



Athene Holding Ltd.  
1Q'20 Earnings Presentation

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All information is as of the dates indicated herein.

# COVID-19 Crisis Response and Care

Athene remains focused on execution in the face of extraordinary circumstances

## Protecting Our Employees

- Athene is focused on **protecting our employees** and their families and friends in the communities in which we live and work
- **Athene has a robust business continuity plan in place** which is working in tandem with Center for Disease Control (CDC) guidelines and government mandates
- Athene's team of 1,300+ employees remains resilient and focused on executing

## Serving Our Customers and Partners

- Converted to having most employees working from home **without deterioration in service**, and prepared to work virtually all remotely if needed
- Athene continues to serve our approximately 1 million policyholders and pension participants **at a high standard**
- Providing **additional reinsurance capacity and servicing existing treaties**
- Sales call center **maintaining service standards for our distribution partners**

## Making a Difference in Our Communities

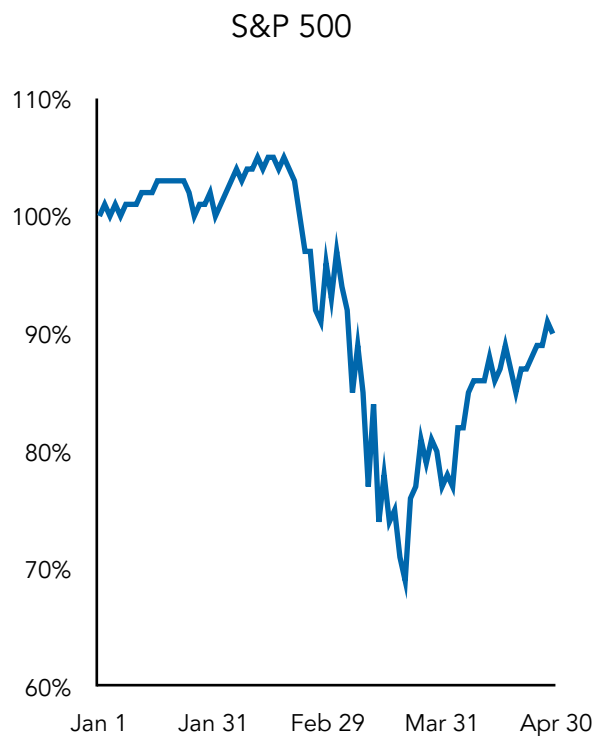
- Led joint effort to fund the **purchase of life-assisting ventilators** for Bermuda Hospitals Board
- **Donated N-95** masks to a local Des Moines Hospital

# Business Perspectives in the Current Environment

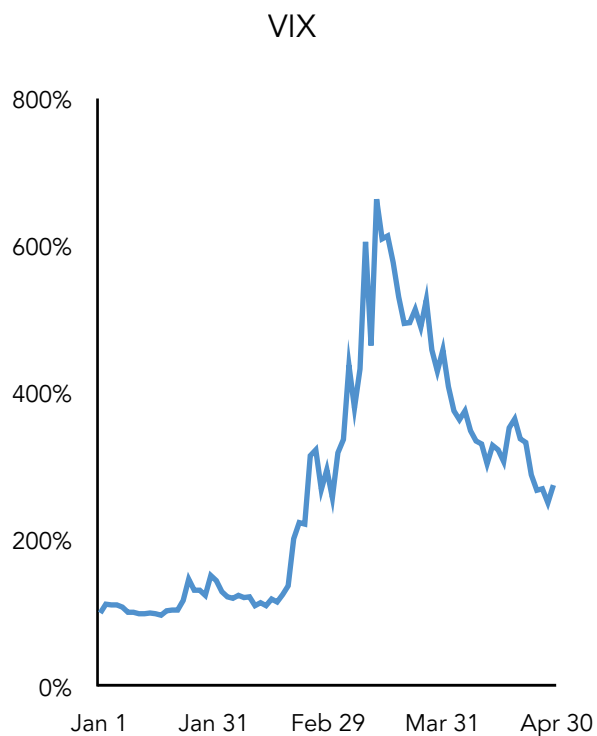
- ✓ **Athene's core spread-based business model is highly stable and predictable,** and sources of quarterly earnings volatility (Alternatives, Other Liability Costs) should be viewed as generally transitory
- ✓ **Athene is one of the best-capitalized businesses** in the life insurance and annuity industry, with **substantial deployable capital firepower,** providing significant financial flexibility to take advantage of market dislocation
- ✓ **Athene's differentiated multi-channel distribution model continues to generate robust organic deposits underwritten to target returns or better,** which grew sequentially in the quarter despite heightened volatility and historically low interest rates
- ✓ Athene continues to expect that any **potential credit losses will be manageable** given Athene's strong excess capital position and financial flexibility

# Market Saw the Steepest Economic Contraction in a Century During the First Quarter

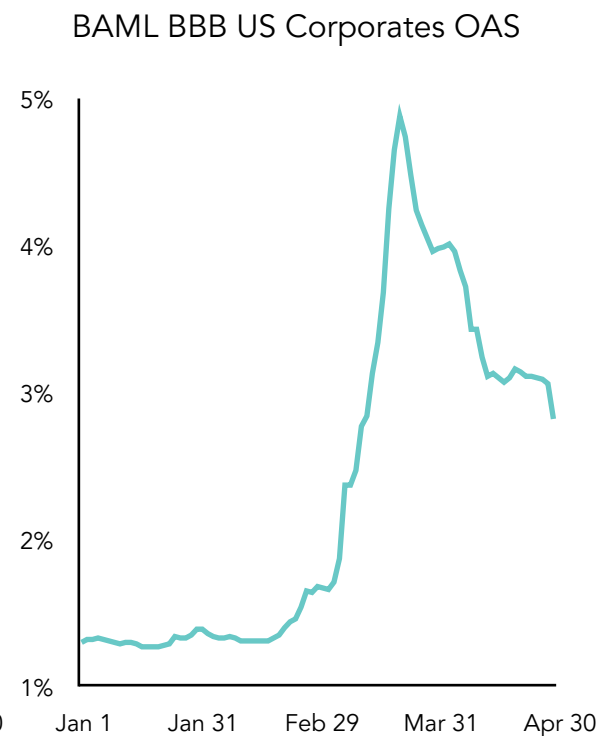
## Challenged Equity Markets



## Spike in Volatility



## Widening Credit Spreads



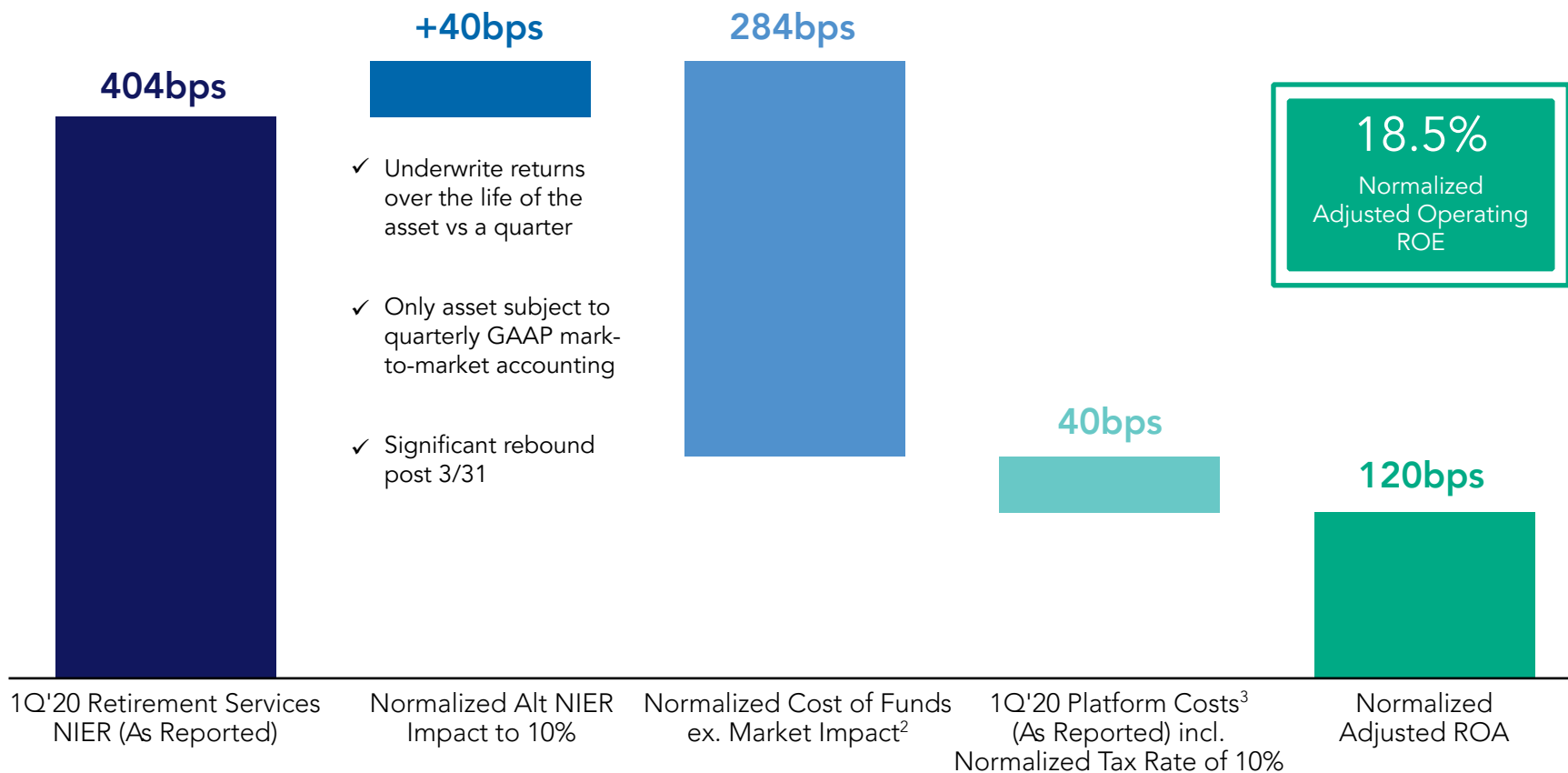
*The challenging environment set the stage for Athene to demonstrate how its differentiated and resilient business model would fare during a severe market correction*

Source: FactSet, FRED, as of April 30, 2020

# Core Earnings Power Remains Attractive

Excluding 1Q'20 transitory mark-to-market noise, Athene's earnings power remains intact as business achieves mid-to-high teens return on equity

