million to \$3.8 billion in 2024 from \$2.9 billion in 2023, primarily driven by significant growth in our investment portfolio attributable to strong net flows during the previous twelve months and higher rates on new deployment in comparison to our existing portfolio related to the higher interest rate environment. These increases were partially offset by higher investment management fees driven by the significant growth in our investment portfolio.

Premiums increased by \$363 million to \$389 million in 2024 from \$26 million in 2023, primarily driven by a \$294 million increase in pension group annuity premiums compared to 2023, as well as an increase in life premiums attributable to a block reinsurance transaction completed in the fourth quarter of 2023.

VIE investment related gains (losses) increased by \$219 million to \$469 million in 2024 from \$250 million in 2023, primarily driven by unrealized gains on assets held by AAA and a favorable change in the fair value of mortgage loans held in VIEs related to a decrease in US Treasury rates in 2024 compared to an increase in 2023.

Other revenues decreased by \$560 million to \$4 million in 2024 from \$564 million in 2023, primarily driven by the \$555 million gain on the settlement of the VIAC recapture agreement in 2023.

### *Benefits and Expenses*

Benefits and expenses increased by \$3.9 billion to \$4.8 billion in 2024 from \$943 million in 2023. The increase was primarily driven by an increase in interest sensitive contract benefits, an increase in market risk benefits remeasurement (gains) losses, an increase in future policy and other policy benefits, an increase in policy and other operating expenses and an increase in DAC, DSI and VOBA amortization. Our annual unlocking of assumptions resulted in an increase in total benefits and expenses of \$31 million compared to a decrease of \$22 million in 2023. The 2024 unlocking was driven by an increase of \$62 million in market risk benefits, an increase of \$21 million related to DAC, DSI and VOBA and an increase of \$8 million in interest sensitive contract benefits, partially offset by a decrease of \$60 million in future policy and other policy benefits, compared to a decrease of \$94 million in interest sensitive contract benefits and a decrease of \$45 million in future policy and other policy benefits, partially offset by an increase of \$81 million in market risk benefits and an increase of \$36 million related to DAC, DSI and VOBA in 2023.

Interest sensitive contract benefits increased by \$2.3 billion to \$2.6 billion in 2024 from \$333 million in 2023, primarily driven by an increase in the change in our fixed indexed annuity reserves, significant growth in our deferred annuity and funding agreement blocks of business, higher rates on new deferred annuity and funding agreement issuances in comparison to our existing blocks of business and an unfavorable change in unlocking. The change in our fixed indexed annuity reserves includes the impact from changes in the fair value of FIA embedded derivatives. The increase in the change in fair value of FIA embedded derivatives of \$1.5 billion was primarily due to the performance of the equity indices to which our FIA policies are linked. The largest percentage of our FIA policies are linked to the S&P 500 index, which increased 5.5% in 2024, compared to a decrease of 3.6% in 2023. The change in fair value of FIA embedded derivatives was also driven by the unfavorable change in discount rates used in our embedded derivative calculations as 2024 experienced a decrease in discount rates compared to an increase in 2023. These impacts were partially offset by the favorable impact of rates on policyholder projected benefits. The fair value of FIA embedded derivatives unlocking in 2024 was \$67 million unfavorable primarily due to changes to projected interest crediting, while 2023 unlocking was \$20 million favorable primarily due to changes to projected interest crediting, partially offset by an increase in lapse and risk margin assumptions. The negative VOBA unlocking related to our interest sensitive contract liabilities in 2024 was \$59 million favorable mainly due to updated economics and an increase in lapse assumptions, while 2023 unlocking was \$74 million favorable mainly due to an increase in lapse assumptions.

Market risk benefits remeasurement (gains) losses increased by \$965 million to \$524 million in 2024 from \$(441) million in 2023. The losses in 2024 compared to gains in 2023 were primarily driven by an unfavorable change in the fair value of market risk benefits, partially offset by a favorable change in unlocking. The change in fair value of market risk benefits was \$1.0 billion unfavorable compared to 2023 due to a decrease in the risk-free discount rate across the curve, which is used in the fair value measurement of the liability for market risk benefits. This impact was partially offset by a favorable change in fair value of market risk benefits of \$69 million related to the favorable equity market performance compared to 2023. The market risk benefits unlocking in 2024 was \$62 million unfavorable primarily due to an increase in the income rider utilization assumption increasing projected claims, partially offset by favorable changes in lapse and enhanced income utilization assumptions, while 2023 unlocking was \$81 million unfavorable primarily due to an increase in the income rider utilization assumption increasing projected claims, partially offset by favorable changes in lapse and income rider restart assumptions.

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Future policy and other policy benefits increased by \$425 million to \$793 million in 2024 from \$368 million in 2023, primarily driven by a \$294 million increase in pension group annuity obligations compared to 2023 and an increase in the change in the AmerUs Closed Block fair value liability, partially offset by a favorable change in unlocking. The change in the AmerUs Closed Block fair value liability was primarily due to a decrease in US Treasury rates in 2024 compared to an increase in 2023. Unlocking in 2024 was \$60 million favorable consisting of \$104 million of favorable future policy benefit reserve unlocking, partially offset by \$44 million of unfavorable negative VOBA and deferred profit liability unlocking. The favorable unlocking primarily related to favorable projected mortality lowering future benefit payments, partially offset by an increase in the lump sum payment utilization assumption. Unlocking in 2023 was \$45 million favorable consisting of \$297 million of favorable future policy benefit reserve unlocking, partially offset by \$252 million of unfavorable negative VOBA and deferred profit liability unlocking. The favorable unlocking primarily related to higher interest rates and favorable mortality experience lowering future benefit payments.

Policy and other operating expenses increased by \$215 million to \$687 million in 2024 from \$472 million in 2023, primarily driven by the recognition of \$172 million of expense related to estimated guaranty association assessments we expect to be levied against us in connection with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies, as well as an increase in general operating expenses attributable to growth in the business.

DAC, DSI and VOBA amortization increased by \$33 million to \$244 million in 2024 from \$211 million in 2023, primarily due to growth in our retail channel, partially offset by lower VOBA amortization and a favorable change in unlocking. Unlocking in 2024 was \$21 million unfavorable mainly related to changes to projected interest crediting and an increase in lapse assumptions, while unlocking in 2023 was \$36 million unfavorable mainly related to an increase in lapse assumptions and changes to projected interest crediting.

### *Income Tax Expense*

Income tax expense increased by \$29 million to \$191 million in 2024 from \$162 million in 2023, primarily driven the favorable changes in the fair value of mortgage loans and reinsurance assets as well as the increase in net investment income, partially offset by an increase in income attributable to the noncontrolling interests, additional policyholder and other reserve liability costs and the gain on the settlement of the VIAC recapture agreement in 2023. Our effective tax rate in the third quarter of 2024 was 11% compared to 33% in 2023. The income tax expense was calculated by applying the 21% US statutory rate to the income of our US and foreign subsidiaries, net of noncontrolling interests.

### *Net Income (Loss) Attributable to Noncontrolling Interests*

Net income (loss) attributable to noncontrolling interests increased by \$1.0 billion to \$859 million in 2024 from \$(155) million in 2023, primarily due to the favorable change in fair value of reinsurance assets related to a decrease in US Treasury rates in 2024 compared to an increase in 2023, an increase in income attributable to the ACRA 2 noncontrolling interest related to the 10% increase in ADIP II's ownership of ACRA 2 effective December 31, 2023, and a higher allocation of income to the AAA noncontrolling interest driven by the continued increase in the noncontrolling interest ownership of AAA.

### *Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023*

In this section, references to 2024 refer to the nine months ended September 30, 2024 and references to 2023 refer to the nine months ended September 30, 2023.

### *Net Income Available to Athene Holding Ltd. Common Stockholder*

Net income available to Athene Holding Ltd. common stockholder increased by \$751 million, or 48%, to \$2.3 billion in 2024 from \$1.6 billion in 2023. The increase in net income available to Athene Holding Ltd. common stockholder was primarily driven by a \$3.3 billion decrease in benefits and expenses, partially offset by a \$1.3 billion decrease in revenues, a \$1.0 billion increase in net income attributable to noncontrolling interests and a \$201 million increase in income tax expense.

### *Revenues*

Revenues decreased by \$1.3 billion to \$16.9 billion in 2024 from \$18.2 billion in 2023. The decrease was primarily driven by a decrease in premiums and a decrease in other revenues, partially offset by an increase in investment related gains (losses), an increase in net investment income and an increase in VIE investment related gains (losses).

Premiums decreased by \$8.0 billion to \$1.2 billion in 2024 from \$9.2 billion in 2023, primarily driven by an \$8.2 billion decrease in pension group annuity premiums compared to 2023, partially offset by an increase in life premiums attributable to a block reinsurance transaction completed in the fourth quarter of 2023.

Other revenues decreased by \$575 million to \$9 million in 2024 from \$584 million in 2023, primarily driven by the \$555 million gain on the settlement of the VIAC recapture agreement in 2023.

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Investment related gains (losses) increased by \$4.3 billion to \$3.1 billion in 2024 from \$(1.2) billion in 2023, primarily due to the change in fair value of FIA hedging derivatives, mortgage loans, reinsurance assets and trading securities, as well as a favorable change in the provision for credit losses, partially offset by unfavorable net foreign exchange impacts. The change in fair value of FIA hedging derivatives increased \$2.0 billion, primarily driven by the favorable performance of the equity indices upon which our call options are based. The largest percentage of our call options are based on the S&P 500 index, which increased 20.8% in 2024, compared to an increase of 11.7% in 2023. The change in fair value of mortgage loans increased \$1.6 billion, the change in fair value of reinsurance assets increased \$1.0 billion and the change in fair value of trading securities increased \$79 million primarily driven by a decrease in US Treasury rates in 2024 compared to an increase in 2023. The favorable change in the provision for credit losses of \$123 million was primarily driven by intent-to-sell impairments in 2023 related to the timing of the recapture of certain business by VIAC and impacts from the Silicon Valley Bank failure. The unfavorable net foreign exchange impacts were primarily related to the weakening of the US dollar against foreign currencies in 2024 compared to 2023.

Net investment income increased by \$2.5 billion to \$10.6 billion in 2024 from \$8.1 billion in 2023, primarily driven by significant growth in our investment portfolio attributable to strong net flows during the previous twelve months, higher rates on new deployment in comparison to our existing portfolio related to the higher interest rate environment and higher floating rate income. These increases were partially offset by higher investment management fees driven by the significant growth in our investment portfolio.

VIE investment related gains (losses) increased by \$365 million to \$1.1 billion in 2024 from \$744 million in 2023, primarily driven by unrealized gains on assets held by AAA and a favorable change in the fair value of mortgage loans held in VIEs related to a decrease in US Treasury rates in 2024 compared to an increase in 2023.

### *Benefits and Expenses*

Benefits and expenses decreased by \$3.3 billion to \$12.4 billion in 2024 from \$15.7 billion in 2023. The decrease was primarily driven by a decrease in future policy and other policy benefits, partially offset by an increase in interest sensitive contract benefits, an increase in market risk benefits remeasurement (gains) losses, an increase in policy and other operating expenses and an increase in DAC, DSI and VOBA amortization. Our annual unlocking of assumptions resulted in an increase in total benefits and expenses of \$31 million compared to a decrease of \$22 million in 2023. The 2024 unlocking was driven by an increase of \$62 million in market risk benefits, an increase of \$21 million related to DAC, DSI and VOBA and an increase of \$8 million in interest sensitive contract benefits, partially offset by a decrease of \$60 million in future policy and other policy benefits, compared to a decrease of \$94 million in interest sensitive contract benefits and a decrease of \$45 million in future policy and other policy benefits, partially offset by an increase of \$81 million in market risk benefits and an increase of \$36 million related to DAC, DSI and VOBA in 2023.

Future policy and other policy benefits decreased by \$7.9 billion to \$2.4 billion in 2024 from \$10.3 billion in 2023, primarily driven by an \$8.2 billion decrease in pension group annuity obligations compared to 2023 and a favorable change in unlocking, partially offset by a \$211 million increase in accrued interest and an increase in the change in the AmerUs Closed Block fair value liability. The increase in accrued interest was primarily attributable to a larger outstanding balance in 2024 compared to 2023. The change in the AmerUs Closed Block fair value liability was primarily due to a decrease in US Treasury rates in 2024 compared to an increase in 2023. Unlocking in 2024 was \$60 million favorable consisting of \$104 million of favorable future policy benefit reserve unlocking, partially offset by \$44 million of unfavorable negative VOBA and deferred profit liability unlocking. The favorable unlocking primarily related to favorable projected mortality lowering future benefit payments, partially offset by an increase in the lump sum payment utilization assumption. Unlocking in 2023 was \$45 million favorable consisting of \$297 million of favorable future policy benefit reserve unlocking, partially offset by \$252 million of unfavorable negative VOBA and deferred profit liability unlocking. The favorable unlocking primarily related to higher interest rates and favorable mortality experience lowering future benefit payments.

Interest sensitive contract benefits increased by \$3.7 billion to \$7.3 billion in 2024 from \$3.6 billion in 2023, primarily driven by an increase in the change in our fixed indexed annuity reserves, significant growth in our deferred annuity and funding agreement blocks of business, higher rates on new deferred annuity and funding agreement issuances in comparison to our existing blocks of business, increased costs on floating rate funding agreements and an unfavorable change in unlocking. The change in our fixed indexed annuity reserves includes the impact from changes in the fair value of FIA embedded derivatives. The increase in the change in fair value of FIA embedded derivatives of \$993 million was primarily due to the performance of the equity indices to which our FIA policies are linked. The largest percentage of our FIA policies are linked to the S&P 500 index, which increased 20.8% in 2024, compared to an increase of 11.7% in 2023. The change in fair value of FIA embedded derivatives was also driven by the unfavorable change in discount rates used in our embedded derivative calculations as 2024 experienced a decrease in discount rates compared to an increase in 2023. These impacts were partially offset by the favorable impact of rates on policyholder projected benefits. The fair value of FIA embedded derivatives unlocking in 2024 was \$67 million unfavorable primarily due to changes to projected interest crediting, while 2023 unlocking was \$20 million favorable primarily due to changes to projected interest crediting, partially offset by an increase in lapse and risk margin assumptions. The negative VOBA unlocking related to our interest sensitive contract liabilities in 2024 was \$59 million favorable mainly due to updated economics and an increase in lapse assumptions, while 2023 unlocking was \$74 million favorable mainly due to an increase in lapse assumptions.



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Market risk benefits remeasurement (gains) losses increased by \$520 million to \$354 million in 2024 from \$(166) million in 2023. The losses in 2024 compared to gains in 2023 were primarily driven by an unfavorable change in the fair value of market risk benefits, partially offset by a favorable change in unlocking. The change in fair value of market risk benefits was \$573 million unfavorable compared to 2023 due to a decrease in the risk-free discount rate across the curve, which is used in the fair value measurement of the liability for market risk benefits. This impact was partially offset by a favorable change in the fair value of market risk benefits of \$89 million related to the favorable equity market performance compared to 2023. The market risk benefits unlocking in 2024 was \$62 million unfavorable primarily due to an increase in the income rider utilization assumption increasing projected claims, partially offset by favorable changes in lapse and enhanced income utilization assumptions, while 2023 unlocking was \$81 million unfavorable primarily due to an increase in the income rider utilization assumption increasing projected claims, partially offset by favorable changes in lapse and income rider restart assumptions.

Policy and other operating expenses increased by \$294 million to \$1.7 billion in 2024 from \$1.4 billion in 2023, primarily driven by the recognition of \$172 million of expense related to estimated guaranty association assessments we expect to be levied against us in connection with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies, as well as an increase in general operating expenses attributable to growth in the business.

DAC, DSI and VOBA amortization increased by \$176 million to \$678 million in 2024 from \$502 million in 2023, primarily due to growth in our retail channel, partially offset by a favorable change in unlocking. Unlocking in 2024 was \$21 million unfavorable mainly related to changes to projected interest crediting and an increase in lapse assumptions, while unlocking in 2023 was \$36 million unfavorable mainly related to an increase in lapse assumptions and changes to projected interest crediting.

*Income Tax Expense*

Income tax expense increased by \$201 million to \$659 million in 2024 from \$458 million in 2023, primarily driven by the favorable change in fair value of reinsurance assets and mortgage loans as well as an increase in net investment income, partially offset by an increase in income attributable to the noncontrolling interests, additional policyholder and other reserve liability costs and the gain on the settlement of the VIAC recapture agreement in 2023. Our effective tax rate in 2024 was 15% compared to 18% in 2023. The income tax expense was calculated by applying the 21% US statutory rate to the income of our US and foreign subsidiaries, net of noncontrolling interests.

*Net Income (Loss) Attributable to Noncontrolling Interests*

Net income (loss) attributable to noncontrolling interests increased by \$1.0 billion to \$1.4 billion in 2024 from \$354 million in 2023, primarily due to the favorable change in fair value of reinsurance assets related to a decrease in US Treasury rates in 2024 compared to an increase in 2023, an increase in income attributable to the ACRA 2 noncontrolling interest, which was established in the third quarter of 2023, with ADIP II increasing its ownership stake in ACRA 2 to 60% effective December 31, 2023, and a higher allocation of income to the AAA noncontrolling interest driven by the continued increase in the noncontrolling interest ownership of AAA.