Normalized Net Investment Spread of 160bps<sup>1</sup>

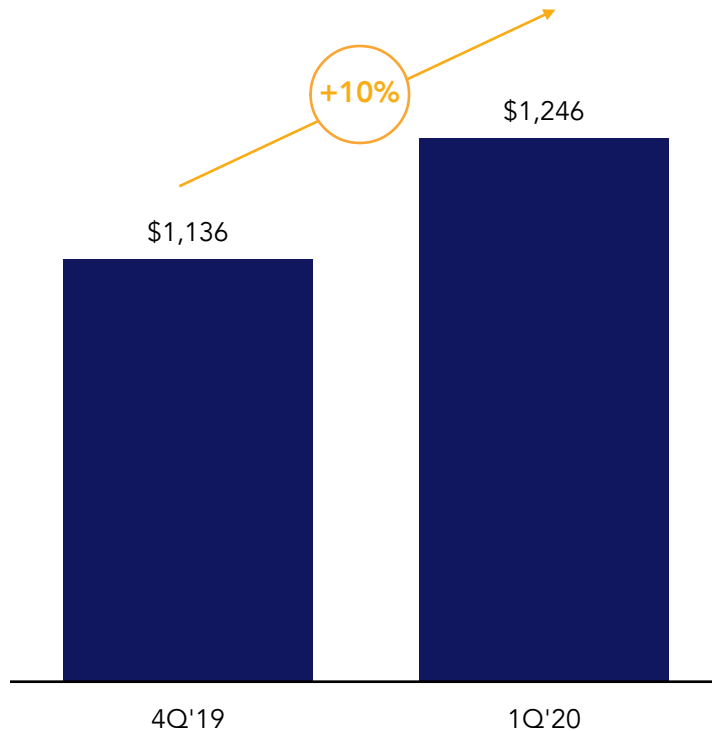


Note: Refers to Retirement Services results. Excludes impact of excess capital. 1 Net investment spread based on net investment earned rate less cost of funds. 2 Refers to cost of funds ex. notables. Cost of funds is calculated by dividing total liability costs, which includes cost of crediting on both deferred annuities and institutional products as well as other liability costs, by average net invested assets for the relevant period. For additional information regarding cost of funds, see Non-GAAP Measures and Definitions. 3 Includes operating expense, interest expense, and tax expense, net of ACRA management fees, with taxes adjusted for normalized alt NIER at 10% and removal of cost of funds market impact, as well as an assumed tax rate of 10%.

# Athene Remains a Source of Strength for Policyholders, Insurers, and Corporations

Generating strong organic new business flows

*Retail volumes increasing amid volatility*



- Strong flows in retail fixed indexed annuities (FIAs) at target returns, with 10% growth sequentially
- FIAs offer principal protection, a crucial feature for policyholders amidst volatile markets
- Robust flow reinsurance deposits of over \$860 million in 1Q'20, reflecting continued activity with key partners despite historically low interest rate environment
- Third party flow reinsurance business benefiting from industry volatility and resulting uptick in retail annuity sales
- Over half of combined retail and flow reinsurance volumes in 1Q'20 were generated in March, as market volatility peaked
- Nearly \$1.3 billion of PRT deposits to date in 2020

# Multi-Channel Distribution Model Generates Attractive Growth

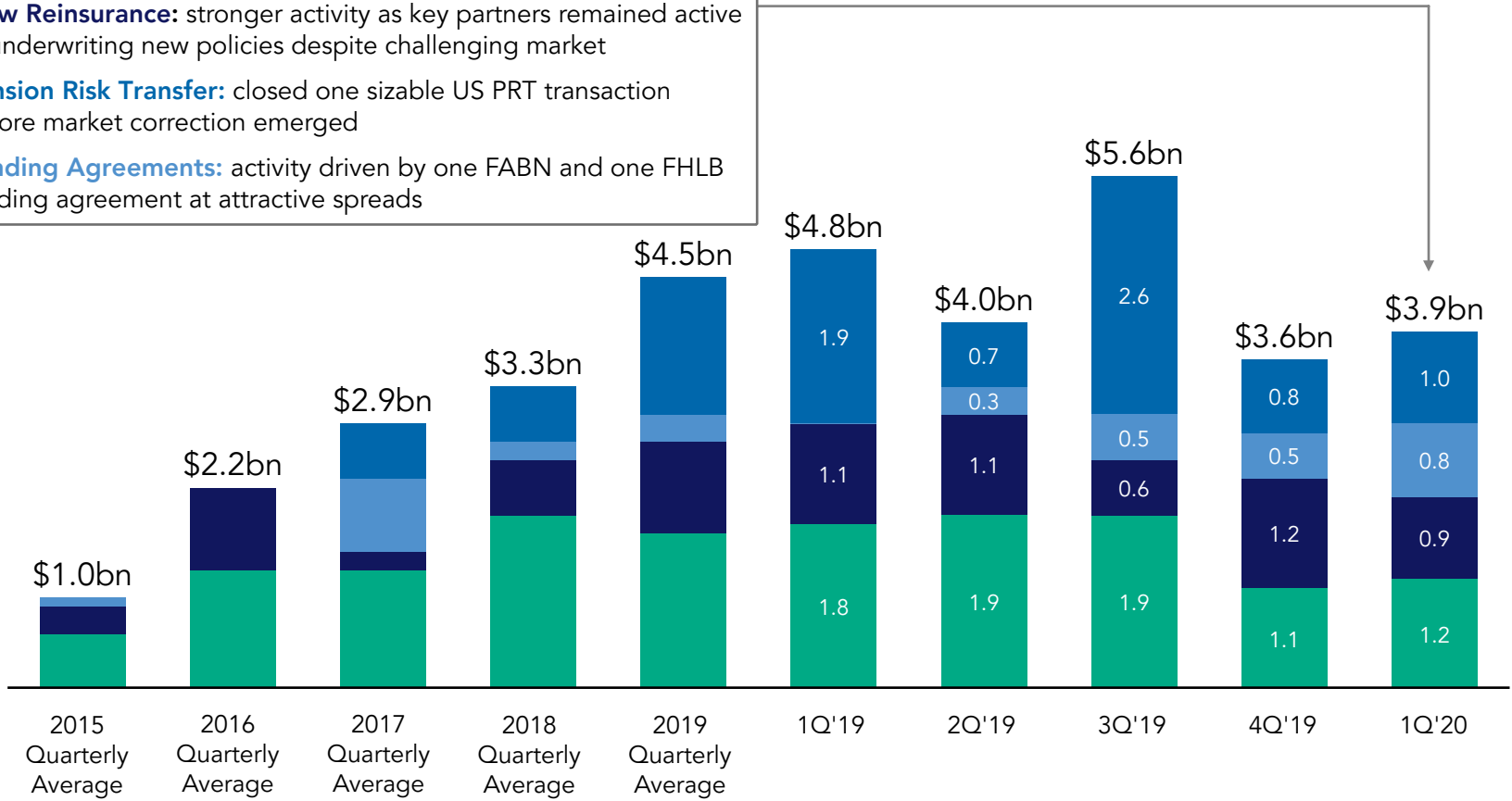
Flexibility to respond to changing market conditions across channels to opportunistically originate liabilities that generate Athene's targeted levels of profitability

**Retail:** solid activity in a challenging market backdrop; achieving target returns despite historically low interest rates

**Flow Reinsurance:** stronger activity as key partners remained active in underwriting new policies despite challenging market

**Pension Risk Transfer:** closed one sizable US PRT transaction before market correction emerged

**Funding Agreements:** activity driven by one FABN and one FHLB funding agreement at attractive spreads



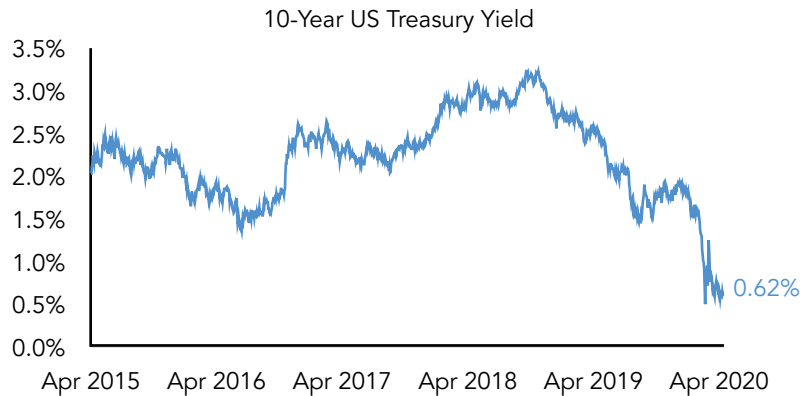
● Retail ● Flow Reinsurance ● Funding Agreements ● Pension Risk Transfer



# Strong, Safe Returns are Available in a Dislocated Market

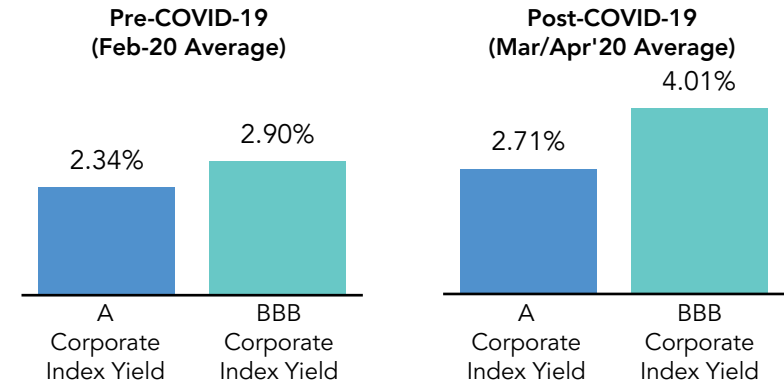
Athene is seeing opportunities to invest at all-time low funding costs along with attractive investment grade credit spreads to lock in long-term, high-teens returns

## Attractive Funding Costs



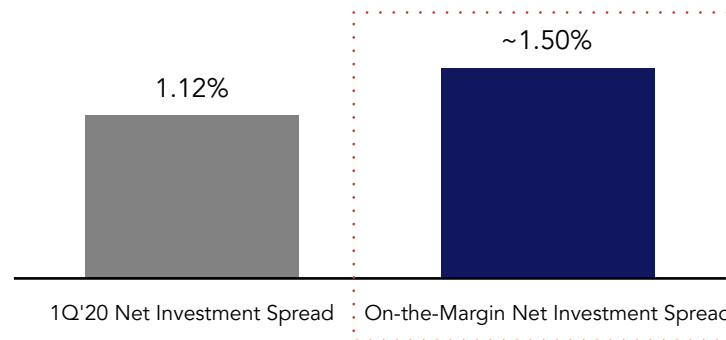
*Funding benchmarks near all-time lows*

## Safe Yield Available



*Attractive A-rated yields in March / April*

## Compelling On-the-Margin Profitability<sup>1</sup>



Source: FactSet, Bloomberg, FRED, as of April 30, 2020

<sup>1</sup> Refers to on-the-margin and net investment spread information in Retail business.

# Resilient Business Model With Long-Term Stability, Firepower

Athene's balance sheet is structured to create strong and persistent value

Assets	Liabilities	Capital
<ul style="list-style-type: none"><li>✓ Stable book of more than \$120 billion fixed income-oriented net invested assets</li><li>✓ Focus is on <i>principal protection</i></li><li>✓ Balance sheet subject to a "book value" versus "market value" framework</li><li>✓ What ultimately matters are cash flows and return of principal, not temporary mark-to-market fluctuations</li></ul>	<ul style="list-style-type: none"><li>✓ Built-in liquidity protection from stable liability profile<ul style="list-style-type: none"><li>– ~19% of liabilities are non-surrenderable</li><li>– No uptick in voluntary surrenders</li></ul></li><li>✓ Large in-force block produces significant and stable core earnings and free cash flows</li></ul>	<ul style="list-style-type: none"><li>✓ \$12.4 billion of statutory capital</li><li>✓ Significant financial flexibility</li><li>✓ Significant liquidity<ul style="list-style-type: none"><li>– Targeting \$10 billion of available liquidity</li></ul></li></ul>

# Income Statement Details and Outlook

Item	4Q'19 Result	1Q'20 Result	1Q'20 Commentary	Outlook - Key Drivers
<b>Retirement Services</b>				
Fixed Income NIER / Earnings	4.29% \$1,172mn	4.20% \$1,177mn	<ul style="list-style-type: none"> <li>Stable \$112bn<sup>1</sup> book of fixed income investments</li> <li>Q/Q decline in NIER driven by lower floating rate investment income and holding additional liquidity</li> </ul>	<ul style="list-style-type: none"> <li>(-) Forward curve / short-term interest rates</li> <li>(-) Cash drag from liquidity build</li> <li>(+) On-the-margin spreads</li> </ul>
Alternatives NIER / Earnings	10.94% \$134mn	0.56% \$7mn	<ul style="list-style-type: none"> <li>~40% of Alts marked on real-time basis; challenged from significant market headwinds</li> <li>~60% of Alts marked on lagged basis; benefited from market tailwinds in 4Q'19</li> <li>Temporary fluctuations don't indicate permanent impairment</li> </ul>	<ul style="list-style-type: none"> <li>(+) Recovery post-1Q'20 with market moves; snap-back dependent on shape of recovery</li> <li>(-) Lagged Alts will impact 2Q'20</li> <li>(+) Expect rebound in 2H'20 from anticipated weakness in 1H'20</li> </ul>
Cost of Crediting	1.83%	1.84%	<ul style="list-style-type: none"> <li>Stable \$114bn block of liabilities</li> <li>6 basis point Q/Q decrease when excluding one-time favorable actuarial update in 4Q'19, including a 4bps sequential decline for deferred annuities in response to lower rate environment</li> </ul>	<ul style="list-style-type: none"> <li>(+) Declining forward curve</li> <li>(-) Mix of deferred annuities vs institutional business</li> </ul>
Other Liability Costs	0.90% \$259mn	1.17% \$342mn	<ul style="list-style-type: none"> <li>\$83mn Q/Q increase primarily driven by equity market volatility impacting rider reserve and DAC amortization</li> <li>Excluding equity market impacts, other liability costs were stable at ~1.00%</li> </ul>	<ul style="list-style-type: none"> <li>(+) Equity market rebound</li> <li>DAC amortization fluctuates with profitability</li> <li>Actuarial experience, updates, and unlocking</li> </ul>

<sup>1</sup> Average fixed income and other net invested assets.

# Income Statement Details and Outlook (cont'd)

Item	4Q'19 Result	1Q'20 Result	1Q'20 Commentary	Outlook - Key Drivers
<b>Corporate &amp; Other (ex. AOG)</b>				
Adjusted Operating Income / (Loss)	\$(15)mn	\$(73)mn	<ul style="list-style-type: none"> <li>Q/Q increase in adjusted operating loss (ex. AOG investment) primarily driven by mark-to-market loss on alts due to market volatility</li> </ul>	<ul style="list-style-type: none"> <li>Fixed income and other net investment earnings impacted by level of excess capital in segment</li> <li>Alternative investment returns</li> </ul>
<b>Consolidated (ex. AOG)</b>				
Operating Expenses	0.30% \$86mn	0.27% \$79mn	<ul style="list-style-type: none"> <li>Operating expenses down 3bps Q/Q, translating to ~\$9mn of savings</li> </ul>	<ul style="list-style-type: none"> <li>(+) Expected to decline over time with growth due to scalable infrastructure</li> <li>(+) Relatively stable</li> </ul>
Tax Rate <sup>1</sup>	11.0%	13.8%	<ul style="list-style-type: none"> <li>Higher percentage of taxable operating income generated onshore</li> </ul>	<ul style="list-style-type: none"> <li>Tax rate fluctuates depending on mix of onshore / Bermuda profitability</li> <li>If profitability is lower, tax rate will generally flex upward while tax dollars will shrink</li> </ul>
Adjusted Operating Income (ex. notables and AOG) <sup>2</sup>	\$346mn	\$174mn	<ul style="list-style-type: none"> <li>Adjusted operating loss primarily driven by volatile market environment:                             <ul style="list-style-type: none"> <li>Alternative investment loss driven by challenging market environment</li> <li>Higher other liability costs driven by equity market volatility</li> </ul> </li> </ul>	
Adjusted Operating ROA (ex. notables and AOG)	1.19%	0.59%		
<b>Organic Growth and Invested Assets</b>				
Gross Organic Deposits	\$3.6bn	\$3.9bn	<ul style="list-style-type: none"> <li>Q/Q increase in deposits across Retail, pension risk transfer (PRT), and FABN</li> <li>Flow reinsurance volumes moderated Q/Q as expected, but were strong and accelerated in March</li> </ul>	<ul style="list-style-type: none"> <li>Gross organic deposits expected to be driven by relative strength in retail and flow reinsurance, complemented by PRT activity and opportunistic funding agreement issuance</li> </ul>
Average Net Invested Assets (ex. AOG) <sup>3</sup>	116.0bn	\$118.9bn	<ul style="list-style-type: none"> <li>Strong organic deposits in the quarter, 1Q'20 new asset purchases of \$6.3bn</li> </ul>	<ul style="list-style-type: none"> <li>Organic growth production</li> <li>Roll-off of in-force</li> </ul>

1 Refers to effective operating tax rate. 2 Refers to adj. operating income available to common shareholders, excluding notables and AOG. 3 Net invested assets includes Athene's proportionate share of ACRA investments, based on Athene's economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest.

# Income Statement – AOG Investment / Non-Operating Items

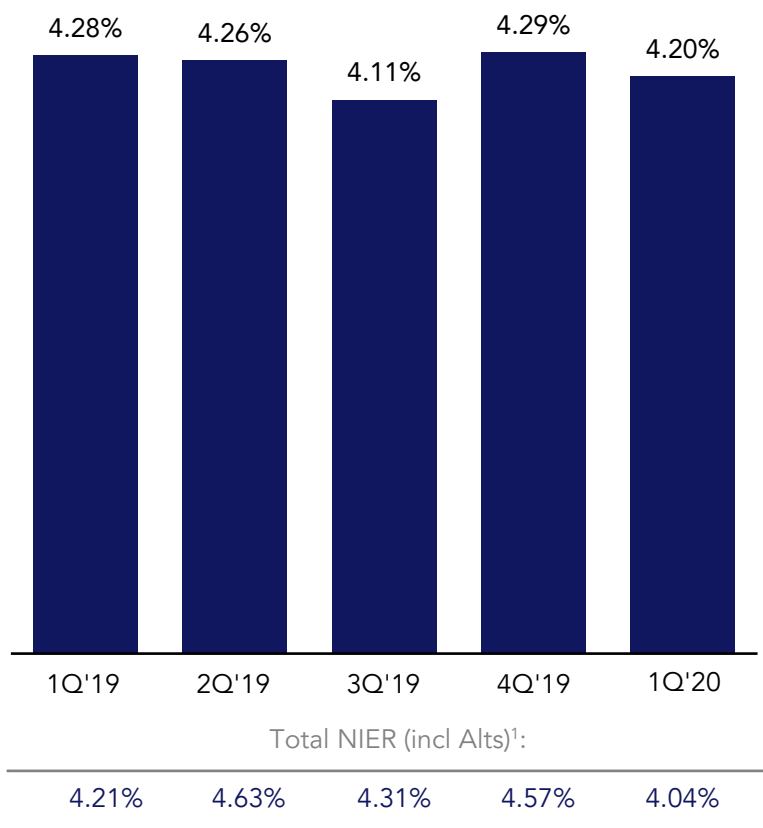
Item	4Q'19 Result	1Q'20 Result	1Q'20 Commentary	Outlook - Key Drivers
<b>AOG Investment</b>				
AOG After-Tax Income / (Loss)	NA	\$(239)mn	<ul style="list-style-type: none"> <li>\$1.36/shr loss from \$239mn fair value decrease, net of liquidity discount and tax benefit, primarily driven by decline in APO share price in the quarter</li> </ul>	<ul style="list-style-type: none"> <li>Impact will depend on APO share price change, as well as dividend income</li> </ul>
<b>Non-Operating Items</b>				
<i>(in millions)</i>		4Q'19	1Q'20	
Adjusted operating income (loss) available to common shareholders		\$389	\$(108)	
Notable Non-Operating Items		Drivers of Sequential Change		
Investment gains (losses), net of offsets		\$(47)	\$(1,139)	<ul style="list-style-type: none"> <li>\$1.3bn impact from change in fair value of reinsurance assets due to widening credit spreads amid COVID-19, partially offset by a decrease in US Treasury rates</li> </ul>
Change in fair value of FIA derivatives, net of offsets		\$136	\$65	<ul style="list-style-type: none"> <li>Q/Q decline primarily driven by unfavorable equity market performance (S&amp;P 500 down 20% in 1Q'20 versus up 8.5% in 4Q'19), partially offset by a favorable change in discount rates</li> </ul>
All other non-operating items		\$(46)	\$117	<ul style="list-style-type: none"> <li>Q/Q increase mostly driven by tax benefit on investment losses</li> </ul>
Net income (loss) available to common shareholders		\$432	\$(1,065)	

# Stable Fixed Income and Other NIER

Consistent and predictable yield on large in-force business

## Fixed Income and Other NIER<sup>1</sup>

### Retirement Services



- ~95% of the portfolio consists of fixed income assets with highly predictable investment returns
- Primary drivers of variability:

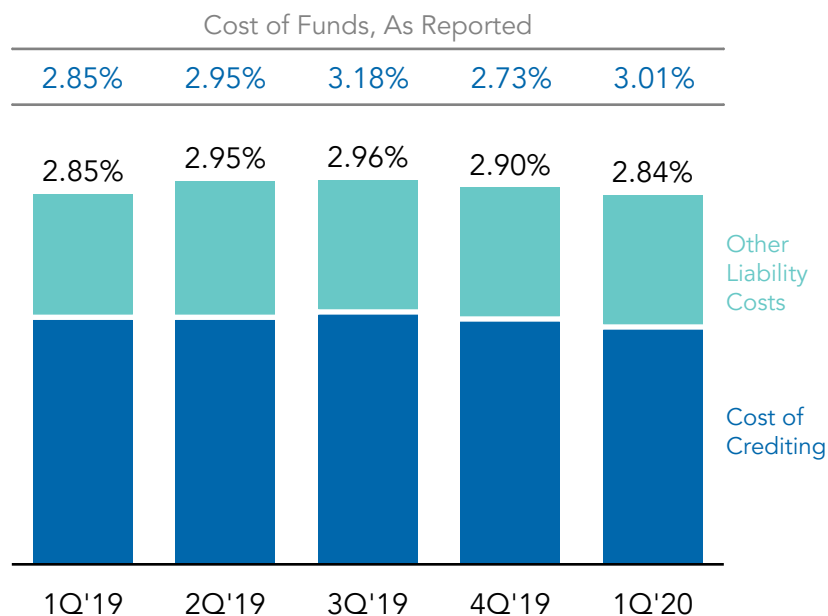
Driver	Commentary
Interest Rates	<ul style="list-style-type: none"> <li>• 18% of investment portfolio in floating rate investments</li> <li>• Sensitivity: +/- \$30-\$35mn of adjusted operating income per year for every 25bp change in interest rates<sup>2</sup></li> <li>• Bond call and prepayment income generally increases as interest rates decline</li> </ul>
Cash Position	<ul style="list-style-type: none"> <li>• Increased cash and established liquidity lines</li> </ul>
On-The-Margin Spreads	<ul style="list-style-type: none"> <li>• Attractive on-the-margin deployment in dislocated markets</li> </ul>

Note: Quarterly periods are annualized. 1 Net investment earned rate is calculated by dividing net investment earnings by average net invested assets for the relevant period. Does not include impact of AOG.  
 2 Sensitivity assumes parallel shift in spot LIBOR rate and forward yield curve.