**Summary of Non-GAAP Earnings**

The following summarizes our spread related earnings:

| <i>(In millions)</i>                         | <u>Three months ended September 30,</u> |               | <u>Nine months ended September 30,</u> |                 |
|--|---|---------------|--|-----------------|
|  | <u>2024</u>                             | <u>2023</u>   | <u>2024</u>                            | <u>2023</u>     |
| Fixed income and other net investment income | \$ 2,807                                | \$ 2,236      | \$ 7,897                               | \$ 6,402        |
| Alternative net investment income            | 236                                     | 230           | 670                                    | 674             |
| Net investment earnings                      | 3,043                                   | 2,466         | 8,567                                  | 7,076           |
| Strategic capital management fees            | 27                                      | 19            | 76                                     | 49              |
| Cost of funds                                | (1,983)                                 | (1,384)       | (5,586)                                | (4,056)         |
| Net investment spread                        | 1,087                                   | 1,101         | 3,057                                  | 3,069           |
| Other operating expenses                     | (114)                                   | (123)         | (346)                                  | (367)           |
| Interest and other financing costs           | (118)                                   | (106)         | (328)                                  | (344)           |
| <b>Spread related earnings</b>               | <b>\$ 855</b>                           | <b>\$ 872</b> | <b>\$ 2,383</b>                        | <b>\$ 2,358</b> |

***Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023***

In this section, references to 2024 refer to the three months ended September 30, 2024 and references to 2023 refer to the three months ended September 30, 2023.

*Spread Related Earnings*

SRE decreased by \$17 million, or 2%, to \$855 million in 2024 from \$872 million in 2023. The decrease in SRE was primarily driven by higher cost of funds and interest and other financing costs, partially offset by higher net investment earnings and strategic capital management fees.

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Cost of funds increased \$599 million, primarily driven by growth in and higher rates on new deferred annuity issuances, growth in and higher rates on new institutional business, including the additional costs of swapping to or issuing funding agreements as floating rate to mitigate SRE sensitivity to floating rate assets, an increase in business mix to institutional business at higher crediting rates and the \$114 million operating gain on the settlement of the VIAC recapture agreement in 2023. These impacts were partially offset by a favorable change in unlocking as well as a favorable impact to pension group annuity balances related to a refinement in methodology. Unlocking, net of the noncontrolling interests, was favorable \$16 million primarily related to favorable projected mortality lowering future benefit payments, updated economics and favorable changes in lapse and enhanced income utilization assumptions. These impacts were largely offset by an increase in the income rider utilization assumption increasing projected claims, an increase in the lump sum payment utilization assumption and changes to projected interest crediting. Unlocking, net of the noncontrolling interests, in 2023 was unfavorable \$24 million primarily related to an increase in the income rider utilization assumption increasing projected claims. This impact was partially offset by favorable changes in lapse and income rider restart assumptions, as well as higher interest rates and favorable mortality experience lowering future benefit payments.

Interest and other financing costs increased \$12 million related to interest expense on our debt issuances in the fourth quarter of 2023 and the first quarter of 2024, partially offset by lower interest expense resulting from a decrease in short-term repurchase agreements outstanding in 2024 compared to 2023.

Net investment earnings increased \$577 million, primarily driven by \$30.5 billion of growth in our average net invested assets, higher rates on new deployment compared to our existing portfolio related to the higher interest rate environment and an increase in alternative net investment income. The increase in alternative net investment income compared to 2023 was primarily driven by favorable performance within strategic origination platforms and credit, largely offset by less favorable performance within equity and retirement services platforms. The increase in income from strategic origination platforms was mainly attributable to a Wheels valuation increase in 2024, unfavorable performance from Aqua Finance, Inc. (Aqua Finance) in 2023 related to macroeconomic headwinds for consumer loan origination and favorable performance from other strategic origination platforms related to the funding of recent investments. The decrease in income from equity was largely driven by underperformance within private equity and real assets compared to 2023, while the decrease in income from retirement services platforms was primarily related to continued inflationary and regulatory pressures impacting the valuation of Athora.

Strategic capital management fees increased \$8 million due to additional fees received from ADIP II related to new business ceded to ACRA 2 over the previous twelve months as well as the 10% increase in ADIP II’s ownership of ACRA 2 effective December 31, 2023.

*Net Investment Spread*

|   | Three months ended September 30, |         |
|---|----------------------------------|---------|
|   | 2024                             | 2023    |
| Fixed income and other net investment earned rate | 4.96 %                           | 4.58 %  |
| Alternative net investment earned rate            | 8.19 %                           | 7.75 %  |
| Net investment earned rate                        | 5.12 %                           | 4.76 %  |
| Strategic capital management fees                 | 0.05 %                           | 0.04 %  |
| Cost of funds                                     | (3.34)%                          | (2.67)% |
| Net investment spread                             | 1.83 %                           | 2.13 %  |

Net investment spread decreased 30 basis points to 1.83% in 2024 from 2.13% in 2023, primarily driven by higher cost of funds, partially offset by a higher net investment earned rate.

Cost of funds increased 67 basis points to 3.34% in 2024 from 2.67% in 2023, primarily driven by higher rates on new deferred annuity issuances, higher rates on new institutional business, including the additional costs of swapping to or issuing funding agreements as floating rate to mitigate SRE sensitivity to floating rate assets, an increase in business mix to institutional business at higher crediting rates and the \$114 million operating gain on the settlement of the VIAC recapture agreement in 2023. These impacts were partially offset by a favorable change in unlocking, as well as a favorable impact to pension group annuity balances related to a refinement in methodology.

Net investment earned rate increased 36 basis points to 5.12% in 2024 from 4.76% in 2023, primarily due to higher returns in both our fixed income and alternative investment portfolios. Fixed income and other net investment earned rate was 4.96% in 2024, an increase from 4.58% in 2023, primarily driven by higher rates on new deployment compared to our existing portfolio related to the higher interest rate environment. Alternative net investment earned rate was 8.19% in 2024, an increase from 7.75% in 2023, primarily driven by favorable performance within strategic origination platforms and credit, largely offset by less favorable performance within equity and retirement services platforms. The higher return on strategic origination platforms was mainly attributable to a Wheels valuation increase in 2024, unfavorable performance from Aqua Finance in 2023 related to macroeconomic headwinds for consumer loan origination and favorable performance from other strategic origination platforms related to the funding of recent investments. The lower return on equity was largely driven by underperformance within private equity and real assets compared to 2023, while the lower return on retirement services platforms was primarily related to continued inflationary and regulatory pressures impacting the valuation of Athora.

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### *Adjustments to Net Income Available to Athene Holding Ltd. Common Stockholder*

The adjustments to net income available to Athene Holding Ltd. common stockholder are comprised of investment gains (losses), net of offsets; non-operating change in insurance liabilities and related derivatives; integration, restructuring and other non-operating expenses; stock compensation expense and the non-operating income tax expense (benefit) related to these adjustments. The increase in adjustments to net income available to Athene Holding Ltd. common stockholder in 2024 compared to 2023 was primarily driven by an increase in investment gains (losses), net of offsets, partially offset by a decrease in non-operating change in insurance liabilities and related derivatives and an increase in integration, restructuring and other non-operating expenses. Our annual unlocking of assumptions, net of the noncontrolling interests, resulted in a decrease in our adjustments to net income (loss) available to AHL common stockholder of \$11 million compared to an increase of \$71 million in 2023. The 2024 unlocking was driven by \$26 million unfavorable FIA embedded derivative unlocking, partially offset by \$14 million favorable market risk benefits unlocking and \$1 million favorable liability for future policy benefits unlocking, compared to \$71 million favorable FIA embedded derivative unlocking in 2023.

Investment gains (losses), net of offsets, increased \$1.3 billion, primarily due to the favorable changes in fair value of mortgage loans, reinsurance assets and trading securities, partially offset by the \$441 million non-operating gain on the settlement of the VIAC recapture agreement in 2023, unfavorable net foreign exchange impacts and higher realized losses related to the sale of mortgage loans and corporate securities. The favorable changes in fair value of mortgage loans of \$1.5 billion, reinsurance assets of \$828 million and trading securities were primarily driven by a decrease in US Treasury rates in 2024 compared to an increase in 2023. The unfavorable net foreign exchange impacts were primarily related to the weakening of the US dollar against foreign currencies in comparison to 2023.

Non-operating change in insurance liabilities and related derivatives decreased \$944 million, primarily due to the unfavorable change in fair value of market risk benefits and a decrease in net FIA derivatives. The \$929 million unfavorable change in fair value of market risk benefits was primarily driven by a decrease in the risk-free discount rate across the curve, which is used in the fair value measurement of the liability for market risk benefits, partially offset by favorable equity market performance compared to 2023 and a favorable change in unlocking. The fair value of market risk benefits unlocking, net of the noncontrolling interests, in 2024 was \$14 million favorable primarily due to updated economics, while 2023 unlocking resulted in no market risk benefit impacts. The \$55 million unfavorable change in net FIA derivatives was primarily driven by the change in discount rates used in our embedded derivative calculations as 2024 experienced a decrease in discount rates compared to an increase in 2023, and an unfavorable change in unlocking, largely offset by the performance of the equity indices to which our FIA policies are linked and the favorable impact of rates on policyholder projected benefits. The largest percentage of our FIA policies are linked to the S&P 500 index, which increased 5.5% in 2024, compared to a decrease of 3.6% in 2023. The fair value of FIA embedded derivative unlocking, net of the noncontrolling interests, in 2024 was \$26 million unfavorable primarily due to changes to projected interest crediting, while 2023 unlocking was \$71 million favorable primarily due to changes to projected interest crediting, partially offset by an increase in lapse and risk margin assumptions.

Integration, restructuring and other non-operating expenses increased \$163 million, primarily due to the recognition of \$172 million of expense related to estimated guaranty association assessments we expect to be levied against us in connection with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies.

### *Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023*

In this section, references to 2024 refer to the nine months ended September 30, 2024 and references to 2023 refer to the nine months ended September 30, 2023.

### *Spread Related Earnings*

SRE increased by \$25 million, or 1%, to \$2.4 billion in 2024 from \$2.4 billion in 2023. The increase in SRE was primarily driven by higher net investment earnings, higher strategic capital management fees and lower interest and other financing costs, partially offset by higher cost of funds.

Net investment earnings increased \$1.5 billion, primarily driven by \$23.9 billion of growth in our average net invested assets, higher rates on new deployment compared to our existing portfolio related to the higher interest rate environment and higher floating rate income, partially offset by an increase in income attributable to the ACRA noncontrolling interests following the sale of a 50% interest in ACRA 2 to ADIP II effective July 1, 2023 and the subsequent increase in the ADIP II ownership of ACRA 2 to 60% effective December 31, 2023, as well as slightly lower alternative net investment income. The decrease in alternative net investment income compared to 2023 was primarily driven by less favorable performance within retirement services platforms and equity, largely offset by favorable performance within strategic origination platforms and credit. The decrease in income from retirement services platforms was primarily related to continued inflationary and regulatory pressures impacting the valuation of Athora, while the decrease in income from equity was largely driven by underperformance within private equity compared to 2023. The increase in income from strategic origination platforms was mainly attributable to a Wheels valuation increase in 2024, as well as unfavorable performance from Aqua Finance in 2023 related to macroeconomic headwinds for consumer loan origination, partially offset by outsized performance from MidCap Financial in 2023.

Strategic capital management fees increased \$27 million due to additional fees received from ADIP II as a result of the sale of a 50% interest in ACRA 2 to ADIP II effective July 1, 2023 and the subsequent increase in the ADIP II ownership of ACRA 2 to 60% effective December 31, 2023, as well as new business ceded to ACRA 2 over the previous twelve months.

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Interest and other financing costs decreased \$16 million related to lower interest expense resulting from a decrease in short-term repurchase agreements outstanding in 2024 compared to 2023, partially offset by interest expense related to our debt issuances in the fourth quarter of 2023 and the first quarter of 2024.

Cost of funds increased \$1.5 billion, primarily driven by growth in and higher rates on new deferred annuity issuances, growth in and higher rates on new institutional business, including the additional costs of swapping to or issuing funding agreements as floating rate to mitigate SRE sensitivity to floating rate assets, an increase in business mix to institutional business at higher crediting rates and the \$114 million operating gain on the settlement of the VIAC recapture agreement in 2023. These impacts were partially offset by an increase in costs attributable to the ACRA noncontrolling interests following the sale of a 50% interest in ACRA 2 to ADIP II effective July 1, 2023 and the subsequent increase in the ADIP II ownership of ACRA 2 to 60% effective December 31, 2023, as well as a favorable change in unlocking and a favorable impact to pension group annuity balances related to a refinement in methodology. Unlocking, net of the noncontrolling interests, was favorable \$16 million primarily related to favorable projected mortality lowering future benefit payments, updated economics and favorable changes in lapse and enhanced income utilization assumptions. These impacts were largely offset by an increase in the income rider utilization assumption increasing projected claims, an increase in the lump sum payment utilization assumption and changes to projected interest crediting. Unlocking, net of the noncontrolling interests, in 2023 was unfavorable \$24 million primarily related to an increase in the income rider utilization assumption increasing projected claims. This impact was partially offset by favorable changes in lapse and income rider restart assumptions, as well as higher interest rates and favorable mortality experience lowering future benefit payments.

*Net Investment Spread*

|   | Nine months ended September 30, |         |
|---|---------------------------------|---------|
|   | 2024                            | 2023    |
| Fixed income and other net investment earned rate | 4.82 %                          | 4.40 %  |
| Alternative net investment earned rate            | 7.69 %                          | 7.46 %  |
| Net investment earned rate                        | 4.96 %                          | 4.57 %  |
| Strategic capital management fees                 | 0.04 %                          | 0.03 %  |
| Cost of funds                                     | (3.24)%                         | (2.62)% |
| Net investment spread                             | 1.76 %                          | 1.98 %  |

Net investment spread decreased 22 basis points to 1.76% in 2024 from 1.98% in 2023, primarily driven by higher cost of funds, partially offset by a higher net investment earned rate.

Cost of funds increased by 62 basis points to 3.24% in 2024, from 2.62% in 2023, primarily driven by higher rates on new deferred annuity issuances, higher rates on new institutional business, including the additional costs of swapping to or issuing funding agreements as floating rate to mitigate SRE sensitivity to floating rate assets, an increase in business mix to institutional business at higher crediting rates and the \$114 million operating gain on the settlement of the VIAC recapture agreement in 2023. These impacts were partially offset by an increase in costs attributable to the ACRA noncontrolling interests following the sale of a 50% interest in ACRA 2 to ADIP II effective July 1, 2023 and the subsequent increase in the ADIP II ownership of ACRA 2 to 60% effective December 31, 2023, as well as a favorable change in unlocking and a favorable impact to pension group annuity balances related to a refinement in methodology.

Net investment earned rate increased 39 basis points to 4.96% in 2024 from 4.57% in 2023, primarily due to higher returns in our fixed income portfolio and slightly favorable performance within our alternative investment portfolio, partially offset by an increase in income attributable to the ACRA noncontrolling interests following the sale of a 50% interest in ACRA 2 to ADIP II effective July 1, 2023 and the subsequent increase in the ADIP II ownership of ACRA 2 to 60% effective December 31, 2023. Fixed income and other net investment earned rate was 4.82% in 2024, an increase from 4.40% in 2023, primarily driven by higher rates on new deployment compared to our existing portfolio related to the higher interest rate environment and higher floating rate income. Alternative net investment earned rate was 7.69% in 2024, an increase from 7.46% in 2023, as slightly lower income was earned on average alternative net invested assets that decreased \$432 million compared to 2023. The slightly lower alternative net investment income compared to 2023 was primarily driven by less favorable performance within retirement services platforms and equity, largely offset by favorable performance within strategic origination platforms and credit. The lower return on retirement services platforms was primarily related to continued inflationary and regulatory pressures impacting the valuation of Athora, while the lower return on equity was largely driven by underperformance within private equity compared to 2023. The higher return on strategic origination platforms was mainly attributable to a Wheels valuation increase in 2024, as well as unfavorable performance from Aqua Finance in 2023 related to macroeconomic headwinds for consumer loan origination, partially offset by outsized performance from MidCap Financial in 2023.

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### *Adjustments to Net Income Available to Athene Holding Ltd. Common Stockholder*

The increase in adjustments to net income available to Athene Holding Ltd. common stockholder in 2024 compared to 2023 was primarily driven by an increase in investment gains (losses), net of offsets, partially offset by a decrease in non-operating change in insurance liabilities and related derivatives and an increase in integration, restructuring and other non-operating expenses. Our annual unlocking of assumptions, net of the noncontrolling interests, resulted in a decrease in our adjustments to net income (loss) available to AHL common stockholder of \$11 million compared to an increase of \$71 million in 2023. The 2024 unlocking was driven by \$26 million unfavorable FIA embedded derivative unlocking, partially offset by \$14 million favorable market risk benefits unlocking and \$1 million favorable liability for future policy benefits unlocking, compared to \$71 million favorable FIA embedded derivative unlocking in 2023.