# Predictable Cost of Funds and Operating Expenses

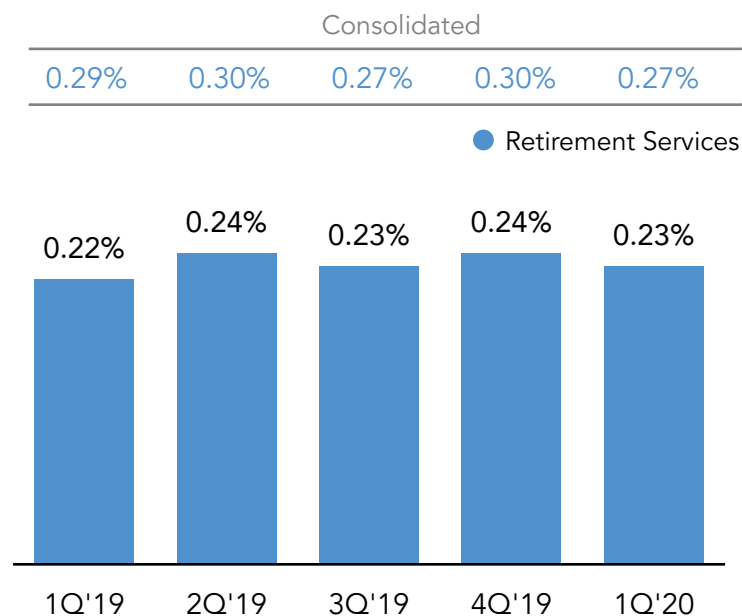
Athene benefits from its base of persistent liabilities, and a highly scalable platform

## Cost of Funds (ex. Notables)<sup>1</sup>



- Downward trending Cost of Crediting, with quarterly result largely determined by mix of business between deferred annuities and institutional business
- Other Liability Costs can be impacted by various factors including: broader equity market performance, overall gross profitability levels, as well as annual assumption unlocking

## Operating Expenses<sup>2</sup>



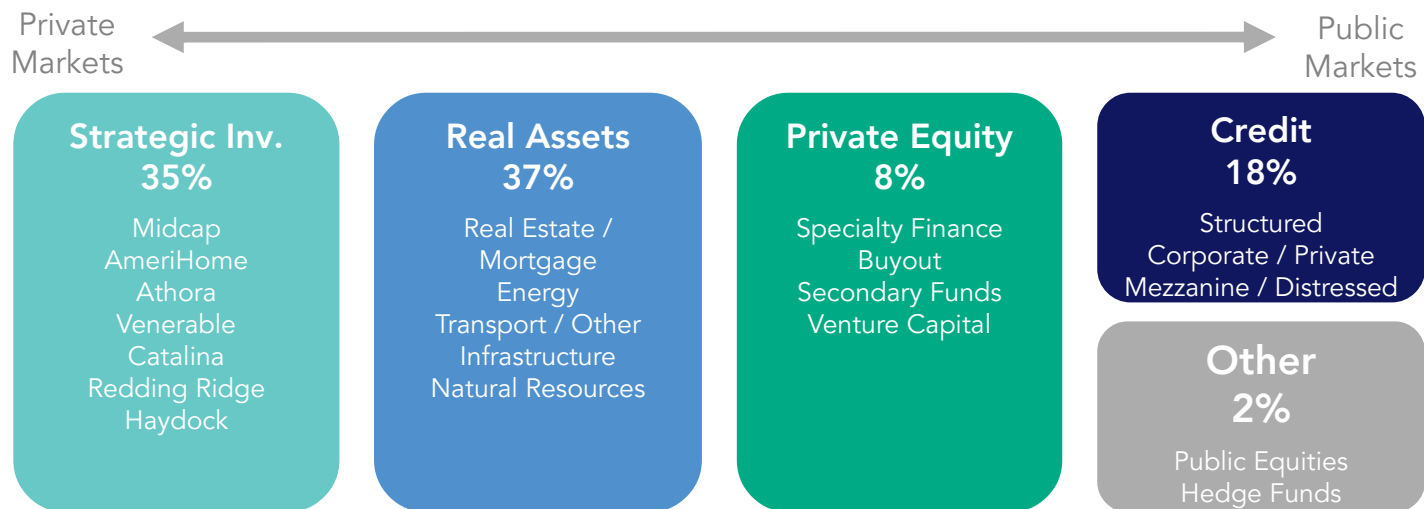
- Highly scalable operating platform with efficient structure
- Disciplined approach to expense management
- Continue to onboard new business at low marginal cost, with most of incremental profitability flowing to bottom line

Note: Quarterly periods are annualized. Metrics are for Retirement Services, unless noted otherwise.

<sup>1</sup> Cost of funds is calculated by dividing total liability costs, which includes cost of crediting on both deferred annuities and institutional products as well as other liability costs, by average net invested assets for the relevant period, excluding the impact of AOG. <sup>2</sup> Operating expenses are calculated by dividing operating expenses by average net invested assets for the relevant period, excluding the impact of AOG.

# Differentiated Alt Strategy Targets Double-Digit Returns Through Cycles

- \$5.8bn of net Alternative investments account for <5% of net invested assets
- Investments that are “credit-like” and produce income over investments that are “equity-like” and rely on capital appreciation
- Diversification by geography and vintage, not just for the sake of diversification
- Investments that “pull to par” or have reduced volatility vs. pure equity
- Some element of downside protection or “hedge” vs. pure directional bet
- Tendency to avoid investments with binary outcomes
- Funds with a high degree of co-investment vs. pure funds or vehicles that charge fees on undrawn capital

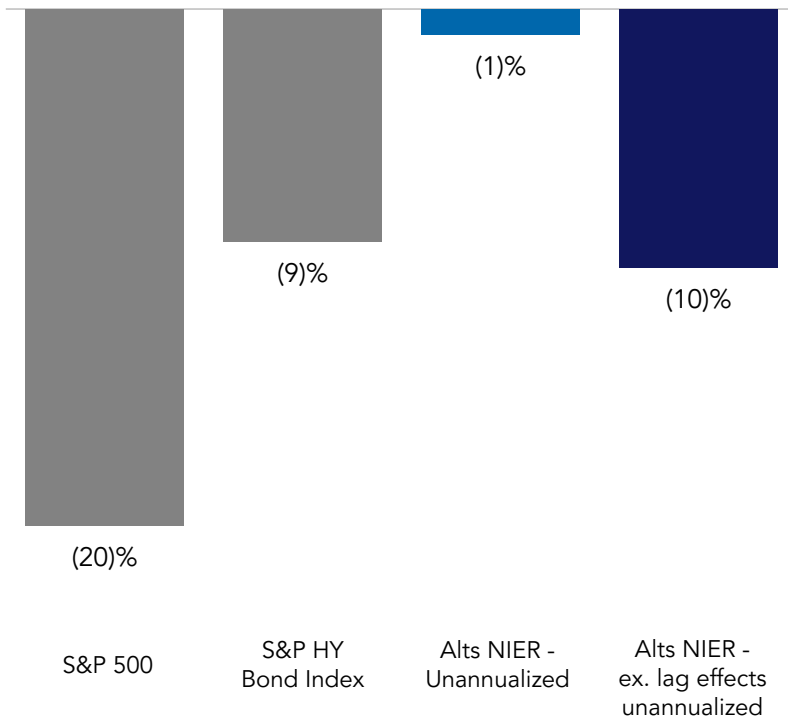




# Alternative Investment Performance Overview

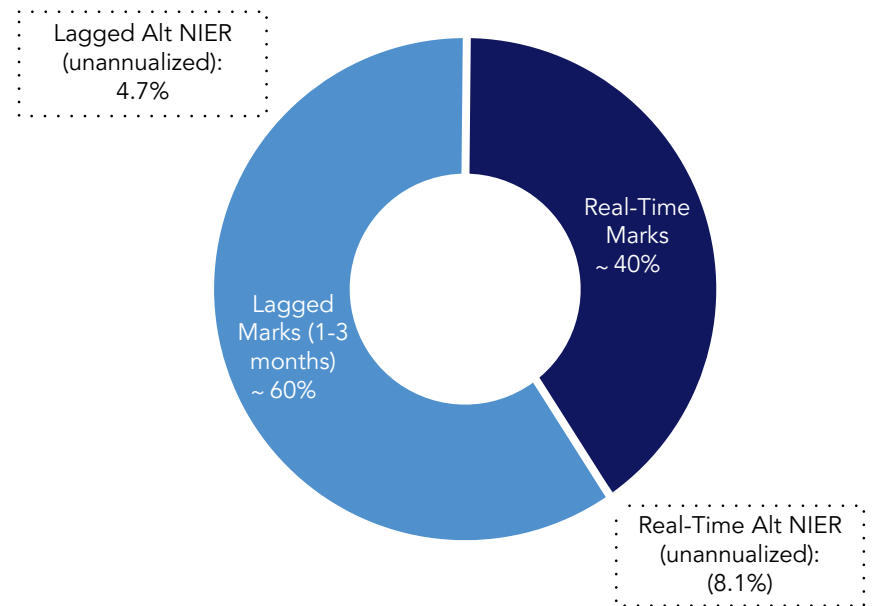
Portfolio performance more defensive than broader markets

## Alt Performance vs Market – 1Q'20



## Alt Valuation Methodology

% of Alts Portfolio



**Mark-to-market volatility does not signal permanent impairment of Alt investments**

Note: Market performance and Alt NIERs are for 1Q'20, not annualized. Alts NIER - ex. lag effects based on Athene estimate.

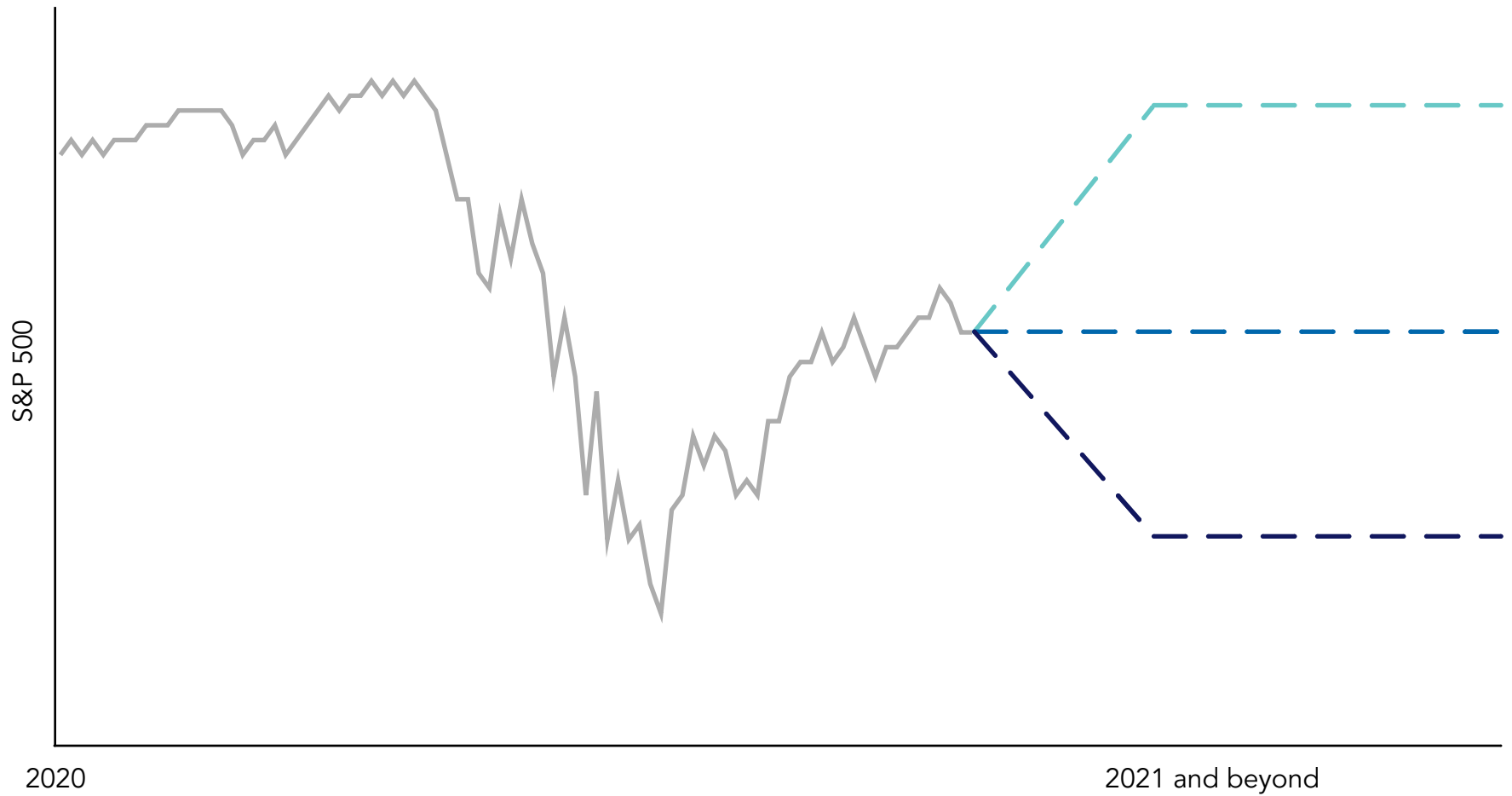
# Alternative Investments – Fundamental Outlook

Fundamental outlook remains strong longer-term across Athene's largest Alt holdings

Investment	Net Invested Assets (\$mn)	% of Total Alts	Commentary
Top Differentiated Holdings:			
AmeriHome	\$621	11%	<ul style="list-style-type: none"> <li>Strong performance in 1Q'20, driven by increased market volumes from low rates / refinancing activity, as well as the hedge of the mortgage servicing rights (MSR) asset</li> </ul>
MidCap	\$508	9%	<ul style="list-style-type: none"> <li>Well-positioned given focus on senior secured lending and ample liquidity even in a prolonged stress scenario</li> </ul>
Catalina	\$296	5%	<ul style="list-style-type: none"> <li>Underlying business model not impacted by COVID-19 pandemic</li> <li>Asset portfolio remains strong with low instances of permanent loss</li> </ul>
Athora	\$140	2%	<ul style="list-style-type: none"> <li>Solvency capital improved in 1Q</li> <li>Underlying business is expected to be largely uncorrelated with economic cycles</li> <li>Acquisition of Vivat closed in early-2Q'20; recently raised another round of funding for future growth</li> </ul>
Venerable	\$110	2%	<ul style="list-style-type: none"> <li>Expects no degradation in capital position despite current challenging market conditions reflecting strength of its comprehensive hedging strategy</li> </ul>
Other Major Alternative Investment Categories:		Significant Holdings	
Real Estate	\$1,410	24%	<ul style="list-style-type: none"> <li>Includes a <i>triple net lease portfolio</i> (~\$260mn) that is mostly comprised of internet-resistant retail, including ~54%<sup>1</sup> traditional retail with large concentrations in grocery, home improvement, wholesale clubs, and pharmacy segments, which are expected to perform well in the current environment given demand for household staples, and ~46%<sup>1</sup> auto dealerships, which were resilient during the great recession</li> </ul>
Credit	\$1,038	18%	<ul style="list-style-type: none"> <li><i>PK AirFinance</i> (~\$240mn <i>Alternative tranche</i>):                             <ul style="list-style-type: none"> <li>Portfolio is well-diversified across obligors and geographies</li> <li>Underlying collateral is entirely comprised of senior secured loans with a first lien on underlying aircraft collateral with average LTVs to metal value in the mid-50s<sup>2</sup></li> <li>Ample liquidity and significant debt service coverage within the structure</li> </ul> </li> <li><i>Structured Credit Fund</i> (~\$150mn): Re-underwritten portfolio indicates an expectation of full capital recovery, even in a severe stress scenario</li> </ul>
<b>Subtotal</b>	<b>\$4,123</b>	<b>71%</b>	

<sup>1</sup> % of the triple net lease portfolio's net operating income as of March 31, 2020. <sup>2</sup> LTVs to metal are based on Ascend. As of March 31, 2020.

# The Million Dollar Question: Where Will We Go From Here?



# Stress Assumptions Are Within the Range of Past Market Experience

	Athene Assumptions		Sample Historical Recession Data Peak to Trough for Calendar Year				Current Market Environment
	Baseline Recession Scenario	Deep Recession Scenario	1990	2001	2008	Euro 2016	Year to Date <sup>1</sup>
<b>10 Yr US Treasury Yield</b>	Down 60%	Down 83%	Up 4%	Down 21%	Down 43%	Down 84% <sup>2</sup>	Down 67%
<b>Absolute Spreads (BBB / B)</b>	279bps / 802bps	636bps / 1,789bps	240bps / NA	318bps / 1,083bps	642bps / 1,913bps	317bps / 876bps	282bps / 798bps
<b>Equity Markets<sup>3</sup></b>	(25)%	(49)%	(20)%	(30)%	(49)%	(12)%	(10)%
<b>FI Defaults (BBB / B)</b>	0.70% / 12.9%	1.4% / 13.7%	0.30% / 13.7%	1.01% / 9.2%	0.9% / 7.1%	0.0% / 2.4%	0.0% / 1.3% (Last 12 months)
<b>Housing Price (Peak to Trough)</b>	(3)%	(27)%	(3)%	No Decline	(33)%	No Decline	Up 4% <sup>4</sup>

Key Levers Driving OTTI

Source: Spread – Government OAS per ICE BofA US Corporate Index from Bloomberg, C0A4 for BBB rating and H0A2 for B rating. FI Default – Trailing 12 month US bond default rates as of the end of March 2020, per March 2020 Default Report from Moody's Investor Services. Note: Athene Baseline Recession Scenario assumptions are unchanged from those shared in the 2018 Athene Investor Day materials. There is no guarantee that Athene will be able to replicate actual historical recession experience under current market conditions or during future recessions. 1 Current market environment as of April 30, 2020. 2 German 10-year bund yield. 3 Primarily for representative purposes. Stress scenarios apply customized stresses as relevant for Alternatives sub-categories. Current Market Environment represents SPX index YTD change. 4 Trailing 12 months CoreLogic National HPI increased by 4.1% as of Feb 2020.

# Reminder: Stress Scenario Results are Manageable

Previously disclosed recession scenario losses substantially mitigated by one year's earnings even without intervening management actions

## Athene's Earnings Mute Impacts of Stress (in billions)

Asset Class	Baseline Recession Scenario OTTI Estimate	Deep Recession Scenario OTTI Estimate	YE'19 Portfolio Allocation
Corporate & Gov't	\$(0.3)	\$(0.5)	49%
Residential Mortgage (RML / RMBS)	\$(0.2)	\$(0.6)	11%
Commercial Mortgage (CML / CMBS)	\$(0.1)	\$(0.2)	14%
Other Structured Assets (CLO / ABS)	\$(0.0)	\$(0.1)	18%
Other <sup>1</sup>	\$(0.0)	\$(0.0)	4%
Subtotal excluding Alternatives (OTTI) <sup>3</sup>	\$(0.6)	\$(1.4)	95%
Alternatives <sup>2</sup>	\$(0.8)	\$(1.4)	5%
Subtotal (OTTI) <sup>3</sup>	\$(1.4)	\$(2.8)	100%
DAC / Tax Offset	\$0.4	\$0.8	
Net Impact on GAAP Book Value	\$(1.0)	\$(2.0)	

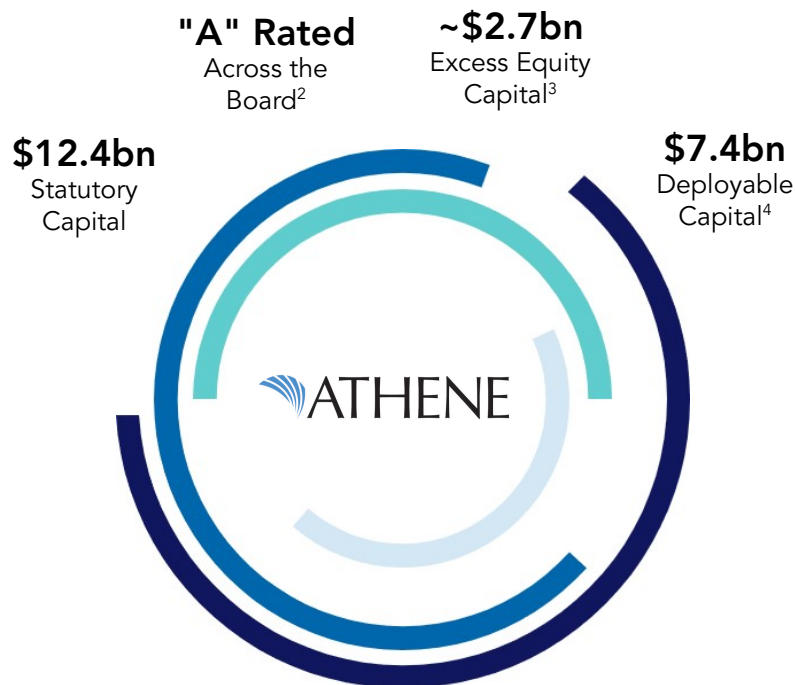
### Important Context

- Assumes no management actions
- Assumes no earnings offset
- Compares to 2019 adjusted operating income of \$1.3bn
- OTTI estimates include mark-to-market on Alts (not necessarily permanent impairments)

Note: Stress results assumed to occur instantaneously. Results are peak to trough OTTI estimates, with no management actions assumed. 1 "Other" includes Equities, Preferred Stock, Cash and Derivatives. 2 Excludes Athene's investment in Apollo Operating Group (AOG) units. 3 Total loss estimate is based upon a single scenario involving a discrete set of assumptions regarding economic conditions. Actual economic conditions in a stressed environments may differ significantly from those assumed and actual loss experience may differ from the estimate presented above and such difference could be material.