Investment gains (losses), net of offsets, increased \$1.3 billion, primarily due to the favorable changes in fair value of mortgage loans, reinsurance assets and trading securities as well as a favorable change in the provision for credit losses, partially offset by the \$441 million non-operating gain on the settlement of the VIAC recapture agreement in 2023, unfavorable net foreign exchange impacts and higher realized losses related to the sale of mortgage loans and corporate securities. The favorable changes in fair value of mortgage loans of \$1.4 billion, reinsurance assets of \$557 million and trading securities were primarily due to a decrease in US Treasury rates in 2024 compared to an increase in 2023. The favorable change in the provision for credit losses of \$135 million was primarily driven by intent-to-sell impairments in 2023 related to the timing of the recapture of certain business by VIAC and impacts from the Silicon Valley Bank failure. The unfavorable net foreign exchange impacts were primarily related to the weakening of the US dollar against foreign currencies in comparison to 2023.

Non-operating change in insurance liabilities and related derivatives decreased \$237 million, primarily due to the unfavorable change in fair value of market risk benefits, partially offset by the increase in net FIA derivatives. The \$523 million unfavorable change in fair value of market risk benefits was primarily driven by a decrease in the risk-free discount rate across the curve, which is used in the fair value measurement of the liability for market risk benefits, partially offset by favorable equity market performance compared to 2023 and a favorable change in unlocking. The fair value of market risk benefits unlocking, net of the noncontrolling interests, in 2024 was \$14 million favorable primarily due to updated economics, while 2023 unlocking resulted in no market risk benefit impacts. The \$206 million favorable change in net FIA derivatives was primarily driven by the performance of the equity indices to which our FIA policies are linked. The largest percentage of our FIA policies are linked to the S&P 500 index, which increased 20.8% in 2024, compared to an increase of 11.7% in 2023. The change in net FIA derivatives was also driven by the favorable impact of rates on policyholder projected benefits, partially offset by the unfavorable change in discount rates used in our embedded derivative calculations as 2024 experienced a decrease in discount rates compared to an increase in 2023, and unfavorable unlocking. The fair value of FIA embedded derivative unlocking, net of the noncontrolling interests, in 2024 was \$26 million unfavorable primarily due to changes to projected interest crediting, while 2023 unlocking was \$71 million favorable primarily due to changes to projected interest crediting, partially offset by an increase in lapse and risk margin assumptions.

Integration, restructuring and other non-operating expenses increased \$167 million, primarily due to the recognition of \$172 million of expense related to estimated guaranty association assessments we expect to be levied against us in connection with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies.

### **Investment Portfolio**

We had total investments, including related parties and consolidated VIEs, of \$308.0 billion and \$259.3 billion as of September 30, 2024 and December 31, 2023, 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 focus 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 for our investment portfolio, including direct investment management, asset allocation, mergers and acquisitions 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 persistent liability profile by identifying investment opportunities with an emphasis on earning incremental yield by taking measured liquidity and complexity risk rather than assuming incremental 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 primarily high-grade fixed income assets including corporate bonds, structured securities and commercial and residential real estate loans, among others. 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% 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 includes management fees under our investment management arrangements with Apollo. We incurred management fees, inclusive of base, sub-allocation and performance fees, of \$327 million and \$249 million, respectively, during the three months ended September 30, 2024 and 2023, and \$920 million and \$703 million, respectively, during the nine months ended September 30, 2024, and 2023. The total amounts we incurred, directly and indirectly, from Apollo and its affiliates were \$330 million and \$275 million, respectively, for the three months ended September 30, 2024 and 2023, and \$964 million and \$836 million, respectively, for the nine months ended September 30, 2024, and 2023. Such amounts include (1) fees associated with investment management agreements (excluding sub-advisory fees paid to ISG for the benefit of third-party sub-advisors), which include fees charged by Apollo to third-party cedants with respect to assets supporting obligations reinsured to us but exclude fees charged by Apollo to third-party reinsurers supporting ceded obligations, (2) fees associated with fund investments (including those fund investments held by AAA), which include

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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 interests in ACRA.

Our net invested assets, which are those that directly back our net reserve liabilities as well as surplus assets, were \$242.7 billion and \$217.4 billion as of September 30, 2024 and December 31, 2023, 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 protocols 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, which vary based on the issuer’s ratings. Our strategic investments are also governed by our Strategic Investment Risk Policy which provides for special governance and risk management procedures for these transactions. In addition, our investment portfolio is constrained by its scenario-based capital ratio limits and its liquidity limits.

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

| <i>(In millions, except percentages)</i>                                  | September 30, 2024 |                  | December 31, 2023 |                  |
|---|--------------------|------------------|-------------------|------------------|
|   | Carrying Value     | Percent of Total | Carrying Value    | Percent of Total |
| AFS securities, at fair value   | \$ 164,685         | 53.5 %           | \$ 134,338        | 51.8 %           |
| Trading securities, at fair value   | 1,684              | 0.5 %            | 1,706             | 0.7 %            |
| Equity securities   | 1,292              | 0.4 %            | 1,293             | 0.5 %            |
| Mortgage loans, at fair value   | 58,587             | 19.0 %           | 44,115            | 17.0 %           |
| Investment funds  | 107                | — %              | 109               | 0.1 %            |
| Policy loans  | 320                | 0.1 %            | 334               | 0.1 %            |
| Funds withheld at interest  | 21,231             | 6.9 %            | 24,359            | 9.4 %            |
| Derivative assets   | 7,529              | 2.4 %            | 5,298             | 2.1 %            |
| Short-term investments  | 614                | 0.2 %            | 341               | 0.1 %            |
| Other investments   | 1,727              | 0.6 %            | 1,206             | 0.5 %            |
| <b>Total investments</b>  | <b>257,776</b>     | <b>83.6 %</b>    | <b>213,099</b>    | <b>82.3 %</b>    |
| <b>Investments in related parties</b>                                     |                    |                  |                   |                  |
| AFS securities, at fair value   | 17,897             | 5.8 %            | 14,009            | 5.4 %            |
| Trading securities, at fair value   | 619                | 0.2 %            | 838               | 0.3 %            |
| Equity securities, at fair value  | 257                | 0.1 %            | 318               | 0.1 %            |
| Mortgage loans, at fair value   | 1,345              | 0.4 %            | 1,281             | 0.5 %            |
| Investment funds  | 1,604              | 0.5 %            | 1,632             | 0.6 %            |
| Funds withheld at interest  | 5,444              | 1.8 %            | 6,474             | 2.5 %            |
| Short-term investments  | 812                | 0.3 %            | 947               | 0.4 %            |
| Other investments, at fair value  | 348                | 0.1 %            | 343               | 0.1 %            |
| <b>Total related party investments</b>                                    | <b>28,326</b>      | <b>9.2 %</b>     | <b>25,842</b>     | <b>9.9 %</b>     |
| <b>Total investments, including related parties</b>                       | <b>286,102</b>     | <b>92.8 %</b>    | <b>238,941</b>    | <b>92.2 %</b>    |
| <b>Investments of consolidated VIEs</b>                                   |                    |                  |                   |                  |
| Trading securities, at fair value   | 2,379              | 0.8 %            | 2,136             | 0.8 %            |
| Mortgage loans, at fair value   | 2,226              | 0.7 %            | 2,173             | 0.8 %            |
| Investment funds, at fair value   | 17,135             | 5.6 %            | 15,927            | 6.2 %            |
| Other investments, at fair value  | 159                | 0.1 %            | 103               | — %              |
| <b>Total investments of consolidated VIEs</b>                             | <b>21,899</b>      | <b>7.2 %</b>     | <b>20,339</b>     | <b>7.8 %</b>     |
| <b>Total investments, including related parties and consolidated VIEs</b> | <b>\$ 308,001</b>  | <b>100.0 %</b>   | <b>\$ 259,280</b> | <b>100.0 %</b>   |

The increase in our total investments, including related parties and consolidated VIEs, as of September 30, 2024 of \$48.7 billion compared to December 31, 2023 was primarily driven by significant growth from gross organic inflows of \$56.8 billion in excess of gross liability outflows of \$26.3 billion, unrealized gains on AFS securities during the nine months ended September 30, 2024 of \$3.8 billion, as well as unrealized gains on mortgage loans and reinsurance assets attributable to a decrease in US Treasury rates and credit spread tightening in 2024, and an increase in derivative assets primarily related to the impact of favorable equity market performance in 2024 on our call options. Additionally, total investments, including related parties and consolidated VIEs, increased due to the issuance of debt in the first quarter of 2024, reinvestment

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of earnings and an increase in VIE investment funds attributable to favorable performance of the underlying assets within AAA in 2024 and net contributions from third-party investors into AAA, partially offset by our distribution of certain investments to AGM as a dividend and the resulting deconsolidation of Apollo Rose as a VIE.

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 or similar equity structures that employ various strategies including equity and credit funds. We have a strong preference for alternative investments 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, foreign exchange risk, interest rate risk and credit risk. Our primary use of derivative instruments relates to providing the income needed to fund the annual index credits on our FIA products. We primarily use fixed indexed options to economically hedge indexed 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. We also use derivative instruments, such as forward contracts and swaps, to hedge foreign currency exposure resulting from foreign denominated assets and liabilities and to help manage our net floating rate position.

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, funds withheld at interest receivables, mortgage loans within our triple net lease investment, short-term investments, and investment funds, which primarily include investments over which Apollo can exercise influence. As of September 30, 2024, these investments totaled \$45.9 billion, or 12.9% 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 and MidCap Financial. In each case, the underlying collateral, borrower or other credit party is generally unaffiliated with us. The funds withheld at interest related party amounts are 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. Related party investment funds include strategic investments in direct origination and retirement services platforms and investments in Apollo managed funds. Short-term investments include reverse repurchase agreements in Atlas, which is owned by AAA.

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

| <i>(In millions, except percentages)</i>                       | September 30, 2024 |                         | December 31, 2023 |                         |
|--|--------------------|-------------------------|-------------------|-------------------------|
|  | Carrying Value     | Percent of Total Assets | Carrying Value    | Percent of Total Assets |
| Venerable funds withheld reinsurance portfolio                 | \$ 5,444           | 1.5 %                   | \$ 6,474          | 2.2 %                   |
| Securitizations of unaffiliated assets where Apollo is manager | 19,382             | 5.5 %                   | 16,072            | 5.3 %                   |
| Investments in Apollo funds                                    | 12,254             | 3.5 %                   | 10,683            | 3.6 %                   |
| Strategic investments in Apollo direct origination platforms   | 6,435              | 1.8 %                   | 6,464             | 2.2 %                   |
| Investments in retirement services platforms                   | 2,267              | 0.6 %                   | 2,575             | 0.9 %                   |
| Other  | 101                | — %                     | 81                | — %                     |
| <b>Total related party investments</b>                         | <b>\$ 45,883</b>   | <b>12.9 %</b>           | <b>\$ 42,349</b>  | <b>14.2 %</b>           |

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As of September 30, 2024, a \$5.4 billion funds withheld reinsurance asset with Venerable was included in our US GAAP related party investments. Venerable is a related party due to our minority equity investment in its holding company’s parent, VA Capital. For US 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 September 30, 2024, \$31.2 billion, or 12.8% of our total net invested assets were related party investments. Of these, approximately \$18.4 billion, or 7.6% 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 \$12.8 billion, or 5.2% of our net invested assets.

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

| <i>(In millions, except percentages)</i>                       | September 30, 2024       |                                | December 31, 2023        |                                |
|--|--------------------------|--------------------------------|--------------------------|--------------------------------|
|  | 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 | \$ 18,386                | 7.6 %                          | \$ 16,759                | 7.7 %                          |
| Investments in Apollo funds                                    | 6,896                    | 2.8 %                          | 5,928                    | 2.7 %                          |
| Strategic investments in Apollo direct origination platforms   | 3,691                    | 1.5 %                          | 3,518                    | 1.6 %                          |
| Investments in retirement services platforms                   | 2,203                    | 0.9 %                          | 2,459                    | 1.1 %                          |
| Other  | —                        | — %                            | 13                       | — %                            |
| <b>Total related party net invested assets</b>                 | <b>\$ 31,176</b>         | <b>12.8 %</b>                  | <b>\$ 28,677</b>         | <b>13.1 %</b>                  |

A summary of our related party gross invested assets, which includes the proportionate share of investments associated with the ACRA noncontrolling interests, reflecting the nature of the affiliation is as follows:

| <i>(In millions, except percentages)</i>                       | September 30, 2024         |                                  | December 31, 2023 <sup>1</sup> |                                  |
|--|----------------------------|----------------------------------|--------------------------------|----------------------------------|
|  | Gross Invested Asset Value | Percent of Gross Invested Assets | Gross Invested Asset Value     | Percent of Gross Invested Assets |
| Securitizations of unaffiliated assets where Apollo is manager | \$ 24,255                  | 7.7 %                            | \$ 21,550                      | 7.7 %                            |
| Investments in Apollo funds                                    | 9,222                      | 2.9 %                            | 7,640                          | 2.7 %                            |
| Strategic investments in Apollo direct origination platforms   | 4,869                      | 1.5 %                            | 5,089                          | 1.8 %                            |
| Investments in retirement services platforms                   | 2,291                      | 0.7 %                            | 2,539                          | 0.9 %                            |
| Other  | —                          | — %                              | 13                             | — %                              |
| <b>Total related party gross invested assets</b>               | <b>\$ 40,637</b>           | <b>12.8 %</b>                    | <b>\$ 36,831</b>               | <b>13.1 %</b>                    |

<sup>1</sup> Prior period amounts have been updated from previously reported amounts.

**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 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 are charged or credited to other comprehensive income (loss), 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 the provision for credit losses within investment related gains (losses) on the condensed consolidated statements of income.



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

| <i>(In millions, except percentages)</i>               | September 30, 2024 |                             |                        |                         |                   |                  |
|--|--------------------|-----------------------------|------------------------|-------------------------|-------------------|------------------|
|  | Amortized Cost     | Allowance for Credit Losses | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value        | Percent of Total |
| <b>AFS securities</b>                                  |                    |                             |                        |                         |                   |                  |
| US government and agencies                             | \$ 7,501           | \$ —                        | \$ 84                  | \$ (824)                | \$ 6,761          | 3.7 %            |
| US state, municipal and political subdivisions         | 1,175              | —                           | 2                      | (200)                   | 977               | 0.5 %            |
| Foreign governments                                    | 2,088              | —                           | 44                     | (374)                   | 1,758             | 1.0 %            |
| Corporate  | 95,432             | (168)                       | 1,309                  | (8,963)                 | 87,610            | 48.0 %           |
| CLO  | 27,362             | (1)                         | 437                    | (188)                   | 27,610            | 15.1 %           |
| ABS  | 22,488             | (74)                        | 500                    | (444)                   | 22,470            | 12.3 %           |
| CMBS   | 9,704              | (57)                        | 112                    | (395)                   | 9,364             | 5.1 %            |
| RMBS   | 8,502              | (377)                       | 338                    | (328)                   | 8,135             | 4.4 %            |
| <b>Total AFS securities</b>                            | <b>174,252</b>     | <b>(677)</b>                | <b>2,826</b>           | <b>(11,716)</b>         | <b>164,685</b>    | <b>90.1 %</b>    |
| <b>AFS securities – related parties</b>                |                    |                             |                        |                         |                   |                  |
| Corporate  | 1,642              | —                           | 7                      | (35)                    | 1,614             | 0.9 %            |
| CLO  | 5,763              | —                           | 41                     | (24)                    | 5,780             | 3.2 %            |
| ABS  | 10,725             | (1)                         | 40                     | (261)                   | 10,503            | 5.8 %            |
| <b>Total AFS securities – related parties</b>          | <b>18,130</b>      | <b>(1)</b>                  | <b>88</b>              | <b>(320)</b>            | <b>17,897</b>     | <b>9.9 %</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 192,382</b>  | <b>\$ (678)</b>             | <b>\$ 2,914</b>        | <b>\$ (12,036)</b>      | <b>\$ 182,582</b> | <b>100.0 %</b>   |

| <i>(In millions, except percentages)</i>               | December 31, 2023 |                             |                        |                         |                   |                  |
|--|-------------------|-----------------------------|------------------------|-------------------------|-------------------|------------------|
|  | Amortized Cost    | Allowance for Credit Losses | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value        | Percent of Total |
| <b>AFS securities</b>                                  |                   |                             |                        |                         |                   |                  |
| US government and agencies                             | \$ 6,161          | \$ —                        | \$ 67                  | \$ (829)                | \$ 5,399          | 3.6 %            |
| US state, municipal and political subdivisions         | 1,296             | —                           | —                      | (250)                   | 1,046             | 0.7 %            |
| Foreign governments                                    | 2,083             | —                           | 71                     | (255)                   | 1,899             | 1.3 %            |
| Corporate  | 88,343            | (129)                       | 830                    | (10,798)                | 78,246            | 52.8 %           |
| CLO  | 20,506            | (2)                         | 261                    | (558)                   | 20,207            | 13.6 %           |
| ABS  | 13,942            | (49)                        | 120                    | (630)                   | 13,383            | 9.0 %            |
| CMBS   | 7,070             | (29)                        | 52                     | (502)                   | 6,591             | 4.4 %            |
| RMBS   | 8,160             | (381)                       | 252                    | (464)                   | 7,567             | 5.1 %            |
| <b>Total AFS securities</b>                            | <b>147,561</b>    | <b>(590)</b>                | <b>1,653</b>           | <b>(14,286)</b>         | <b>134,338</b>    | <b>90.5 %</b>    |
| <b>AFS securities – related parties</b>                |                   |                             |                        |                         |                   |                  |
| Corporate  | 1,423             | —                           | 1                      | (72)                    | 1,352             | 0.9 %            |
| CLO  | 4,367             | —                           | 21                     | (120)                   | 4,268             | 2.9 %            |
| ABS  | 8,665             | (1)                         | 34                     | (309)                   | 8,389             | 5.7 %            |
| <b>Total AFS securities – related parties</b>          | <b>14,455</b>     | <b>(1)</b>                  | <b>56</b>              | <b>(501)</b>            | <b>14,009</b>     | <b>9.5 %</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 162,016</b> | <b>\$ (591)</b>             | <b>\$ 1,709</b>        | <b>\$ (14,787)</b>      | <b>\$ 148,347</b> | <b>100.0 %</b>   |

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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:

| <i>(In millions, except percentages)</i>               | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>Corporate</b>                                       |                    |                  |                   |                  |
| Industrial other <sup>1</sup>                          | \$ 28,246          | 15.5 %           | \$ 27,272         | 18.4 %           |
| Financial  | 34,195             | 18.7 %           | 26,854            | 18.1 %           |
| Utilities  | 18,510             | 10.1 %           | 16,048            | 10.9 %           |
| Communication  | 4,368              | 2.4 %            | 5,063             | 3.4 %            |
| Transportation   | 3,905              | 2.2 %            | 4,361             | 2.9 %            |
| <b>Total corporate</b>                                 | <b>89,224</b>      | <b>48.9 %</b>    | <b>79,598</b>     | <b>53.7 %</b>    |
| <b>Other government-related securities</b>             |                    |                  |                   |                  |
| US government and agencies                             | 6,761              | 3.7 %            | 5,399             | 3.6 %            |
| Foreign governments                                    | 1,758              | 1.0 %            | 1,899             | 1.3 %            |
| US state, municipal and political subdivisions         | 977                | 0.5 %            | 1,046             | 0.7 %            |
| <b>Total non-structured securities</b>                 | <b>98,720</b>      | <b>54.1 %</b>    | <b>87,942</b>     | <b>59.3 %</b>    |
| <b>Structured securities</b>                           |                    |                  |                   |                  |
| CLO  | 33,390             | 18.3 %           | 24,475            | 16.5 %           |
| ABS  | 32,973             | 18.1 %           | 21,772            | 14.7 %           |
| CMBS   | 9,364              | 5.1 %            | 6,591             | 4.4 %            |
| <b>RMBS</b>  |                    |                  |                   |                  |
| Agency   | 1,131              | 0.6 %            | 962               | 0.6 %            |
| Non-agency   | 7,004              | 3.8 %            | 6,605             | 4.5 %            |
| <b>Total structured securities</b>                     | <b>83,862</b>      | <b>45.9 %</b>    | <b>60,405</b>     | <b>40.7 %</b>    |
| <b>Total AFS securities, including related parties</b> | <b>\$ 182,582</b>  | <b>100.0 %</b>   | <b>\$ 148,347</b> | <b>100.0 %</b>   |

<sup>1</sup> 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 \$182.6 billion and \$148.3 billion as of September 30, 2024 and December 31, 2023, respectively. The increase was mainly driven by the deployment of strong organic inflows in excess of liability outflows as well as unrealized gains on AFS securities during the nine months ended September 30, 2024 of \$3.8 billion attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

The Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (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            |

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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 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. 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:

| <i>(In millions, except percentages)</i>               | September 30, 2024 |                   |                  | December 31, 2023 |                   |                  |
|--|--------------------|-------------------|------------------|-------------------|-------------------|------------------|
|  | Amortized Cost     | Fair Value        | Percent of Total | Amortized Cost    | Fair Value        | Percent of Total |
| <b>NAIC designation</b>                                |                    |                   |                  |                   |                   |                  |
| 1 A-G  | \$ 107,887         | \$ 102,381        | 56.1 %           | \$ 88,673         | \$ 81,549         | 55.0 %           |
| 2 A-C  | 78,153             | 74,486            | 40.8 %           | 67,530            | 61,664            | 41.5 %           |
| Total investment grade                                 | 186,040            | 176,867           | 96.9 %           | 156,203           | 143,213           | 96.5 %           |
| 3 A-C  | 3,708              | 3,502             | 1.9 %            | 3,869             | 3,544             | 2.4 %            |
| 4 A-C  | 1,585              | 1,469             | 0.8 %            | 1,144             | 1,013             | 0.7 %            |
| 5 A-C  | 186                | 148               | 0.1 %            | 178               | 129               | 0.1 %            |
| 6  | 863                | 596               | 0.3 %            | 622               | 448               | 0.3 %            |
| Total below investment grade                           | 6,342              | 5,715             | 3.1 %            | 5,813             | 5,134             | 3.5 %            |
| <b>Total AFS securities, including related parties</b> | <b>\$ 192,382</b>  | <b>\$ 182,582</b> | <b>100.0 %</b>   | <b>\$ 162,016</b> | <b>\$ 148,347</b> | <b>100.0 %</b>   |

A significant majority of our AFS portfolio, 96.9% and 96.5% as of September 30, 2024 and December 31, 2023, respectively, was invested in assets considered investment grade with an NAIC designation of 1 or 2.

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

| <i>(In millions, except percentages)</i>               | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>NRSRO rating agency designation</b>                 |                    |                  |                   |                  |
| AAA/AA/A   | \$ 93,502          | 51.2 %           | \$ 71,887         | 48.5 %           |
| BBB  | 70,025             | 38.4 %           | 58,010            | 39.1 %           |
| Non-rated <sup>1</sup>                                 | 11,842             | 6.5 %            | 11,427            | 7.7 %            |
| <b>Total investment grade</b>                          | <b>175,369</b>     | <b>96.1 %</b>    | <b>141,324</b>    | <b>95.3 %</b>    |
| BB   | 3,004              | 1.6 %            | 3,421             | 2.3 %            |
| B  | 1,004              | 0.5 %            | 826               | 0.6 %            |
| CCC  | 1,030              | 0.6 %            | 1,037             | 0.6 %            |
| CC and lower   | 766                | 0.4 %            | 739               | 0.5 %            |
| Non-rated <sup>1</sup>                                 | 1,409              | 0.8 %            | 1,000             | 0.7 %            |
| <b>Total below investment grade</b>                    | <b>7,213</b>       | <b>3.9 %</b>     | <b>7,023</b>      | <b>4.7 %</b>     |
| <b>Total AFS securities, including related parties</b> | <b>\$ 182,582</b>  | <b>100.0 %</b>   | <b>\$ 148,347</b> | <b>100.0 %</b>   |

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security’s respective NAIC designation. With respect to modeled 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 3.9% and 4.7%, as of September 30, 2024 and December 31, 2023, 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 previously discussed.

As of each of September 30, 2024 and December 31, 2023, non-rated securities were comprised 64% of corporate private placement securities for which we have not sought individual ratings from an NRSRO, and 23% and 22%, respectively, of RMBS, many of which were acquired at a discount to par. We rely on internal analysis and designations assigned by the NAIC to evaluate the credit risk of our portfolio. As of September 30, 2024 and December 31, 2023, 89% and 92%, respectively, 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 \$33.0 billion and \$21.8 billion as of September 30, 2024 and December 31, 2023, respectively.

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

| <i>(In millions, except percentages)</i>        | September 30, 2024 |                  | December 31, 2023 |                  |
|---|--------------------|------------------|-------------------|------------------|
|   | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>NAIC designation</b>                         |                    |                  |                   |                  |
| 1 A-G   | \$ 23,131          | 70.2 %           | \$ 13,180         | 60.5 %           |
| 2 A-C   | 8,935              | 27.1 %           | 7,438             | 34.2 %           |
| Total investment grade                          | 32,066             | 97.3 %           | 20,618            | 94.7 %           |
| 3 A-C   | 709                | 2.1 %            | 802               | 3.7 %            |
| 4 A-C   | 190                | 0.6 %            | 257               | 1.2 %            |
| 5 A-C   | 6                  | — %              | 4                 | — %              |
| 6   | 2                  | — %              | 91                | 0.4 %            |
| Total below investment grade                    | 907                | 2.7 %            | 1,154             | 5.3 %            |
| <b>Total AFS ABS, including related parties</b> | <b>\$ 32,973</b>   | <b>100.0 %</b>   | <b>\$ 21,772</b>  | <b>100.0 %</b>   |
| <b>NRSRO rating agency designation</b>          |                    |                  |                   |                  |
| AAA/AA/A  | \$ 22,921          | 69.5 %           | \$ 12,104         | 55.6 %           |
| BBB   | 9,032              | 27.4 %           | 8,499             | 39.0 %           |
| Non-rated <sup>1</sup>                          | 119                | 0.4 %            | 15                | 0.1 %            |
| Total investment grade                          | 32,072             | 97.3 %           | 20,618            | 94.7 %           |
| BB  | 719                | 2.2 %            | 824               | 3.8 %            |
| B   | 174                | 0.5 %            | 236               | 1.1 %            |
| CCC   | 4                  | — %              | 4                 | — %              |
| CC and lower                                    | 2                  | — %              | 4                 | — %              |
| Non-rated <sup>1</sup>                          | 2                  | — %              | 86                | 0.4 %            |
| Total below investment grade                    | 901                | 2.7 %            | 1,154             | 5.3 %            |
| <b>Total AFS ABS, including related parties</b> | <b>\$ 32,973</b>   | <b>100.0 %</b>   | <b>\$ 21,772</b>  | <b>100.0 %</b>   |

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security’s respective NAIC designation. The NAIC designation methodology differs in significant respects from the NRSRO rating methodology.

As of September 30, 2024 and December 31, 2023, a substantial majority of our AFS ABS portfolio, 97.3% and 94.7%, respectively, was invested in assets considered to be investment grade based upon both the application of the NAIC’s methodology and NRSRO ratings. The increase in our ABS portfolio was mainly driven by the deployment of strong organic inflows in excess of liability outflows as well as unrealized gains attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

**Collateralized Loan Obligations** – We also invest in CLOs which pay principal and interest from cash flows received from underlying corporate loans. These holdings were \$33.4 billion and \$24.5 billion as of September 30, 2024 and December 31, 2023, respectively.

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

| <i>(In millions, except percentages)</i>        | September 30, 2024 |                  | December 31, 2023 |                  |
|---|--------------------|------------------|-------------------|------------------|
|   | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>NAIC designation</b>                         |                    |                  |                   |                  |
| 1 A-G   | \$ 22,385          | 67.0 %           | \$ 15,803         | 64.5 %           |
| 2 A-C   | 10,872             | 32.6 %           | 8,517             | 34.8 %           |
| Total investment grade                          | 33,257             | 99.6 %           | 24,320            | 99.3 %           |
| 3 A-C   | 112                | 0.3 %            | 137               | 0.6 %            |
| 4 A-C   | 21                 | 0.1 %            | 18                | 0.1 %            |
| 5 A-C   | —                  | — %              | —                 | — %              |
| 6   | —                  | — %              | —                 | — %              |
| Total below investment grade                    | 133                | 0.4 %            | 155               | 0.7 %            |
| <b>Total AFS CLO, including related parties</b> | <b>\$ 33,390</b>   | <b>100.0 %</b>   | <b>\$ 24,475</b>  | <b>100.0 %</b>   |
| <b>NRSRO rating agency designation</b>          |                    |                  |                   |                  |
| AAA/AA/A  | \$ 22,385          | 67.0 %           | \$ 15,803         | 64.5 %           |
| BBB   | 10,872             | 32.6 %           | 8,517             | 34.8 %           |
| Non-rated                                       | —                  | — %              | —                 | — %              |
| Total investment grade                          | 33,257             | 99.6 %           | 24,320            | 99.3 %           |
| BB  | 112                | 0.3 %            | 137               | 0.6 %            |
| B   | 21                 | 0.1 %            | 18                | 0.1 %            |
| CCC   | —                  | — %              | —                 | — %              |
| CC and lower                                    | —                  | — %              | —                 | — %              |
| Non-rated                                       | —                  | — %              | —                 | — %              |
| Total below investment grade                    | 133                | 0.4 %            | 155               | 0.7 %            |
| <b>Total AFS CLO, including related parties</b> | <b>\$ 33,390</b>   | <b>100.0 %</b>   | <b>\$ 24,475</b>  | <b>100.0 %</b>   |

As of September 30, 2024 and December 31, 2023, 99.6% and 99.3%, respectively, of our AFS CLO portfolio was invested in assets considered to be investment grade based upon both the application of the NAIC’s methodology and NRSRO ratings. The increase in our CLO portfolio was mainly driven by the deployment of strong organic inflows in excess of liability outflows as well as unrealized gains attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

**Commercial Mortgage-backed Securities** – A portion of our AFS portfolio is invested in CMBS which are constructed from pools of commercial mortgages. These holdings were \$9.4 billion and \$6.6 billion as of September 30, 2024 and December 31, 2023, respectively.

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

| <i>(In millions, except percentages)</i> | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>NAIC designation</b>                  |                    |                  |                   |                  |
| 1 A-G                                    | \$ 7,831           | 83.6 %           | \$ 5,231          | 79.4 %           |
| 2 A-C                                    | 935                | 10.0 %           | 970               | 14.7 %           |
| Total investment grade                   | 8,766              | 93.6 %           | 6,201             | 94.1 %           |
| 3 A-C                                    | 255                | 2.7 %            | 231               | 3.5 %            |
| 4 A-C                                    | 291                | 3.1 %            | 93                | 1.4 %            |
| 5 A-C                                    | 32                 | 0.4 %            | 30                | 0.5 %            |
| 6  | 20                 | 0.2 %            | 36                | 0.5 %            |
| Total below investment grade             | 598                | 6.4 %            | 390               | 5.9 %            |
| <b>Total AFS CMBS</b>                    | <b>\$ 9,364</b>    | <b>100.0 %</b>   | <b>\$ 6,591</b>   | <b>100.0 %</b>   |
| <b>NRSRO rating agency designation</b>   |                    |                  |                   |                  |
| AAA/AA/A                                 | \$ 7,218           | 77.1 %           | \$ 4,718          | 71.6 %           |
| BBB                                      | 947                | 10.1 %           | 905               | 13.7 %           |
| Non-rated <sup>1</sup>                   | 388                | 4.1 %            | 230               | 3.5 %            |
| Total investment grade                   | 8,553              | 91.3 %           | 5,853             | 88.8 %           |
| BB                                       | 370                | 4.0 %            | 497               | 7.5 %            |
| B  | 302                | 3.2 %            | 142               | 2.2 %            |
| CCC                                      | 132                | 1.4 %            | 97                | 1.5 %            |
| CC and lower                             | 7                  | 0.1 %            | 2                 | — %              |
| Non-rated <sup>1</sup>                   | —                  | — %              | —                 | — %              |
| Total below investment grade             | 811                | 8.7 %            | 738               | 11.2 %           |
| <b>Total AFS CMBS</b>                    | <b>\$ 9,364</b>    | <b>100.0 %</b>   | <b>\$ 6,591</b>   | <b>100.0 %</b>   |

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security’s respective NAIC designation. The NAIC designation methodology differs in significant respects from the NRSRO rating methodology.

As of September 30, 2024 and December 31, 2023, 93.6% and 94.1%, respectively, of our AFS CMBS portfolio was invested in assets considered to be investment grade based upon application of the NAIC’s methodology, while 91.3% and 88.8%, as of September 30, 2024 and December 31, 2023, respectively, of securities were considered investment grade based upon NRSRO ratings. The increase in our CMBS portfolio was mainly driven by the deployment of strong organic inflows in excess of liability outflows as well as unrealized gains attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

**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 \$8.1 billion and \$7.6 billion as of September 30, 2024 and December 31, 2023, respectively.