# Athene Manages the Business with Significant Excess Capital and Low Leverage

## Overview of Financial Strength<sup>1</sup>



## Conservative Approach to Capitalization

- Athene runs with significant excess equity capital:
  - \$12.4bn of high-quality regulatory capital<sup>3</sup>
  - ~\$2.7bn cushion to RBC targets<sup>3</sup>
- Athene has significant financial flexibility:
  - 11.7% pro forma adjusted debt-to-capital<sup>5</sup> at Athene vs ~25% debt-to-cap at AA/A- rated peers
  - Moving to industry standard leverage implies \$2.3 billion of untapped debt capacity<sup>5</sup>
- \$900mn of untapped preferred equity capacity for full equity treatment from rating agencies
- Access to a bespoke sidecar with \$2.4bn in undrawn third party capital – unique in the industry

<sup>1</sup> As of March 31, 2020. <sup>2</sup> Relates to Athene's primary insurance subsidiaries; represents ratings from AM Best, S&P, and Fitch. <sup>3</sup> Pro forma for \$500 million senior unsecured notes issued in April. <sup>4</sup> Includes pro forma excess equity capital of ~\$2.7bn, untapped debt capacity of \$2.3bn pro forma for repayment of \$400mn of short-term FHLB related financing in 1H'20 and includes \$500 million notes offering completed in April 2020 and \$2.4bn of undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions. <sup>5</sup> Pro forma for repayment of \$400mn of short-term FHLB related financing in 1H'20 and includes \$500 million senior unsecured notes offering announced on March 31, 2020.

# Athene Has Been Preparing for Dislocation

Athene has proactively strengthened its excess capital and liquidity over the past year

## Opportunistically Raised Excess Capital

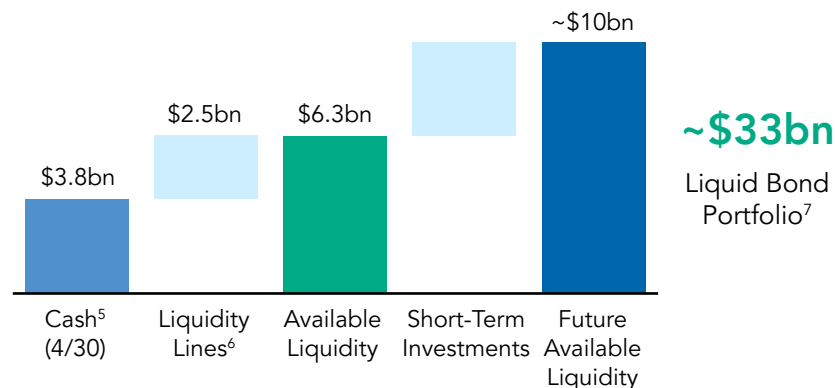
- ✓ Strategic Capital Solution (ACRA) ~\$3.2bn
- ✓ Preferred Equity Offerings ~\$1.2bn
- ✓ Strategic Transaction with Apollo ~\$1bn<sup>1</sup>
- ✓ Senior Debt Offering<sup>2</sup> \$500mn

~\$6bn of equity capital raised

- ~\$2.7bn<sup>3</sup> of pro forma excess equity capital on balance sheet
- \$2.4bn of undrawn on-demand third-party capital off balance sheet through ACRA
- Significant capital levers and financial flexibility
  - \$2.3bn of pro forma untapped debt capacity<sup>4</sup>
  - \$900mn of preferred equity capacity

## Boosted Liquidity Profile

- ✓ Robust organic deposits in 1Q'20
- ✓ Extended and upsized revolving credit facility
- ✓ Established ~\$2.5 billion of Liquidity Facilities



1 At closing of the deal. 2 Closed in April. 3 Pro forma for \$500 million senior debt issued in April. 4 Pro forma for repayment of \$400mn of short-term FHLB related financing in 1H'20 and includes \$500 million notes issued in April. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions. 5 Cash on hand ex-short term financing. 6 Includes various financing facilities. 7 As of March 31, 2020. Includes \$1.6 billion of municipal, political subdivisions, and US and foreign government bonds. Disclaimer: Target liquidity is not a prediction, projection or guarantee of future liquidity. Information is based on estimates and assumptions and there is no guarantee that target liquidity levels will be realized.

# We Believe Athene's Differentiated Model Should Enable Us to Emerge From the Current Environment Even Stronger

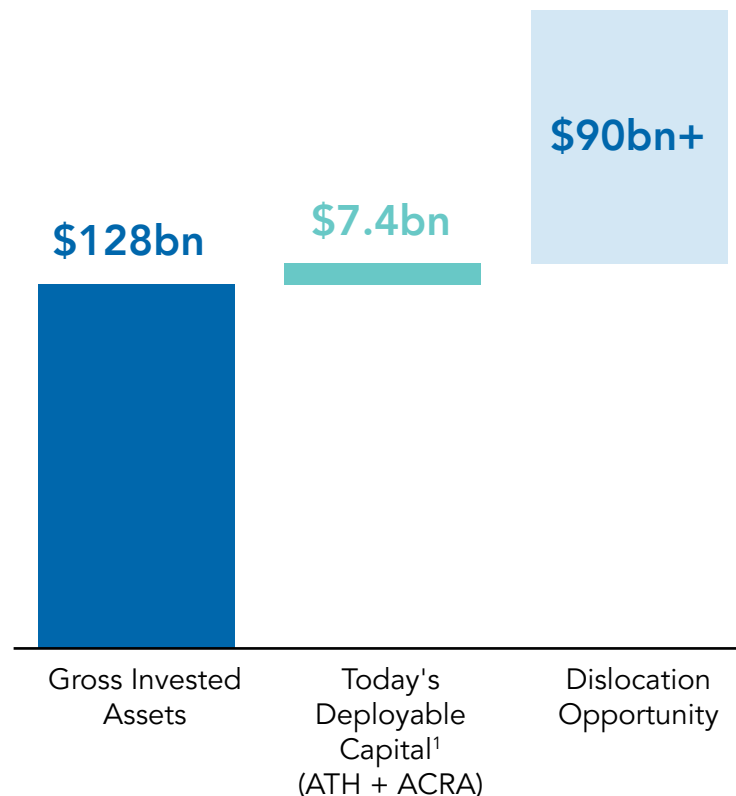
## Ample Opportunities to "Play Offense"

*Attractive organic growth at target returns or better*

*Asset purchases at attractive on-the-margin yields in a dislocated market*

*Potential inorganic transaction opportunities as a preferred solutions provider for an industry in transition*

## Well-Positioned for the "Fat Pitch"



<sup>1</sup> Includes pro forma excess equity capital of ~\$2.7bn, untapped debt capacity of \$2.3bn pro forma for repayment of \$400mn of short-term FHLB related financing in 1H'20 and includes \$500 million notes issued in April, and \$2.4bn of undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions.





# Appendix

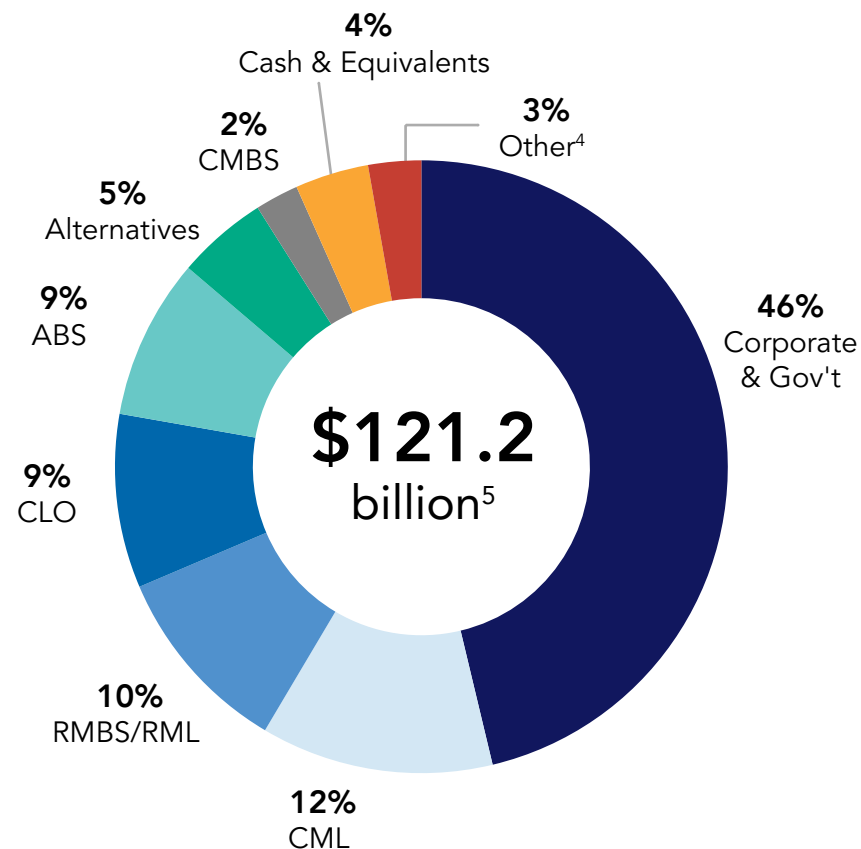
# Differentiated Investment Portfolio Capabilities Drive Returns

Target superior long-term returns without assuming incremental credit risk

## Overview

- ~50% of portfolio in corporate and government bonds
- ~\$33 billion of assets with a high degree of liquidity<sup>1</sup>
  - ~\$31 billion public corporate bonds
  - ~\$2 billion municipal, political subdivisions, and US and foreign government bonds
- Strong credit risk profile across portfolio
  - 94% of AFS fixed maturity securities<sup>2</sup> rated NAIC 1/2
  - Diversified commercial and residential mortgages with low LTVs
  - Significant credit enhancement in structured products
  - Differentiated alternative investments that seek to avoid binary outcomes
  - Manageable OTTI of 4 bps in 1Q'20<sup>3</sup>, entirely Intent-to-Sell

## Investment Portfolio Composition



Note: Net invested assets includes Athene's proportionate share of ACRA investments, based on Athene's economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. 1 As of March 31, 2020. 2 As of March 31, 2020, including related parties and ACRA noncontrolling interest. 3 Intent-to-Sell impairments for the three months ended March 31, 2020, annualized. Calculated as a percentage of average net invested assets. 4 Other includes short-term investments and equity securities. 5 Net invested assets as of March 31, 2020.