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

| <i>(In millions, except percentages)</i> | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>NAIC designation</b>                  |                    |                  |                   |                  |
| 1 A-G                                    | \$ 6,996           | 86.0 %           | \$ 6,645          | 87.9 %           |
| 2 A-C                                    | 525                | 6.5 %            | 245               | 3.2 %            |
| Total investment grade                   | 7,521              | 92.5 %           | 6,890             | 91.1 %           |
| 3 A-C                                    | 247                | 3.0 %            | 281               | 3.7 %            |
| 4 A-C                                    | 205                | 2.5 %            | 235               | 3.1 %            |
| 5 A-C                                    | 55                 | 0.7 %            | 74                | 1.0 %            |
| 6  | 107                | 1.3 %            | 87                | 1.1 %            |
| Total below investment grade             | 614                | 7.5 %            | 677               | 8.9 %            |
| <b>Total AFS RMBS</b>                    | <b>\$ 8,135</b>    | <b>100.0 %</b>   | <b>\$ 7,567</b>   | <b>100.0 %</b>   |
| <b>NRSRO rating agency designation</b>   |                    |                  |                   |                  |
| AAA/AA/A                                 | \$ 2,564           | 31.5 %           | \$ 2,405          | 31.9 %           |
| BBB                                      | 768                | 9.5 %            | 562               | 7.4 %            |
| Non-rated <sup>1</sup>                   | 2,727              | 33.5 %           | 2,356             | 31.1 %           |
| Total investment grade                   | 6,059              | 74.5 %           | 5,323             | 70.4 %           |
| BB                                       | 65                 | 0.8 %            | 101               | 1.3 %            |
| B  | 136                | 1.7 %            | 124               | 1.7 %            |
| CCC                                      | 857                | 10.5 %           | 915               | 12.1 %           |
| CC and lower                             | 706                | 8.7 %            | 715               | 9.4 %            |
| Non-rated <sup>1</sup>                   | 312                | 3.8 %            | 389               | 5.1 %            |
| Total below investment grade             | 2,076              | 25.5 %           | 2,244             | 29.6 %           |
| <b>Total AFS RMBS</b>                    | <b>\$ 8,135</b>    | <b>100.0 %</b>   | <b>\$ 7,567</b>   | <b>100.0 %</b>   |

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security’s respective NAIC designation. The NAIC designation methodology differs in significant respects from the NRSRO rating methodology.

A significant majority of our RMBS portfolio, 92.5% and 91.1% as of September 30, 2024 and December 31, 2023, respectively, was invested in assets considered to be investment grade based upon application of the NAIC’s methodology. 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 some 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, the NRSRO focuses on the likelihood of recovering all contractual payments including principal at par value. As a result of this fundamental difference in approach, NRSRO characterized 74.5% and 70.4% of our RMBS portfolio as investment grade as of September 30, 2024 and December 31, 2023, respectively. The increase in our RMBS portfolio was mainly driven by the deployment of strong organic inflows in excess of liability outflows as well as unrealized gains attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

**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 (loss). 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 September 30, 2024, our AFS securities, including related parties, had a fair value of \$182.6 billion, which was 5.1% below amortized cost of \$192.4 billion. As of December 31, 2023, our AFS securities, including related parties, had a fair value of \$148.3 billion, which was 8.4% below amortized cost of \$162.0 billion. Our fair value of AFS securities as of both September 30, 2024 and December 31, 2023 were below amortized cost due to the investment portfolio being marked to fair value on January 1, 2022 in conjunction with purchase accounting, with subsequent losses driven by the significant increase in US Treasury rates.



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

|                                   | September 30, 2024                                    |                         |   |                                    |                                    |   |
|-----------------------------------|---|-------------------------|---|------------------------------------|------------------------------------|---|
| (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 |
| <b>NAIC designation</b>           |   |                         |   |                                    |                                    |   |
| 1 A-G                             | \$ 53,119   | \$ (6,380)              | \$ 46,739   | 88.0 %                             | \$ 102,381                         | (6.2)%  |
| 2 A-C                             | 38,902  | (4,768)                 | 34,134  | 87.7 %                             | 74,486                             | (6.4)%  |
| Total investment grade            | 92,021  | (11,148)                | 80,873  | 87.9 %                             | 176,867                            | (6.3)%  |
| 3 A-C                             | 2,291   | (217)                   | 2,074   | 90.5 %                             | 3,502                              | (6.2)%  |
| 4 A-C                             | 1,027   | (71)                    | 956   | 93.1 %                             | 1,469                              | (4.8)%  |
| 5 A-C                             | 105   | (22)                    | 83  | 79.0 %                             | 148                                | (14.9)%   |
| 6                                 | 249   | (120)                   | 129   | 51.8 %                             | 596                                | (20.1)%   |
| Total below investment grade      | 3,672   | (430)                   | 3,242   | 88.3 %                             | 5,715                              | (7.5)%  |
| <b>Total</b>                      | <b>\$ 95,693</b>                                      | <b>\$ (11,578)</b>      | <b>\$ 84,115</b>                                  | <b>87.9 %</b>                      | <b>\$ 182,582</b>                  | <b>(6.3)%</b>                                   |

|                                   | December 31, 2023                                     |                         |   |                                    |                                    |   |
|-----------------------------------|---|-------------------------|---|------------------------------------|------------------------------------|---|
| (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 |
| <b>NAIC designation</b>           |   |                         |   |                                    |                                    |   |
| 1 A-G                             | \$ 60,105   | \$ (7,627)              | \$ 52,478   | 87.3 %                             | \$ 81,549                          | (9.4)%  |
| 2 A-C                             | 47,893  | (6,334)                 | 41,559  | 86.8 %                             | 61,664                             | (10.3)%   |
| Total investment grade            | 107,998   | (13,961)                | 94,037  | 87.1 %                             | 143,213                            | (9.7)%  |
| 3 A-C                             | 3,026   | (283)                   | 2,743   | 90.6 %                             | 3,544                              | (8.0)%  |
| 4 A-C                             | 533   | (61)                    | 472   | 88.6 %                             | 1,013                              | (6.0)%  |
| 5 A-C                             | 79  | (25)                    | 54  | 67.1 %                             | 129                                | (19.4)%   |
| 6                                 | 223   | (38)                    | 185   | 82.5 %                             | 448                                | (8.5)%  |
| Total below investment grade      | 3,861   | (407)                   | 3,454   | 89.4 %                             | 5,134                              | (7.9)%  |
| <b>Total</b>                      | <b>\$ 111,859</b>                                     | <b>\$ (14,368)</b>      | <b>\$ 97,491</b>                                  | <b>87.2 %</b>                      | <b>\$ 148,347</b>                  | <b>(9.7)%</b>                                   |

The gross unrealized losses on AFS securities, including related parties, were \$11.6 billion and \$14.4 billion as of September 30, 2024 and December 31, 2023, respectively. The decrease in unrealized losses on AFS securities was primarily attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

**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 2 – Investments* to the condensed consolidated financial statements.

As of September 30, 2024 and December 31, 2023, we held an allowance for credit losses on AFS securities of \$678 million and \$591 million, respectively. During the nine months ended September 30, 2024, we recorded an increase in the allowance for credit losses on AFS securities of \$87 million, of which \$91 million had an income statement impact and \$(4) million related to PCD securities and other changes. The increase in the allowance for credit losses on AFS securities was primarily related to impacts from corporate securities and CMBS. During the nine months ended September 30, 2023, we recorded an increase in provision for credit losses on AFS securities of \$120 million, of which \$89 million had an income statement impact and \$31 million related to PCD securities and other changes. The increase in the allowance for credit losses on AFS securities was primarily related to impacts from the Silicon Valley Bank failure and deterioration in China’s residential real estate market. The intent-to-sell impairments for the nine months ended September 30, 2024 and 2023 were \$24 million and \$148 million, respectively. The decrease in our intent-to-sell impairments was primarily driven by the timing of the recapture of certain business by VIAC and impacts from the Silicon Valley Bank failure in 2023.

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***International Exposure***

A portion of our AFS securities is invested in securities with international exposure. As of September 30, 2024 and December 31, 2023, 38% and 34%, respectively, of the carrying value of our AFS securities, including related parties, was comprised of securities of issuers based outside of the US and debt securities of foreign governments. These securities generally are either denominated in US dollars or do not expose us to significant foreign currency risk as a result of foreign currency swap and forward arrangements.

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

| <i>(In millions, except percentages)</i> | September 30, 2024 |                  |                  | December 31, 2023 |                  |                  |
|--|--------------------|------------------|------------------|-------------------|------------------|------------------|
|  | Amortized Cost     | Fair Value       | Percent of Total | Amortized Cost    | Fair Value       | Percent of Total |
| <b>Country</b>                           |                    |                  |                  |                   |                  |                  |
| Ireland                                  | \$ 10,263          | \$ 10,387        | 14.8 %           | \$ 7,350          | \$ 7,099         | 13.9 %           |
| Other Europe                             | 16,487             | 15,502           | 22.2 %           | 13,670            | 12,245           | 24.0 %           |
| Total Europe                             | 26,750             | 25,889           | 37.0 %           | 21,020            | 19,344           | 37.9 %           |
| Non-US North America                     | 37,107             | 36,732           | 52.6 %           | 24,041            | 23,044           | 45.1 %           |
| Australia & New Zealand                  | 3,308              | 3,055            | 4.4 %            | 3,504             | 3,153            | 6.2 %            |
| Asia/Pacific                             | 2,119              | 1,892            | 2.7 %            | 2,348             | 2,219            | 4.3 %            |
| Central & South America                  | 1,561              | 1,407            | 2.0 %            | 1,630             | 1,438            | 2.8 %            |
| Africa & Middle East                     | 1,162              | 900              | 1.3 %            | 2,276             | 1,911            | 3.7 %            |
| Total                                    | <u>\$ 72,007</u>   | <u>\$ 69,875</u> | <u>100.0 %</u>   | <u>\$ 54,819</u>  | <u>\$ 51,109</u> | <u>100.0 %</u>   |

Approximately 97.8% and 97.9% of these securities are investment grade by NAIC designation as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, 10% of our AFS securities, including related parties, were invested in CLOs of Cayman Islands issuers (included in Non-US North America) for which the underlying investments are largely loans to US issuers and 28% 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.

***Trading Securities***

Trading securities, including related parties and consolidated VIEs, were \$4.7 billion as of each of September 30, 2024 and December 31, 2023, respectively. Trading securities are primarily comprised of AmerUs Closed Block securities for which we have elected the fair value option valuation, certain equity tranche securities, structured securities with embedded derivatives and investments which support various reinsurance arrangements.

***Mortgage Loans***

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

| <i>(In millions, except percentages)</i>                                     | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Fair Value         | Percent of Total | Fair Value        | Percent of Total |
| <b>Property type</b>   |                    |                  |                   |                  |
| Apartment  | \$ 11,556          | 18.6 %           | \$ 9,591          | 20.2 %           |
| Office building  | 4,140              | 6.7 %            | 4,455             | 9.4 %            |
| Industrial   | 6,144              | 9.9 %            | 4,143             | 8.7 %            |
| Hotels   | 2,941              | 4.7 %            | 2,913             | 6.1 %            |
| Retail   | 2,447              | 3.9 %            | 2,158             | 4.5 %            |
| Other commercial   | 4,634              | 7.5 %            | 3,352             | 7.0 %            |
| Total commercial mortgage loans  | 31,862             | 51.3 %           | 26,612            | 55.9 %           |
| Residential loans  | 30,296             | 48.7 %           | 20,957            | 44.1 %           |
| <b>Total mortgage loans, including related parties and consolidated VIEs</b> | <u>\$ 62,158</u>   | <u>100.0 %</u>   | <u>\$ 47,569</u>  | <u>100.0 %</u>   |

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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 \$62.2 billion and \$47.6 billion as of September 30, 2024 and December 31, 2023, respectively. This included \$1.1 billion and \$1.4 billion of mezzanine mortgage loans as of September 30, 2024 and December 31, 2023, 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 commercial mortgage loans (CML) on income producing properties including hotels, apartments, retail and office buildings, and other commercial and industrial properties. Our residential mortgage loan (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.

We have elected the fair value option on our mortgage loan portfolio; therefore, we have no allowance for credit losses for commercial and residential mortgage loans. Interest income on mortgage loans 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. Changes in the fair value of the mortgage loan portfolio are reported in investment related gains (losses) on the condensed consolidated statements of income.

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 September 30, 2024 and December 31, 2023, we had \$1.0 billion and \$543 million, respectively, of mortgage loans that were 90 days past due, of which \$205 million and \$125 million, respectively, were in the process of foreclosure. As of September 30, 2024 and December 31, 2023, \$97 million and \$124 million of mortgage loans that were 90 days past due were related to Government National Mortgage Association early buyouts that are fully or partially guaranteed and are accruing interest.

**Investment Funds**

Our investment fund portfolio strategy primarily focuses on core holdings of strategic origination and retirement services platforms, equity and credit funds, and other funds. Strategic origination platforms include investments sourced by affiliated platforms that originate loans to third parties and in which we gain exposure directly to the loan or indirectly through our ownership of the origination platform and/or securitizations of assets originated by the origination platform. Retirement services platforms include investments in equity of financial services companies. Our credit strategy comprises direct origination, asset-backed, multi credit and opportunistic credit funds focused on generating returns through high-quality credit underwriting and origination. Our equity strategy comprises private equity, hybrid value, secondaries equity, real estate equity, impact investing platform, infrastructure and clean transition equity funds that raise capital from investors to pursue control-oriented investments across the universe of private assets. Our investment funds can 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.

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

| <i>(In millions, except percentages)</i>                                       | September 30, 2024 |                  | December 31, 2023 <sup>1</sup> |                  |
|--|--------------------|------------------|--------------------------------|------------------|
|  | Carrying Value     | Percent of Total | Carrying Value                 | Percent of Total |
| <b>Investment funds</b>  |                    |                  |                                |                  |
| Equity   | \$ 107             | 0.6 %            | \$ 109                         | 0.6 %            |
| <b>Investment funds – related parties</b>                                      |                    |                  |                                |                  |
| Strategic origination platforms  | 28                 | 0.2 %            | 32                             | 0.2 %            |
| Retirement services platforms  | 1,287              | 6.8 %            | 1,300                          | 7.3 %            |
| Equity   | 264                | 1.4 %            | 267                            | 1.5 %            |
| Credit   | 16                 | 0.1 %            | 20                             | 0.1 %            |
| Other  | 9                  | — %              | 13                             | 0.1 %            |
| <b>Total investment funds – related parties</b>                                | <b>1,604</b>       | <b>8.5 %</b>     | <b>1,632</b>                   | <b>9.2 %</b>     |
| <b>Investment funds owned by consolidated VIEs</b>                             |                    |                  |                                |                  |
| Strategic origination platforms  | 5,519              | 29.3 %           | 4,987                          | 28.2 %           |
| Retirement services platforms  | —                  | — %              | 483                            | 2.7 %            |
| Equity   | 7,837              | 41.6 %           | 7,032                          | 39.8 %           |
| Credit   | 3,077              | 16.3 %           | 2,852                          | 16.2 %           |
| Other  | 702                | 3.7 %            | 573                            | 3.3 %            |
| <b>Total investment funds owned by consolidated VIEs</b>                       | <b>17,135</b>      | <b>90.9 %</b>    | <b>15,927</b>                  | <b>90.2 %</b>    |
| <b>Total investment funds, including related parties and consolidated VIEs</b> | <b>\$ 18,846</b>   | <b>100.0 %</b>   | <b>\$ 17,668</b>               | <b>100.0 %</b>   |

<sup>1</sup> Prior period amounts have been reclassified to conform with the current year presentation as a result of aligning our investment fund categories to reflect our updated investment strategies.

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Overall, total investment funds, including related parties and consolidated VIEs, were \$18.8 billion and \$17.7 billion, as of September 30, 2024 and December 31, 2023, respectively. See *Note 2 – 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 the 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 favorable performance of the underlying assets within AAA in 2024 and net contributions from third-party investors into AAA, partially offset by the distribution of certain investments to AGM as a dividend and the resulting deconsolidation of Apollo Rose as a VIE.

***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 Venerable, Lincoln and Jackson. As of September 30, 2024, 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 AM 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. 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) in the condensed consolidated statements of income. 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:

| <i>(In millions, except percentages)</i>                           | September 30, 2024 |                  | December 31, 2023 |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | Carrying Value     | Percent of Total | Carrying Value    | Percent of Total |
| <b>Fixed maturity securities</b>                                   |                    |                  |                   |                  |
| Corporate  | \$ 13,466          | 50.5 %           | \$ 14,840         | 48.1 %           |
| ABS  | 2,996              | 11.2 %           | 3,285             | 10.6 %           |
| CLO  | 1,610              | 6.0 %            | 2,612             | 8.5 %            |
| CMBS   | 797                | 3.0 %            | 688               | 2.2 %            |
| RMBS   | 540                | 2.0 %            | 580               | 1.9 %            |
| Foreign governments  | 327                | 1.2 %            | 328               | 1.1 %            |
| US state, municipal and political subdivisions                     | 180                | 0.7 %            | 188               | 0.6 %            |
| Mortgage loans   | 4,464              | 16.7 %           | 5,277             | 17.1 %           |
| Investment funds   | 879                | 3.3 %            | 827               | 2.7 %            |
| Equity securities  | 279                | 1.1 %            | 351               | 1.1 %            |
| Short-term investments   | 357                | 1.4 %            | 228               | 0.7 %            |
| Derivative assets  | 103                | 0.4 %            | 113               | 0.4 %            |
| Cash and cash equivalents  | 803                | 3.0 %            | 1,622             | 5.3 %            |
| Other assets and liabilities                                       | (126)              | (0.5)%           | (106)             | (0.3)%           |
| <b>Total funds withheld at interest, including related parties</b> | <b>\$ 26,675</b>   | <b>100.0 %</b>   | <b>\$ 30,833</b>  | <b>100.0 %</b>   |

As of September 30, 2024 and December 31, 2023, we held \$26.7 billion and \$30.8 billion, respectively, of funds withheld at interest receivables, including related parties. Approximately 95.1% and 95.0% of the fixed maturity securities within the funds withheld at interest are investment grade by NAIC designation as of September 30, 2024 and December 31, 2023, respectively. The decrease in funds withheld at interest, including related parties, was primarily driven by run-off of the underlying blocks of business, partially offset by unrealized gains during the nine months ended September 30, 2024 attributable to a decrease in US Treasury rates and credit spread tightening in 2024.