# Liability Profile: Long-Dated, Persistent & Attractively Priced

Large in-force business produces significant and steady base of earnings

## Commentary

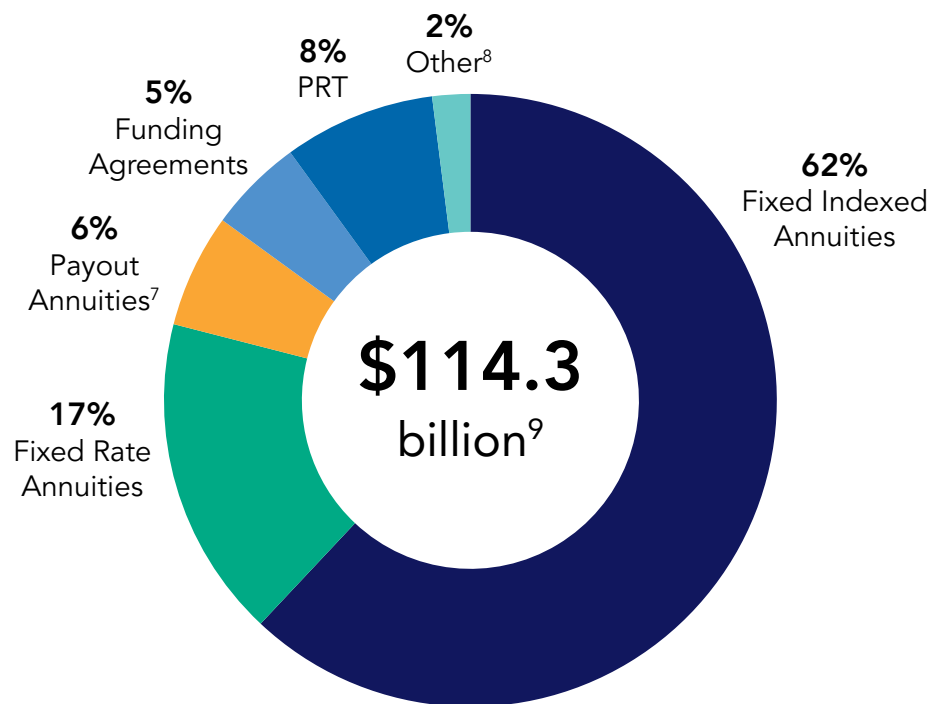
- Continue to underwrite all liability growth to the same high return thresholds and profitability standards
  - Underwritten returns for 1Q'20 were in line with targeted levels
- 1Q'20 growth driven by flexibility and strength of multi-channel distribution model
- Lapse and surrender behavior continues to remain consistent with expectations
- ~19% of liabilities are non-surrenderable

## Deferred Annuity Metrics<sup>1</sup>

Surrender charge protected <sup>2</sup>	78%
Average surrender charge <sup>3</sup>	6.3%
Subject to MVA <sup>2,4</sup>	63%
Cost of crediting on deferred annuities <sup>5</sup>	1.91%
Distance to guaranteed minimum crediting rates	> 100bps
Rider reserve as a percentage of account value with riders	9.8%

## Diversified Liability Composition

9.3 year weighted average life<sup>6</sup>



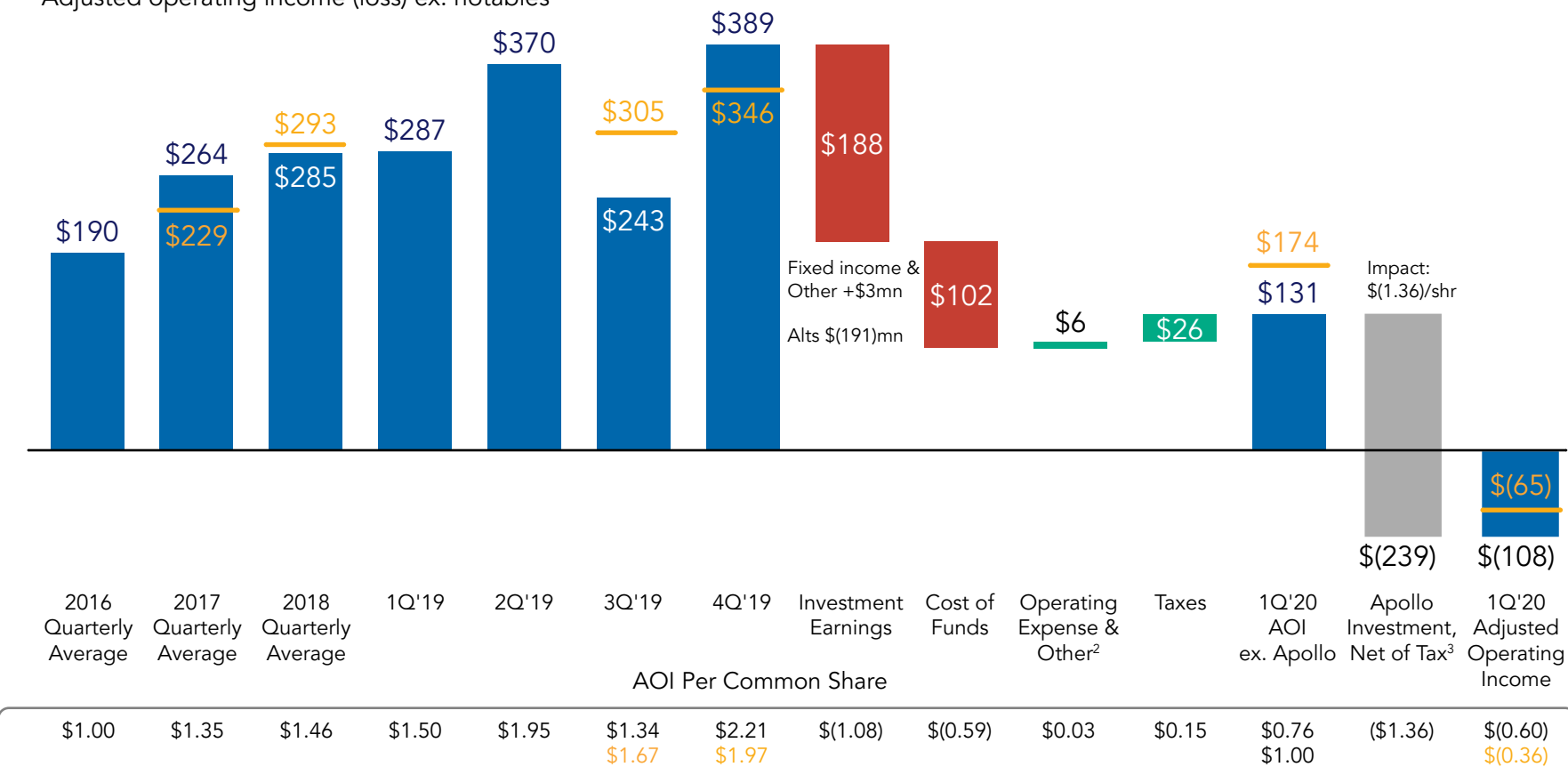
1 As of and for the three months ended March 31, 2020, as applicable. 2 Based on fixed indexed annuities and fixed rate annuities only. Refers to the percentage of account value that is in the surrender charge period. 3 Based on deferred annuities only, excluding the impact of MVAs. 4 Refers to the % of account value that is subject to a MVA. 5 For Retirement Services segment deferred annuities for the three months ended March 31, 2020, annualized. 6 Weighted average life of total reserve liabilities; weighted average life on deferred annuities was 8.7 years. 7 Includes Single Premium Immediate Annuities, Supplemental Contracts and Structured Settlements. 8 Other primarily consists of the AmerUs Closed Block liabilities and other life reserves. 9 Reserve liabilities as of March 31, 2020.

# Adjusted Operating Income (Loss) Rollforward

Sequential decrease in AOI driven primarily by alternative investment losses and mark-to-market loss on AOG investment, reflecting volatile market backdrop

(\$ in millions)

— Adjusted operating income (loss) ex. notables<sup>1</sup>



Note: Components within the AOI per common share rollforward may not sum due to other factors such as changes in share count. In 1Q'20, approximately \$0.04 of share repurchase accretion is included within total adjusted operating income (loss) available to common shareholders per common share. All mentions to Apollo refer to Athene's investment in Apollo Operating Group units. 1 Reconciliations of quarterly adjusted operating income (loss) available to common shareholders excluding notable items can be found on slides 39 and 40 of this presentation. 2 Includes interest expense, management fees from ACRA, and preferred stock dividends. 3 Athene issued 27,959,184 of shares for \$1.1bn in Apollo Operating Group units, and 7,575,758 for \$350mn in cash.

# Cost of Funds Components – Retirement Services

	Typical % of CoF	Drivers	1Q'20
<b>Cost of Crediting</b>			
Deferred Annuities	50 – 60%	Includes fixed interest credited and option costs of FIAs. Costs should trend in line with the size of the block.	\$422
Institutional Products	5 – 15%	Includes crediting costs associated with pension risk transfer and funding agreements. Costs should trend in line with the size of the block and increase in line with the strategic growth initiatives for the institutional channel.	\$118
<b>Other Liability Costs</b>			
Rider Reserves	10 – 20%	Reserve pattern impacted by the level of current period operating profits and changes in future expectations of profits and rider benefits. 1Q'20 result was elevated as a result of weak equity market performance.	\$183
DAC, DSI, VOBA Amortization	10 – 20%	Amortization pattern impacted by the level of current period operating profits and changes in future expectations of profits.	\$127
Other	< 10%	Primarily payout annuities (excluding PRT), policy maintenance costs, reinsurance expense allowances, excise taxes, and non-deferred acquisition costs, net of product charges. Costs generally trend in line with changes in the size of the block.	\$32
<b>Cost of Funds</b>			<b>\$882</b>

Note: The typical percentage range for each component of cost of funds may change over time. Rider reserves and DAC, DSI and VOBA amortization amounts may fall outside of the typical range due to a number of factors including unlocking of assumptions and equity market performance. For further detail regarding the components of cost of funds, please see Athene's quarterly financial supplement for the period ending March 31, 2020.