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***Derivative Instruments***

We hold derivative instruments for economic hedging purposes to reduce our exposure to the cash flow variability of assets and liabilities, equity market risk, foreign exchange risk, interest rate risk and credit 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 3 – 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:

| <i>(In millions, except percentages)</i>                        | September 30, 2024                    |                  | December 31, 2023                     |                  |
|---|---------------------------------------|------------------|---------------------------------------|------------------|
|   | Net Invested Asset Value <sup>1</sup> | Percent of Total | Net Invested Asset Value <sup>1</sup> | Percent of Total |
| Corporate   | \$ 86,751                             | 35.7 %           | \$ 82,883                             | 38.1 %           |
| CLO   | 25,200                                | 10.4 %           | 20,538                                | 9.4 %            |
| Credit  | 111,951                               | 46.1 %           | 103,421                               | 47.5 %           |
| CML   | 27,928                                | 11.5 %           | 25,977                                | 11.9 %           |
| RML   | 25,144                                | 10.4 %           | 18,021                                | 8.3 %            |
| RMBS  | 7,768                                 | 3.2 %            | 7,795                                 | 3.6 %            |
| CMBS  | 7,436                                 | 3.1 %            | 5,580                                 | 2.6 %            |
| Real estate   | 68,276                                | 28.2 %           | 57,373                                | 26.4 %           |
| ABS   | 28,572                                | 11.8 %           | 22,202                                | 10.2 %           |
| Alternative investments   | 11,356                                | 4.7 %            | 11,659                                | 5.4 %            |
| State, municipal, political subdivisions and foreign government | 3,259                                 | 1.3 %            | 3,384                                 | 1.5 %            |
| Equity securities   | 2,095                                 | 0.9 %            | 1,727                                 | 0.8 %            |
| Short-term investments  | 1,256                                 | 0.5 %            | 1,048                                 | 0.5 %            |
| US government and agencies                                      | 4,955                                 | 2.0 %            | 4,052                                 | 1.9 %            |
| Other investments   | 51,493                                | 21.2 %           | 44,072                                | 20.3 %           |
| Cash and cash equivalents                                       | 8,354                                 | 3.4 %            | 10,467                                | 4.8 %            |
| Policy loans and other  | 2,589                                 | 1.1 %            | 2,094                                 | 1.0 %            |
| <b>Net invested assets</b>                                      | <b>\$ 242,663</b>                     | <b>100.0 %</b>   | <b>\$ 217,427</b>                     | <b>100.0 %</b>   |

<sup>1</sup> See *Key Operating and Non-GAAP Measures* for the definition of net invested assets.

Our net invested assets were \$242.7 billion and \$217.4 billion as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, corporate securities included \$27.7 billion of private placements, which represented 11.4% of our net invested assets. The increase in net invested assets was primarily driven by growth from net organic inflows of \$40.1 billion in excess of net liability outflows of \$21.6 billion, reinvestment of earnings and the issuance of debt in the first quarter of 2024, partially offset by the distribution of certain investments to AGM as a dividend and a decrease in short-term repurchase agreements outstanding in 2024.

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 assumed and ceded reinsurance 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 adjusting for the allowance for credit losses. Net invested assets include our proportionate share of ACRA investments, based on our economic ownership, but exclude the proportionate share of investments associated with the noncontrolling interests.

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.

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### Net Alternative Investments

The following summarizes our net alternative investments:

| (In millions, except percentages)  | September 30, 2024       |                  | December 31, 2023 <sup>1</sup> |                  |
|------------------------------------|--------------------------|------------------|--------------------------------|------------------|
|                                    | Net Invested Asset Value | Percent of Total | Net Invested Asset Value       | Percent of Total |
| Strategic origination platforms    |                          |                  |                                |                  |
| Wheels                             | \$ 571                   | 5.0 %            | \$ 691                         | 5.9 %            |
| Redding Ridge                      | 576                      | 5.1 %            | 571                            | 4.9 %            |
| MidCap Financial                   | 452                      | 4.0 %            | 524                            | 4.5 %            |
| Aqua Finance                       | 311                      | 2.7 %            | 215                            | 1.8 %            |
| PK AirFinance                      | 301                      | 2.6 %            | 244                            | 2.1 %            |
| Foundation Home Loans              | 208                      | 1.8 %            | 242                            | 2.1 %            |
| Other                              | 509                      | 4.5 %            | 240                            | 2.1 %            |
| Strategic origination platforms    | 2,928                    | 25.7 %           | 2,727                          | 23.4 %           |
| Apollo and other investments       |                          |                  |                                |                  |
| Real assets                        | 1,735                    | 15.3 %           | 2,010                          | 17.2 %           |
| Private equity                     | 1,089                    | 9.6 %            | 1,159                          | 9.9 %            |
| Structured equity and other        | 500                      | 4.4 %            | 368                            | 3.2 %            |
| Equity                             | 3,324                    | 29.3 %           | 3,537                          | 30.3 %           |
| Credit                             | 1,354                    | 11.9 %           | 1,559                          | 13.4 %           |
| Liquid assets and other            | 1,148                    | 10.1 %           | 298                            | 2.6 %            |
| Apollo and other investments       | 5,826                    | 51.3 %           | 5,394                          | 46.3 %           |
| <b>Total AAA</b>                   | 8,754                    | 77.0 %           | 8,121                          | 69.7 %           |
| Retirement services                |                          |                  |                                |                  |
| Athora                             | 1,122                    | 9.9 %            | 1,106                          | 9.5 %            |
| Venerable                          | 180                      | 1.6 %            | 181                            | 1.5 %            |
| Other                              | —                        | — %              | 1,014                          | 8.7 %            |
| Retirement services                | 1,302                    | 11.5 %           | 2,301                          | 19.7 %           |
| Apollo and other investments       |                          |                  |                                |                  |
| Equity                             | 973                      | 8.6 %            | 969                            | 8.3 %            |
| Credit                             | 293                      | 2.6 %            | 215                            | 1.8 %            |
| Other <sup>2</sup>                 | 34                       | 0.3 %            | 53                             | 0.5 %            |
| Apollo and other investments       | 1,300                    | 11.5 %           | 1,237                          | 10.6 %           |
| <b>Total Non AAA</b>               | 2,602                    | 23.0 %           | 3,538                          | 30.3 %           |
| <b>Net alternative investments</b> | <b>\$ 11,356</b>         | <b>100.0 %</b>   | <b>\$ 11,659</b>               | <b>100.0 %</b>   |

<sup>1</sup> Prior period amounts have been reclassified to conform with the current year presentation as a result of aligning our alternative investment categories to reflect our updated investment strategies.

<sup>2</sup> Other primarily includes royalties.

Net alternative investments were \$11.4 billion and \$11.7 billion as of September 30, 2024 and December 31, 2023, respectively, representing 4.7% and 5.4% of our net invested asset portfolio as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, we held approximately 77% of our net alternative investments through AAA and had a gross ownership percentage in AAA of approximately 62%. The decrease in net alternative investments was primarily driven by the distribution of FWD and our Catalina common equity interests to AGM as a dividend, the sale of our Challenger Life Company Limited (Challenger) common equity interests and the reclassification of our remaining Catalina and Challenger redeemable preferred equity securities to fixed and other net invested assets. These impacts were partially offset by a contribution to AAA on September 30, 2024 as well as favorable performance of the underlying assets within AAA.

Net alternative investments do not correspond to the total investment funds, including related parties and consolidated VIEs, on our condensed consolidated balance sheets. As previously discussed in the net invested assets section, we adjust the US GAAP presentation for assumed and ceded reinsurance as well as VIEs. We include certain equity securities in alternative investments due to their underlying characteristics and equity-like features.

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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 multiple insurance companies.

Our alternative investment in Athora had a carrying value of \$1.1 billion as of each of September 30, 2024 and December 31, 2023, 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 (0.72)% and 5.47% for the three months ended September 30, 2024 and 2023, respectively, and 1.71% and 8.20% for the nine months ended September 30, 2024 and 2023, respectively. Alternative investment income from Athora was \$(1) million and \$16 million for the three months ended September 30, 2024 and 2023, respectively, and \$16 million and \$68 million for the nine months ended September 30, 2024 and 2023, respectively. The decrease in alternative investment income for both periods was primarily driven by continued inflationary and regulatory pressures in 2024.

**Non-GAAP Measure Reconciliations**

The reconciliation of net income available to Athene Holding Ltd. common stockholder to spread related earnings is as follows:

| <i>(In millions)</i>  | Three months ended September 30, |        | Nine months ended September 30, |          |
|---|----------------------------------|--------|---------------------------------|----------|
|   | 2024                             | 2023   | 2024                            | 2023     |
| Net income available to Athene Holding Ltd. common stockholder        | \$ 580                           | \$ 442 | \$ 2,310                        | \$ 1,559 |
| Preferred stock dividends   | 45                               | 44     | 136                             | 136      |
| Net income (loss) attributable to noncontrolling interests            | 859                              | (155)  | 1,379                           | 354      |
| Net income  | 1,484                            | 331    | 3,825                           | 2,049    |
| Income tax expense  | 191                              | 162    | 659                             | 458      |
| Income before income taxes  | 1,675                            | 493    | 4,484                           | 2,507    |
| Investment gains (losses), net of offsets                             | 628                              | (663)  | 482                             | (829)    |
| Non-operating change in insurance liabilities and related derivatives | (513)                            | 431    | 363                             | 600      |
| Integration, restructuring and other non-operating expenses           | (204)                            | (41)   | (265)                           | (98)     |
| Stock compensation expense  | (12)                             | (13)   | (36)                            | (42)     |
| Preferred stock dividends   | 45                               | 44     | 136                             | 136      |
| Noncontrolling interests – pre-tax income (loss) and VIE adjustments  | 876                              | (137)  | 1,421                           | 382      |
| Less: Total adjustments to income before income taxes                 | 820                              | (379)  | 2,101                           | 149      |
| Spread related earnings   | \$ 855                           | \$ 872 | \$ 2,383                        | \$ 2,358 |

The reconciliation of total AHL stockholders’ equity to total adjusted AHL common stockholder’s equity is as follows:

| <i>(In millions)</i>   | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Total AHL stockholders’ equity                                 | \$ 17,445          | \$ 13,838         |
| Less: Preferred stock  | 3,154              | 3,154             |
| Total AHL common stockholder’s equity                          | 14,291             | 10,684            |
| Less: Accumulated other comprehensive loss                     | (3,467)            | (5,569)           |
| Less: Accumulated change in fair value of reinsurance assets   | (1,416)            | (1,882)           |
| Less: Accumulated change in fair value of mortgage loan assets | (1,733)            | (2,233)           |
| Total adjusted AHL common stockholder’s equity                 | \$ 20,907          | \$ 20,368         |

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

| <i>(In millions, except percentages)</i>                       | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Total debt   | \$ 5,725           | \$ 4,209          |
| Less: Subordinated debt  | 575                | —                 |
| Less: Adjustment to arrive at notional debt                    | 150                | 209               |
| Notional senior debt   | <u>\$ 5,000</u>    | <u>\$ 4,000</u>   |
| Total debt   | \$ 5,725           | \$ 4,209          |
| Total AHL stockholders’ equity                                 | 17,445             | 13,838            |
| Total capitalization   | 23,170             | 18,047            |
| Less: Accumulated other comprehensive loss                     | (3,467)            | (5,569)           |
| Less: Accumulated change in fair value of reinsurance assets   | (1,416)            | (1,882)           |
| Less: Accumulated change in fair value of mortgage loan assets | (1,733)            | (2,233)           |
| Less: Adjustment to arrive at notional debt                    | 150                | 209               |
| Total adjusted capitalization                                  | <u>\$ 29,636</u>   | <u>\$ 27,522</u>  |
| Debt-to-capital ratio  | 24.7 %             | 23.3 %            |
| Accumulated other comprehensive loss                           | (2.9)%             | (4.7)%            |
| Accumulated change in fair value of reinsurance assets         | (1.2)%             | (1.6)%            |
| Accumulated change in fair value of mortgage loan assets       | (1.4)%             | (1.9)%            |
| Adjustment to exclude subordinated debt                        | (1.9)%             | — %               |
| Adjustment to arrive at notional debt                          | (0.4)%             | (0.6)%            |
| Adjusted senior debt-to-capital ratio                          | <u>16.9 %</u>      | <u>14.5 %</u>     |

The reconciliation of leverage ratio to adjusted leverage ratio is as follows:

| <i>(In millions, except percentages)</i>                       | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Total debt   | \$ 5,725           | \$ 4,209          |
| Add: 50% of preferred stock                                    | 1,577              | 1,577             |
| Less: 50% of subordinated debt                                 | 288                | —                 |
| Less: Adjustment to arrive at notional debt                    | 150                | 209               |
| Adjusted leverage  | <u>\$ 6,864</u>    | <u>\$ 5,577</u>   |
| Total debt   | \$ 5,725           | \$ 4,209          |
| Total AHL stockholders’ equity                                 | 17,445             | 13,838            |
| Total capitalization   | 23,170             | 18,047            |
| Less: Accumulated other comprehensive loss                     | (3,467)            | (5,569)           |
| Less: Accumulated change in fair value of reinsurance assets   | (1,416)            | (1,882)           |
| Less: Accumulated change in fair value of mortgage loan assets | (1,733)            | (2,233)           |
| Less: Adjustment to arrive at notional debt                    | 150                | 209               |
| Total adjusted capitalization                                  | <u>\$ 29,636</u>   | <u>\$ 27,522</u>  |
| Leverage ratio   | 38.3 %             | 40.8 %            |
| Accumulated other comprehensive loss                           | (4.4)%             | (8.2)%            |
| Accumulated change in fair value of reinsurance assets         | (1.8)%             | (2.8)%            |
| Accumulated change in fair value of mortgage loan assets       | (2.2)%             | (3.3)%            |
| Adjustment to exclude 50% of preferred stock                   | (5.3)%             | (5.6)%            |
| Adjustment to exclude 50% of subordinated debt                 | (1.0)%             | — %               |
| Adjustment to arrive at notional debt                          | (0.4)%             | (0.6)%            |
| Adjusted leverage ratio  | <u>23.2 %</u>      | <u>20.3 %</u>     |



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

| <i>(In millions, except percentages)</i>                               | Three months ended September 30, |         |            |         | Nine months ended September 30, |         |            |         |
|--|----------------------------------|---------|------------|---------|---------------------------------|---------|------------|---------|
|  | 2024                             |         | 2023       |         | 2024                            |         | 2023       |         |
|  | Dollar                           | Rate    | Dollar     | Rate    | Dollar                          | Rate    | Dollar     | Rate    |
| US GAAP net investment income  | \$ 3,777                         | 6.35 %  | \$ 2,928   | 5.65 %  | \$ 10,578                       | 6.13 %  | \$ 8,052   | 5.21 %  |
| Change in fair value of reinsurance assets                             | (11)                             | (0.02)% | (42)       | (0.08)% | (58)                            | (0.04)% | 65         | 0.04 %  |
| VIE earnings and noncontrolling interests                              | 362                              | 0.61 %  | 264        | 0.51 %  | 930                             | 0.54 %  | 743        | 0.48 %  |
| Forward points adjustment on FX derivative hedges                      | 30                               | 0.05 %  | 49         | 0.09 %  | 113                             | 0.06 %  | 154        | 0.10 %  |
| Held-for-trading amortization  | (30)                             | (0.05)% | (38)       | (0.07)% | (73)                            | (0.04)% | (146)      | (0.10)% |
| Reinsurance impacts  | (54)                             | (0.09)% | (66)       | (0.13)% | (173)                           | (0.10)% | (199)      | (0.13)% |
| ACRA noncontrolling interests  | (1,011)                          | (1.70)% | (676)      | (1.30)% | (2,800)                         | (1.62)% | (1,628)    | (1.05)% |
| Other  | (20)                             | (0.03)% | 47         | 0.09 %  | 50                              | 0.03 %  | 35         | 0.02 %  |
| Total adjustments to arrive at net investment earnings/<br>earned rate | (734)                            | (1.23)% | (462)      | (0.89)% | (2,011)                         | (1.17)% | (976)      | (0.64)% |
| Total net investment earnings/earned rate                              | \$ 3,043                         | 5.12 %  | \$ 2,466   | 4.76 %  | \$ 8,567                        | 4.96 %  | \$ 7,076   | 4.57 %  |
| Average net invested assets  | \$ 237,810                       |         | \$ 207,312 |         | \$ 230,101                      |         | \$ 206,241 |         |

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

| <i>(In millions, except percentages)</i>                                      | Three months ended September 30, |         |            |         | Nine months ended September 30, |         |            |         |
|---|----------------------------------|---------|------------|---------|---------------------------------|---------|------------|---------|
|   | 2024                             |         | 2023       |         | 2024                            |         | 2023       |         |
|   | Dollar                           | Rate    | Dollar     | Rate    | Dollar                          | Rate    | Dollar     | Rate    |
| US GAAP benefits and expenses   | \$ 4,847                         | 8.15 %  | \$ 943     | 1.83 %  | \$ 12,423                       | 7.20 %  | \$ 15,675  | 10.12 % |
| Premiums  | (389)                            | (0.65)% | (26)       | (0.05)% | (1,163)                         | (0.67)% | (9,163)    | (5.92)% |
| Product charges   | (267)                            | (0.45)% | (217)      | (0.42)% | (756)                           | (0.44)% | (622)      | (0.40)% |
| Other revenues  | (4)                              | (0.01)% | (123)      | (0.24)% | (9)                             | — %     | (143)      | (0.09)% |
| FIA option costs  | 410                              | 0.69 %  | 374        | 0.72 %  | 1,204                           | 0.70 %  | 1,124      | 0.73 %  |
| Reinsurance impacts   | (47)                             | (0.08)% | (41)       | (0.08)% | (120)                           | (0.07)% | (116)      | (0.07)% |
| Non-operating change in insurance liabilities and<br>embedded derivatives     | (1,252)                          | (2.11)% | 969        | 1.87 %  | (2,965)                         | (1.72)% | (1,017)    | (0.66)% |
| Policy and other operating expenses, excluding policy<br>acquisition expenses | (573)                            | (0.96)% | (335)      | (0.65)% | (1,307)                         | (0.76)% | (968)      | (0.63)% |
| Forward points adjustment on FX derivative hedges                             | 77                               | 0.13 %  | 44         | 0.08 %  | 217                             | 0.13 %  | 83         | 0.05 %  |
| AmerUs Closed Block fair value liability                                      | (55)                             | (0.09)% | 52         | 0.10 %  | (27)                            | (0.02)% | 27         | 0.02 %  |
| ACRA noncontrolling interests   | (833)                            | (1.40)% | (311)      | (0.60)% | (2,102)                         | (1.22)% | (977)      | (0.63)% |
| Other   | 69                               | 0.12 %  | 55         | 0.11 %  | 191                             | 0.11 %  | 153        | 0.10 %  |
| Total adjustments to arrive at cost of funds                                  | (2,864)                          | (4.81)% | 441        | 0.84 %  | (6,837)                         | (3.96)% | (11,619)   | (7.50)% |
| Total cost of funds   | \$ 1,983                         | 3.34 %  | \$ 1,384   | 2.67 %  | \$ 5,586                        | 3.24 %  | \$ 4,056   | 2.62 %  |
| Average net invested assets   | \$ 237,810                       |         | \$ 207,312 |         | \$ 230,101                      |         | \$ 206,241 |         |

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

| <i>(In millions)</i>  | Three months ended September 30, |        | Nine months ended September 30, |          |
|---|----------------------------------|--------|---------------------------------|----------|
|   | 2024                             | 2023   | 2024                            | 2023     |
| US GAAP policy and other operating expenses                 | \$ 687                           | \$ 472 | \$ 1,653                        | \$ 1,359 |
| Interest expense  | (142)                            | (113)  | (373)                           | (360)    |
| Policy acquisition expenses, net of deferrals               | (114)                            | (137)  | (346)                           | (391)    |
| Integration, restructuring and other non-operating expenses | (204)                            | (41)   | (265)                           | (98)     |
| Stock compensation expenses                                 | (12)                             | (13)   | (36)                            | (42)     |
| ACRA noncontrolling interests                               | (88)                             | (30)   | (253)                           | (78)     |
| Other   | (13)                             | (15)   | (34)                            | (23)     |
| Total adjustments to arrive at other operating expenses     | (573)                            | (349)  | (1,307)                         | (992)    |
| Other operating expenses                                    | \$ 114                           | \$ 123 | \$ 346                          | \$ 367   |

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

| <i>(In millions)</i>                                   | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Total investments, including related parties           | \$ 286,102         | \$ 238,941        |
| Derivative assets                                      | (7,529)            | (5,298)           |
| Cash and cash equivalents (including restricted cash)  | 14,551             | 14,781            |
| Accrued investment income                              | 2,695              | 1,933             |
| Net receivable (payable) for collateral on derivatives | (4,194)            | (2,835)           |
| Reinsurance impacts                                    | (4,284)            | (572)             |
| VIE assets, liabilities and noncontrolling interests   | 15,697             | 14,818            |
| Unrealized (gains) losses                              | 11,674             | 16,445            |
| Ceded policy loans                                     | (167)              | (174)             |
| Net investment receivables (payables)                  | (291)              | 11                |
| Allowance for credit losses                            | 689                | 608               |
| Other investments                                      | (11)               | (41)              |
| Total adjustments to arrive at gross invested assets   | 28,830             | 39,676            |
| Gross invested assets                                  | 314,932            | 278,617           |
| ACRA noncontrolling interests                          | (72,269)           | (61,190)          |
| Net invested assets                                    | \$ 242,663         | \$ 217,427        |

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

| <i>(In millions)</i>  | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Investment funds, including related parties and consolidated VIEs | \$ 18,846          | \$ 17,668         |
| Equity securities   | 5                  | 430               |
| Certain equity securities included in AFS or trading securities   | 34                 | 201               |
| Investment funds within funds withheld at interest                | 879                | 827               |
| Royalties   | 10                 | 14                |
| Net assets of the VIE, excluding investment funds                 | (4,768)            | (4,508)           |
| Unrealized (gains) losses   | 15                 | 26                |
| ACRA noncontrolling interests                                     | (3,500)            | (2,829)           |
| Other assets  | (165)              | (170)             |
| Total adjustments to arrive at net alternative investments        | (7,490)            | (6,009)           |
| Net alternative investments                                       | \$ 11,356          | \$ 11,659         |

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

| <i>(In millions)</i>   | September 30, 2024 | December 31, 2023 |
|--|--------------------|-------------------|
| Total liabilities  | \$ 327,855         | \$ 279,344        |
| Debt   | (5,725)            | (4,209)           |
| Derivative liabilities   | (2,758)            | (1,995)           |
| Payables for collateral on derivatives and short-term securities to repurchase | (5,286)            | (4,370)           |
| Other liabilities  | (7,058)            | (2,590)           |
| Liabilities of consolidated VIEs   | (1,363)            | (1,115)           |
| Reinsurance impacts  | (11,196)           | (8,574)           |
| Policy loans ceded   | (167)              | (174)             |
| Market risk benefit asset  | (311)              | (377)             |
| ACRA noncontrolling interests  | (68,092)           | (56,651)          |
| Total adjustments to arrive at net reserve liabilities                         | (101,956)          | (80,055)          |
| Net reserve liabilities  | \$ 225,899         | \$ 199,289        |

**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 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 bonds, short-term investments, unaffiliated preferred stock and public common stock, all of which generally have liquid markets with a large number of buyers, but excludes pledged assets, mainly associated with funding agreement and repurchase agreement liabilities. The carrying value of these assets, excluding assets within modified coinsurance and funds withheld portfolios, as of September 30, 2024 was \$123.1 billion. Assets included in modified coinsurance and funds withheld portfolios, including assets held in reinsurance trusts, 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 September 30, 2024 was \$13.4 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, 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 credit facility and liquidity facility. The credit facility has a borrowing capacity of \$1.25 billion, subject to being increased up to \$1.75 billion in total on the terms described in the credit facility. The credit facility has a commitment termination date of June 30, 2028, subject to up to two one-year extensions, and was undrawn as of September 30, 2024. We entered into a new liquidity facility on June 28, 2024, which replaced our previous agreement dated as of June 30, 2023. The liquidity facility has a borrowing capacity of \$2.6 billion, subject to being increased up to \$3.1 billion in total on the terms described in the liquidity facility. The liquidity facility has a commitment termination date of June 27, 2025, subject to additional 364-day extensions, and was undrawn as of September 30, 2024. 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 with access to the capital markets, subject to market conditions and other factors. We are also the counterparty 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.

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### *Insurance Subsidiaries' Liquidity*

#### *Operations*

The primary cash flow sources for our insurance subsidiaries include retirement services product inflows (premiums and deposits), 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 and outstanding debt, payments to satisfy pension group annuity obligations, policy acquisition and general operating costs and payment of cash dividends.

Our policyholder obligations are generally long-term in nature. However, policyholders may elect to withdraw some, or all, of their account value in amounts that exceed our estimates and assumptions over the life 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 September 30, 2024 and December 31, 2023, approximately 81% and 79%, respectively, of our deferred annuity liabilities were subject to penalty upon surrender. In addition, as of September 30, 2024 and December 31, 2023, approximately 66% and 64%, 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. As of September 30, 2024, approximately 32% of our net reserve liabilities were generally non-surrenderable, including buy-out pension group annuities other than those that can be withdrawn as lump sums, funding agreements and payout annuities, while 54% were subject to penalty upon surrender.

#### *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 each of September 30, 2024 and December 31, 2023, respectively, we had no 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 September 30, 2024 and December 31, 2023, we had funding agreements outstanding with the FHLB in the aggregate principal amount of \$13.0 billion and \$6.5 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 September 30, 2024, our total maximum borrowing capacity under the FHLB facilities was limited to \$53.1 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, as of September 30, 2024, we had the ability to draw up to an estimated \$16.2 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 or maintained in cash, 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 September 30, 2024 and December 31, 2023, the payables for repurchase agreements were \$2.7 billion and \$3.9 billion, respectively, while the fair value of securities and collateral held by counterparties backing the repurchase agreements was \$2.8 billion and \$4.1 billion, respectively. As of September 30, 2024, payables for repurchase agreements, based on original issuance, were comprised of no short-term and \$2.7 billion long-term repurchase agreements. As of December 31, 2023, payables for repurchase agreements, based on original issuance, were comprised of \$686 million short-term and \$3.2 billion 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 September 30, 2024, 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

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corporate bonds pursuant to repurchase transactions at pre-agreed rates in exchange for an ongoing commitment fee for the facility. As of September 30, 2024, we had no outstanding payables under this facility.

**Cash Flows**

Our cash flows were as follows:

| <i>(In millions)</i>  | Nine months ended September 30, |          |
|---|---------------------------------|----------|
|   | 2024                            | 2023     |
| Net income  | \$ 3,825                        | \$ 2,049 |
| Non-cash revenues and expenses                                    | (2,335)                         | 1,655    |
| Net cash provided by operating activities                         | 1,490                           | 3,704    |
| Sales, maturities and repayments of investments                   | 45,052                          | 20,337   |
| Purchases of investments  | (90,413)                        | (49,732) |
| Other investing activities  | (47)                            | 395      |
| Net cash used in investing activities                             | (45,408)                        | (29,000) |
| Inflows on investment-type policies and contracts                 | 57,013                          | 35,168   |
| Withdrawals on investment-type policies and contracts             | (16,054)                        | (10,229) |
| Other financing activities  | 2,933                           | 2,952    |
| Net cash provided by financing activities                         | 43,892                          | 27,891   |
| Effect of exchange rate changes on cash and cash equivalents      | 3                               | 2        |
| Net (decrease) increase in cash and cash equivalents <sup>1</sup> | \$ (23)                         | \$ 2,597 |

<sup>1</sup> 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 \$1.5 billion and \$3.7 billion for the nine months ended September 30, 2024 and 2023, respectively. The decrease in cash provided by operating activities for the nine months ended September 30, 2024 compared to 2023 was primarily driven by lower cash received from pension group annuity transactions, net of cash outflows, and an increase in cash paid for interest on funding agreements and other operating expenses, partially offset by an increase in net investment income.

*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 \$45.4 billion and \$29.0 billion for the nine months ended September 30, 2024 and 2023, respectively. The increase in cash used in investing activities for the nine months ended September 30, 2024 compared to 2023 was primarily driven by an increase in the purchases of investments due to the deployment of greater cash inflows from strong organic growth compared to 2023 and a decrease in net investment payables, partially offset by an increase in sales, maturities and repayments of investments.

*Cash flows from financing activities*

The primary cash inflows from financing activities are inflows on our investment-type policies and contracts, changes of cash collateral for derivative transactions posted by counterparties, capital contributions and proceeds from debt and preferred stock issuances. The primary cash outflows from financing activities are withdrawals on our investment-type policies and contracts, changes of cash collateral for derivative transactions posted by counterparties, capital distributions, repayments of outstanding borrowings and payment of preferred and common stock dividends. Our financing activities provided cash flows totaling \$43.9 billion and \$27.9 billion for the nine months ended September 30, 2024 and 2023, respectively. The increase in cash provided by financing activities for the nine months ended September 30, 2024 compared to 2023 was primarily attributed to higher cash received from funding agreement and retail inflows, net of cash outflows, the issuance of \$1.6 billion of debt in 2024, a favorable change in cash collateral posted by counterparties for derivative transactions related to more favorable equity market performance and the payment of less cash common stock dividends as 2024 included an assets in kind dividend of certain alternative investments to AGM in lieu of a cash dividend in the third quarter and 2023 included the payment of the fourth quarter 2022 common stock dividend. These increases were partially offset by a capital contribution of \$1.25 billion from AGM in 2023 related to the net proceeds from its mandatory convertible preferred stock offering, a decrease in net capital contributions from noncontrolling interests and an increase in the repayment of short-term and long-term repurchase agreements in 2024 compared to 2023.

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**Material Cash Obligations**

The following table summarizes estimated future cash obligations as of September 30, 2024:

| <i>(In millions)</i>                    | Payments Due by Period |                  |                  |                     |                   |
|---|------------------------|------------------|------------------|---------------------|-------------------|
|   | 2024                   | 2025-2026        | 2027-2028        | 2029 and thereafter | Total             |
| Interest sensitive contract liabilities | \$ 3,535               | \$ 45,833        | \$ 71,780        | \$ 124,288          | \$ 245,436        |
| Future policy benefits                  | 802                    | 6,008            | 5,665            | 40,487              | 52,962            |
| Market risk benefits                    | —                      | —                | —                | 6,234               | 6,234             |
| Other policy claims and benefits        | 107                    | —                | —                | —                   | 107               |
| Dividends payable to policyholders      | 2                      | 16               | 14               | 60                  | 92                |
| Debt <sup>1</sup>                       | 77                     | 585              | 1,565            | 8,891               | 11,118            |
| Securities to repurchase <sup>2</sup>   | 36                     | 1,618            | 1,300            | —                   | 2,954             |
| <b>Total</b>                            | <b>\$ 4,559</b>        | <b>\$ 54,060</b> | <b>\$ 80,324</b> | <b>\$ 179,960</b>   | <b>\$ 318,903</b> |

<sup>1</sup> The obligations for debt payments include contractual maturities of principal and estimated future interest payments based on the terms of the debt agreements.

<sup>2</sup> The obligations for securities to 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 September 30, 2024 interest rate.

**Atlas Securitized Products Holdings LP**

In connection with our, Apollo and CS’s previously announced transaction, certain subsidiaries of Atlas, which is owned by AAA, acquired certain assets of the CS Securitized Products Group (the Transaction). Under the terms of the Transaction, Atlas originally agreed to pay CS \$3.3 billion by February 8, 2028. In March 2024, in connection with Atlas concluding its investment management agreement with CS, the deferred purchase obligation amount was reduced to \$2.5 billion. In addition, certain strategic investors have made equity commitments to Atlas which therefore obligates these investors for a portion of the deferred purchase price obligation. This deferred purchase price is an obligation first of Atlas, and (as a result of additional guarantees provided by AAA, AAM and AHL) second of AAA, third of AAM, fourth of AHL and fifth of AARE. AARE and AAM have each issued an assurance letter to CS for the full deferred purchase obligation amount of \$3.3 billion. Our guarantees are not probable of payment, hence there are no liabilities recorded for the guarantees on the condensed consolidated financial statements.

In exchange for the purchase price, Atlas originally received approximately \$0.4 billion in cash and a portfolio of senior secured warehouse assets, subject to debt, with approximately \$1 billion of tangible equity value. These warehouse assets are senior secured assets at industry standard loan-to-value ratios, structured to investment grade-equivalent criteria, and were approved by Atlas in connection with this Transaction. Atlas will earn total fees of \$0.4 billion under the terms of the investment management agreement with CS, including management fees and transition and termination payments. Finally, Atlas also benefits generally from the net spread earned on its assets in excess of its cost of financing.

**Holding Company Liquidity**

*Common Stock Dividends*

We intend to pay regular common stock dividends to our parent company of \$750 million per year, generally paid at the end of each quarter; provided that the declaration and payment of any dividends are at the sole discretion of our board of directors, which may change the dividend policy at any time, including, without limitation, eliminating the dividend entirely.

During the third quarter of 2024, we declared dividends on our outstanding common stock, which were provided to AGM in the form of assets in kind valued at an aggregate amount of \$499 million. In addition to the third quarter dividend, we have paid \$374 million in common stock cash dividends for the nine months ended September 30, 2024.

We declared and paid common stock cash dividends of \$188 million and \$750 million for the three months ended September 30, 2023 and the nine months ended September 30, 2023, respectively, including payment of the fourth quarter dividend from 2022 in the first quarter of 2023.

*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.

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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, AM 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 \$2.6 billion liquidity facility or by pursuing future issuances of debt or preferred stock 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 of not greater than 35%, maintaining a minimum consolidated net worth of no less than \$14.8 billion and restrictions on our ability to incur liens, with certain exceptions. Rates, ratios and terms are as defined in the credit facility. Our liquidity facility also contains various standard covenants with which we must comply, including maintaining an ALRe minimum consolidated net worth of no less than \$10.2 billion and restrictions on our ability to incur liens, with certain exceptions. Rates and terms are as defined in the liquidity facility.

*Shelf Registration* – Under our Shelf Registration Statement, subject to market conditions, we have the ability to issue, in indeterminate amounts, debt securities, preferred stock, depository shares, warrants and units.

*Debt* – The following summarizes our outstanding long-term senior and subordinated notes as of September 30, 2024 (in millions, except percentages):

| <b>Issuance</b>         | <b>Issue Date</b> | <b>Maturity Date</b> | <b>Interest Rate</b> | <b>Principal Balance</b> |
|-------------------------|-------------------|----------------------|----------------------|--------------------------|
| 2028 Senior Notes       | January 12, 2018  | January 12, 2028     | 4.125%               | \$1,000                  |
| 2030 Senior Notes       | April 3, 2020     | April 3, 2030        | 6.150%               | \$500                    |
| 2031 Senior Notes       | October 8, 2020   | January 15, 2031     | 3.500%               | \$500                    |
| 2051 Senior Notes       | May 25, 2021      | May 25, 2051         | 3.950%               | \$500                    |
| 2052 Senior Notes       | December 13, 2021 | May 15, 2052         | 3.450%               | \$500                    |
| 2033 Senior Notes       | November 21, 2022 | February 1, 2033     | 6.650%               | \$400                    |
| 2034 Senior Notes       | December 12, 2023 | January 15, 2034     | 5.875%               | \$600                    |
| 2064 Subordinated Notes | March 7, 2024     | March 30, 2064       | 7.250% <sup>1</sup>  | \$575                    |
| 2054 Senior Notes       | March 22, 2024    | April 1, 2054        | 6.250%               | \$1,000                  |

<sup>1</sup> The 2064 Subordinated Notes bear interest at an annual fixed rate of 7.250% until March 30, 2029. On March 30, 2029, and every fifth annual anniversary thereafter, the interest rate resets to the five-year US Treasury rate (as defined in the applicable prospectus supplement) plus 2.986%.

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

During the fourth quarter of 2024, we issued \$600 million of 6.625% Fixed-Rate Reset Junior Subordinated Debentures due October 15, 2054. We intend to use the net proceeds of this issuance for general corporate purposes, which may include future redemption or repurchase of our \$600 million 6.375% Fixed-Rate Reset Perpetual Non-Cumulative Series C Preferred Stock. See *Note 8 – Debt* to the condensed consolidated financial statements and *Note 12 – Debt* to the consolidated financial statements in our 2023 Annual Report for further information on debt.

*Preferred Stock* – The following summarizes our perpetual non-cumulative preferred stock issuances as of September 30, 2024 (in millions, except share, per share data and percentages):

| <b>Issuance</b> | <b>Fixed/Floating</b>  | <b>Rate</b> | <b>Issue Date</b>  | <b>Optional Redemption Date<sup>1</sup></b> | <b>Shares Issued</b> | <b>Par Value Per Share</b> | <b>Liquidation Value Per Share</b> | <b>Aggregate Net Proceeds</b> |
|-----------------|------------------------|-------------|--------------------|---|----------------------|----------------------------|------------------------------------|-------------------------------|
| 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 <sup>2</sup>                       | 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                         |
| Series E        | Fixed-Rate Reset       | 7.750%      | December 12, 2022  | Variable <sup>3</sup>                       | 20,000               | \$1.00                     | \$25,000                           | \$487                         |

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> We may redeem during a period from and including December 30 of each year in which there is a Reset Date to and including such Reset Date. Reset Date means December 30, 2027 and each date falling on the fifth anniversary of the preceding Reset Date.

See *Note 13 – Equity* to the consolidated financial statements in our 2023 Annual Report for further information on preferred stock.

*Unsecured Revolving Promissory Note Payable with AGM* – AHL has an unsecured revolving promissory note with AGM which allows AHL to borrow funds from AGM. The note has a borrowing capacity of \$500 million and maturity date of December 13, 2025, or earlier at AGM’s request. There was no outstanding balance on the note payable as of September 30, 2024.

*Intercompany Note* – AHL has an unsecured revolving note payable with ALRe, which permits AHL to borrow up to \$4.0 billion with a fixed interest rate of 2.29% and a maturity date of December 15, 2028. As of September 30, 2024 and December 31, 2023, the revolving note payable had an outstanding balance of \$1.9 billion and \$486 million, respectively.

**Capital**

We believe we have a strong capital position and 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 risk-based capital (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, 2023 and 2022, our US insurance companies’ total adjusted capital (TAC), as defined by the NAIC, was \$5.8 billion and \$4.1 billion, respectively, and our US RBC ratio was 392% and 387%, respectively. 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. Our TAC was significantly in excess of all regulatory standards as of December 31, 2023 and 2022, respectively.

Bermuda statutory capital and surplus for our Bermuda insurance companies in aggregate was \$14.6 billion and \$14.8 billion as of December 31, 2023 and 2022, 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. For the Bermuda group, which includes the capital and surplus of AARE and all of its subsidiaries, including Athene Annuity & Life Assurance Company (AADE) and its subsidiaries, EBS capital and surplus was \$26.6 billion and \$21.9 billion, resulting in a Bermuda Solvency Capital Requirement (BSCR) ratio of 291% and 278% as of December 31, 2023 and 2022, respectively. An insurer must have a BSCR ratio of 100% or greater to be considered solvent by the BMA. As of December 31, 2023 and 2022, our Bermuda insurance companies held the appropriate capital to adhere to these regulatory standards. As of December 31, 2023 and 2022, our Bermuda RBC ratio was 400% and 407%, respectively. The Bermuda RBC ratio is calculated using Bermuda capital and applying the NAIC RBC factors on an aggregate basis with certain adjustments made by management as described in the glossary. The statutory capital and surplus and RBC of our Bermuda insurance companies presented herein exclude the impact of any deferred taxes that may be recorded on a statutory basis as a result of the Bermuda CIT. We are currently



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

assessing deferred taxes that may be recorded on a statutory basis as a result of the Bermuda CIT, which could have a positive impact on the statutory capital and surplus of our Bermuda insurance companies.

As of December 31, 2023 and 2022, our consolidated statutory capital and surplus in the aggregate was \$21.8 billion and \$20.1 billion, respectively, and our consolidated RBC ratio was 412% and 416%, respectively. Our consolidated regulatory capital represents the aggregate capital of our US and Bermuda insurance entities, determined with respect to each insurance entity by applying the statutory accounting principles applicable to each such entity with adjustments made to, among other things, assets and expenses at the holding company level. The consolidated RBC ratio is calculated by aggregating US RBC and Bermuda RBC. See *Glossary of Selected Terms – Consolidated RBC* for further information.

*ACRA 1* – ACRA 1 provided us with access to on-demand capital to support our growth strategies and capital deployment opportunities. ACRA 1 provided a capital source to fund both our inorganic and organic channels.

*ACRA 2* – Similar to ACRA 1, we funded ACRA 2 in December 2022 as another long-duration, on-demand capital vehicle. ACRA 2 is partially owned by ADIP II, a fund managed by Apollo. Effective October 1, 2024, ACRA 2 repurchased a portion of its shares held by ALRe, which increased ADIP II’s ownership of economic interests in ACRA 2 to 63%, with ALRe owning the remaining 37%. ALRe holds all of ACRA 2’s voting interests. ACRA 2 participates in certain transactions by drawing a portion of the required capital for such transactions from third-party investors equal to ADIP II’s proportionate economic interest in ACRA 2.

These strategic capital solutions allow 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 US 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 2023 Annual Report. The most critical accounting estimates and judgments include those used in determining:

- fair value of investments;
- impairment of investments and allowances for expected credit losses;
- derivatives valuation, including embedded derivatives;
- future policy benefits;
- market risk benefits;
- consolidation of VIEs; and
- income taxes.

The above critical accounting estimates and judgments are discussed in detail in *Part II—Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Judgments* of our 2023 Annual Report.

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, equity price risk and inflation risk. As a result of that analysis, we have determined that we are primarily exposed to credit risk, interest rate risk, equity price risk and inflation 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 Risks* of our 2023 Annual Report.

There have been no material changes to our market risk exposures from those previously disclosed in our 2023 Annual Report, except as described below.

## Sensitivities

### *Interest Rate Risk*

We assess interest rate exposure for financial assets and 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 100 basis points from levels as of September 30, 2024, we estimate a net decrease to our point-in-time income before income taxes from changes in the fair value of these financial instruments of \$2.5 billion, net of offsets. If there was a similar parallel increase in interest rates from levels as of December 31, 2023, we estimate a net decrease to our point-in-time income before income taxes from changes in the fair value of these financial instruments of \$2.5 billion, net of offsets. 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, mortgage loans, certain fixed maturity securities and market risk benefits. 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 due to the change in net investment spread from floating rate assets and liabilities would be an increase of approximately \$30 – \$40 million, and a 25 basis point decrease would generally result in a similar decrease. This is calculated without regard to future changes to assumptions and excludes the impact of rate changes on cash and cash equivalents. As of September 30, 2024, the balance in cash and cash equivalents plus restricted cash, net investment payables and receivables, reinsurance impacts and the net derivative collateral offsetting the related cash positions, was \$8.4 billion, net of the amount attributable to the noncontrolling interests. The decrease in sensitivity to spread related earnings due to the change in net investment spread from floating rate assets and liabilities as of September 30, 2024, when compared to December 31, 2023, was driven by the decrease in our net floating rate position related to hedging actions as well as additional issuances of floating rate funding agreements in 2024.

With the implementation of the Long Duration Targeted Improvements accounting standard, changes in the fair value of market risk benefits due to current period movement in the interest rate curve used to discount the reserve are reflected in net income but excluded from spread related earnings. However, changes in interest rates that impact the cost of the projected GLWB and GMDB rider benefits, included within our market risk benefit reserve, are amortized within cost of funds in spread related earnings over the life of the business. Assuming a parallel increase in interest rates of 25 basis points, the estimated impact to spread related earnings over a 12-month period related to market risk benefits would be an increase of approximately \$30 – \$50 million, and a parallel decrease in interest rates of 25 basis points would generally result in a similar decrease. This is 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 longer period of time, or changes in the shape of the yield curve over 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 before income taxes” in our reconciliation between net income available to AHL common stockholder 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 Athene Holding Ltd. common stockholder 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 income before income taxes of an immediate, parallel increase in interest rates of 100 basis points from levels as of September 30, 2024, which discussion encompasses the impact of such an increase on certain of the adjustment items.

The models used to estimate the impact of changes 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.

## **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 September 30, 2024, 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 retail 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.

### Item 1A. Risk Factors

The following should be read in conjunction with the risk factors that may affect our business or operations described in *Part I—Item 1A. Risk Factors* of our 2023 Annual Report. Other than as described in this Item 1A, there have been no material changes to our risk factors from those previously disclosed in our 2023 Annual Report.

The following updates and supplements the risk factors described in our 2023 Annual Report:

***We or our business may be the target or subject of, and we may be required to defend against or respond to, litigation, regulatory investigations, enforcement actions or reputational harm.***

We operate in an industry in which various practices are subject to potential litigation, including class actions and regulatory scrutiny. We, like other financial services companies, are involved in litigation and arbitration in the ordinary course of business and may be the subject of regulatory proceedings (including investigations and enforcement actions). Plaintiffs may seek large or indeterminate amounts of damages in litigation and regulators may seek large fines in enforcement actions. Given the large or indeterminate amounts sometimes sought, and the inherent unpredictability of litigation and enforcement actions, it is possible that an unfavorable resolution of one or more matters could have a material and adverse effect on our business, financial condition, results of operations and cash flows. See *Item 1. Legal Proceedings* and *Note 12 – Commitments and Contingencies* to the condensed consolidated financial statements for certain matters to which we are a party, if any. Even if we ultimately prevail in any litigation or receive positive results from investigations, we could incur material legal costs, or our reputation could be materially adversely affected.

Beginning in March 2024, a number of putative class actions were filed in federal courts in the United States against certain of our customers, in their respective capacities as plan sponsors, alleging violations of the Employee Retirement Income Security Act of 1974 (ERISA) in connection with their transfer of pension obligations under defined benefit plans governed under ERISA and their purchase of pension group annuity (PGA) contracts from us. The lawsuits seek, inter alia, that defendants guarantee the annuities purchased from us and disgorge any profits earned from the transactions. Although we are not a named defendant, the lawsuits make several negative allegations about us and our business, which we believe to be untrue. Negative public perceptions of us and our business could adversely affect (and may have already adversely affected) our ability to attract and retain customers, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, these lawsuits could lead to increased regulatory and governmental scrutiny of our business and the industry overall, and/or result in us becoming involved in these lawsuits or even being named as a defendant in future lawsuits related to our PGA business, which could result in additional expenses, adverse regulations and oversight, and/or additional reputational harm. These lawsuits could also spur similar copycat lawsuits, which could further impact our PGA business. To the extent that the inflows in our PGA business are negatively impacted by these lawsuits and any related regulatory and governmental scrutiny, we may seek to increase our inflows in our other distribution channels, including by issuing additional funding agreements within our institutional channel. However, there are no assurances that we would be successful in replacing any PGA inflows with inflows from other distribution channels or that such other inflows would result in comparable spreads.

***Our industry is highly regulated and we are subject to significant legal restrictions and obligations, and these restrictions and obligations may have a material adverse effect on our business, financial condition, results of operations, liquidity, cash flows and prospects.***

We are subject to a complex and extensive array of laws and regulations that are administered and enforced by many regulators, including the BMA, US state insurance regulators, US state securities administrators, US state banking authorities, the SEC, Financial Industry Regulatory Authority, the Department of Labor, the Internal Revenue Service and the Office of the Comptroller of the Currency. See *Item 1. Business—Regulation* of our 2023 Annual Report for a summary of certain of the laws and regulations applicable to our business. Failure to comply with these laws and regulations could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, revocation of our certificate of incorporation or interruption of our operations, any of which could have a material and adverse effect on our financial position, results of operations and cash flows.

In addition to these restrictions, guaranty associations may subject member insurers, including us, to assessments that require the insurers to pay funds to cover contractual obligations under insurance policies issued by insurance companies that become impaired or insolvent. These associations levy assessments, up to prescribed limits, on each member insurer doing business in a particular state on the basis of their proportionate share of the premiums written by all member insurers in the lines of business in which the impaired or insolvent insurer previously engaged. Most states limit assessments in any year to 2% of the insurer's average annual premium for the three years preceding the calendar year in which the impaired insurer became impaired or insolvent. Although we have historically not paid material amounts in connection with these assessments, we cannot accurately predict the magnitude of such amounts in the future, or accurately predict which past or future insolvencies of other insurers could lead to such assessments. If material, such future assessments may have an adverse effect on our financial condition, results of operations, liquidity or cash flows, and any liability we have previously established for these potential assessments may not be adequate. See also *Note 12 – Commitments and Contingencies* to the condensed consolidated financial statements.

In addition to the foregoing risks, the financial services industry is the focus of increased regulatory scrutiny as various US state and federal governmental agencies and self-regulatory organizations conduct inquiries and investigations into the products and practices of the companies within this industry. Governmental authorities and standard setters in the US and worldwide (including the International Association of Insurance Supervisors (IAIS)) have become increasingly interested in potential risks posed by the insurance industry as a whole, and to commercial and financial activities and systems in general, as indicated by the IAIS's development of the global insurance capital standard to be applicable to internationally active insurance groups (IAIGs) and the Global Monitoring Exercise, as well as the US NAIC's adoption of the group capital calculation (GCC) and liquidity stress test (LST). The Iowa Insurance Division (IID) has adopted the GCC and LST amendments, which are applicable to us. On February 6, 2024, the IID identified AGM as meeting the criteria as an IAIG and further identified AHL as the Head of the IAIG. As a result of these identifications, we expect AHL to be subject to the relevant capital standard that the US will apply to IAIGs once adopted. At this time, we do not expect a significant impact on AHL's capital position or capital structure; however, we cannot fully predict with certainty the impact (if any) on AHL's capital position or capital structure and any other burdens being named an IAIG may impose on AHL or its insurance affiliates. See *Item 1. Business—Regulation—Regulation of an Insurance Group* of our 2023 Annual Report for further discussion. While we cannot predict the exact nature, timing or scope of possible governmental initiatives, there may be increased regulatory intervention in the insurance and financial services industry in the future.

## **Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities**

None.

## **Item 5. Other Information**

During the three months ended September 30, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of AHL adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K with respect to any of AHL's securities.

## **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**

| <b><u>Exhibit No.</u></b> | <b><u>Description</u></b>  |
|---------------------------|--|
| 3.1                       | <a href="#">Certificate of Change of Registered Agent And/Or Registered Office, dated as of August 26, 2024 (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on September 6, 2024).</a> |
| 31.1                      | <a href="#">Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>   |
| 31.2                      | <a href="#">Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>   |
| 32.1                      | <a href="#">Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>   |
| 32.2                      | <a href="#">Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>   |
| 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)   |

**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: November 6, 2024

/s/ Martin P. Klein

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Martin P. Klein

Executive Vice President and Chief Financial Officer  
(principal financial officer and duly authorized signatory)









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