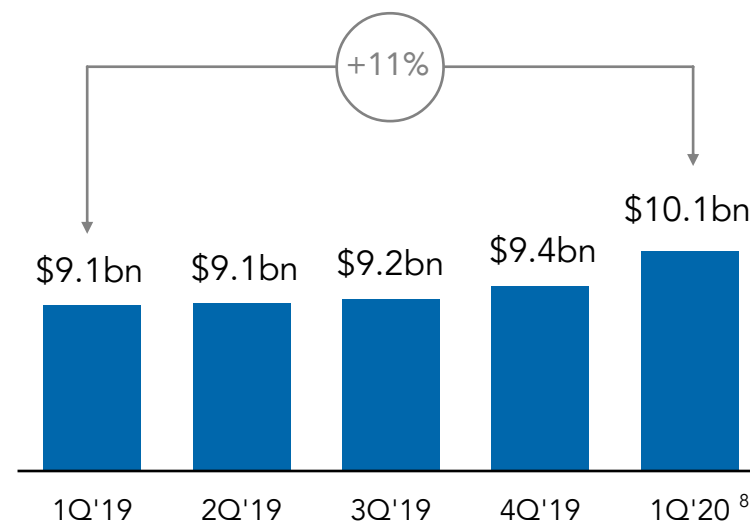
# Patient and Disciplined Stewards of Capital

Capital position aligned with opportunistic approach to create long-term shareholder value

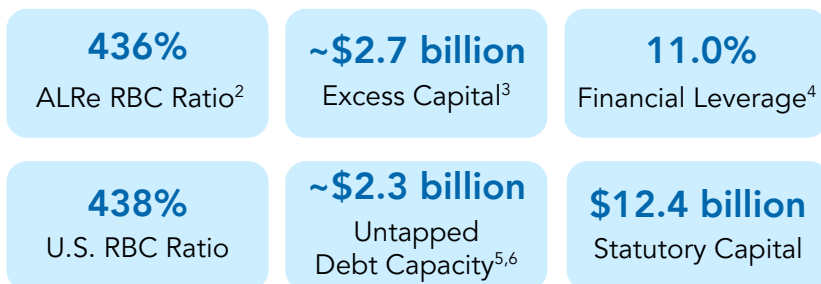
## Commentary

- Consistently evaluate an abundance of capital deployment opportunities across liability trades (organic and inorganic), asset trades, as well as other opportunistic uses of capital (share repurchases, ratings maintenance and upgrades)
- 1Q'20 activity: \$319 million of share repurchases, and \$270 million of capital deployed for organic growth
- Target building \$10 billion of available liquidity within the next two months to position Athene to play defense and offense amid current market dislocation

## Adjusted Common Shareholders' Equity<sup>7</sup>



## Capital Metrics<sup>1</sup>



## Share Repurchase Activity

1Q 2020

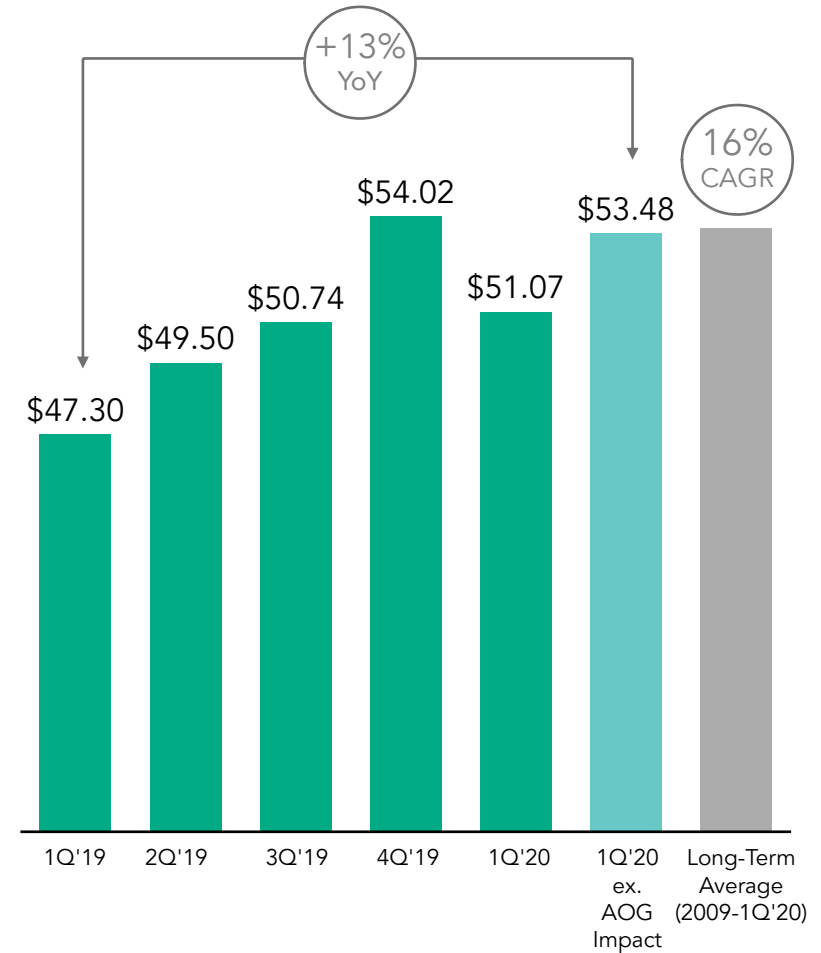
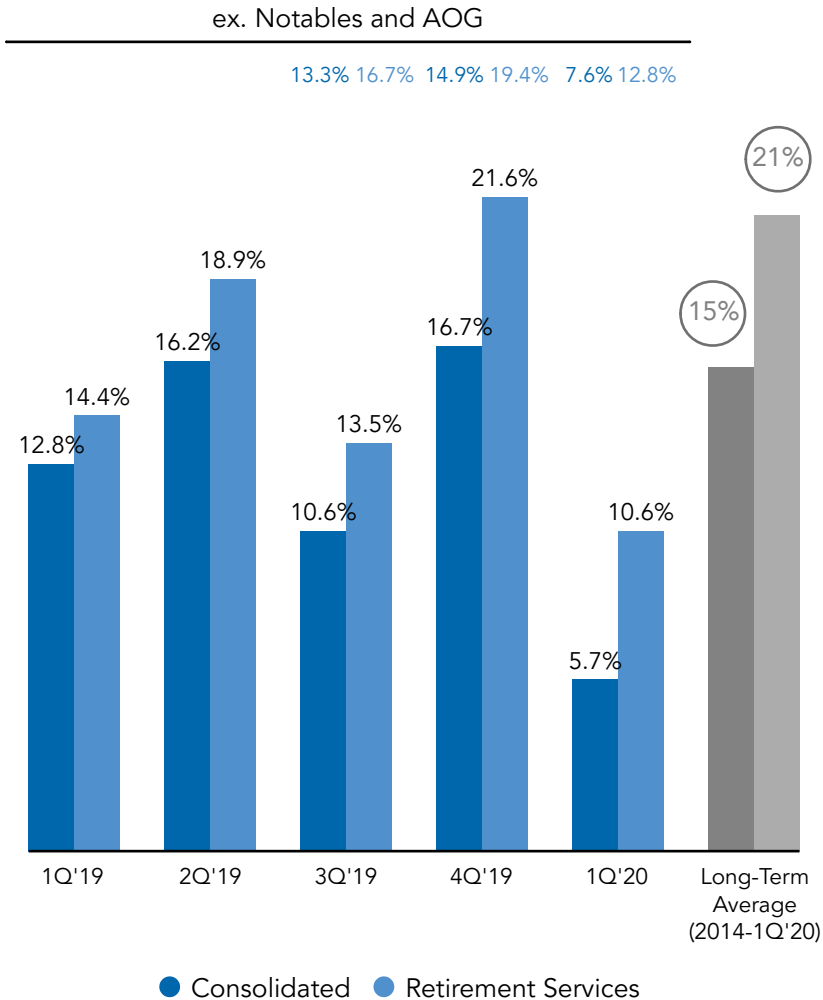
Open Market Share Repurchases	10.4 million
Total Capital Used for Share Repurchases	\$319 million
Average Price Paid per Share	\$30.51
Average Adj. P/B on Share Repurchases	0.56x
Remaining Share Repurchase Authorization	\$321 million

<sup>1</sup> As of March 31, 2020, unless noted otherwise. <sup>2</sup> ALRe RBC ratio, which is used in evaluating our capital position and the amount of capital needed to support our segment, is calculated by applying the NAIC RBC factors in effect as of March 31, 2020 to the Statutory Financial Statements of AHL's non-U.S. reinsurance subsidiaries, on an aggregate basis. <sup>3</sup> Pro forma for \$500 million senior debt issued in April. <sup>4</sup> Adjusted debt to capital ratio. <sup>5</sup> Pro forma for repayment of \$400 million of short-term federal home loan bank (FHLB) related financing in 1H'20, and includes \$500 million notes issued in April. <sup>6</sup> Untapped debt capacity assumes capacity of 25% adjusted debt to capitalization and is subject to general availability and market conditions. <sup>7</sup> See Non-GAAP Measures and Definitions and Non-GAAP Measure Reconciliations for more information on adjusted common shareholders' equity. <sup>8</sup> Includes impact of new shares issued in connection with strategic transaction with Apollo which closed on February 28, 2020.

# Strong ROE Production Driving Long-Term Book Value Growth

## Adjusted Operating ROE ex. AOG

## Adjusted Book Value Per Common Share



# Consolidated Results of Operations

(In millions, except percentages and per share data)

	Three months ended March 31,	
	2019	2020
<b>Net income (loss) available to Athene Holding Ltd. common shareholders</b>	\$ 708	\$ (1,065)
<b>Non-operating adjustments</b>		
Investment gains (losses), net of offsets	458	(1,139)
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(27)	65
Integration, restructuring and other non-operating expenses	(1)	(4)
Stock compensation expense	(3)	(10)
Income tax (expense) benefit – non-operating	(6)	131
Less: Total non-operating adjustments	421	(957)
<b>Adjusted operating income (loss) available to common shareholders</b>	<b>\$ 287</b>	<b>\$ (108)</b>
<b>Adjusted operating income (loss) available to common shareholders by segment</b>		
Retirement Services	\$ 286	\$ 204
Corporate and Other	1	(312)
<b>Adjusted operating income (loss) available to common shareholders</b>	<b>\$ 287</b>	<b>\$ (108)</b>
Notable items	—	43
<b>Adjusted operating income (loss) available to common shareholders excluding notable items</b>	<b>\$ 287</b>	<b>\$ (65)</b>
ROE	30.8%	(36.5)%
Adjusted operating ROE	12.8%	(4.4)%
ROA	2.19%	(2.95)%
Adjusted operating ROA	1.02%	(0.36)%
Earnings (loss) per common share - diluted Class A <sup>1</sup>	\$ 3.64	\$ (5.81)
Adjusted operating earnings per common share <sup>2</sup>	\$ 1.50	\$ (0.60)
Weighted average common shares outstanding - diluted Class A <sup>1</sup>	161.7	161.4
Weighted average common shares outstanding - adjusted operating <sup>2</sup>	192.2	181.5
Weighted average common shares outstanding - adjusted operating excluding Apollo <sup>3</sup>	192.2	173.3

1 Diluted earnings per share on Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, of Class B and Class M common shares and any other stock-based awards. Based on allocated net income (loss) of \$(938) million (88%) and \$589 million (83%) diluted Class A common shares for the three months ended March 31, 2020 and 2019, respectively. 2 Represents weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B and Class M common shares outstanding and any other stock-based awards outstanding, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. Effective February 28, 2020, all Class B common shares were converted into Class A common shares and all Class M common shares were converted into warrants and Class A common shares. 3 Weighted average common shares outstanding - adjusted operating excluding Apollo is adjusted to exclude the Athene shares issued in exchange for the AOG units as part of the Apollo transaction, but does not include an adjustment for the shares issued in exchange for \$350 million cash. For Q1 2020, the calculation also includes the dilution of other stock compensation plans as a result of the exclusion of the loss on the AOG units creating adjusted operating income available to common shareholders instead of a loss.



# Retirement Services Adjusted Operating Results

(In millions, except percentages)

	Three months ended March 31,			
	2019	% <sup>1</sup>	2020	% <sup>1</sup>
Fixed income and other investment income	\$ 1,151	4.28 %	\$ 1,177	4.20 %
Alternatives investment income	20	2.13 %	7	0.56 %
Net investment earnings	1,171	4.21 %	1,184	4.04 %
Cost of crediting	(535)	(1.92)%	(540)	(1.84)%
Other liability costs	(260)	(0.93)%	(342)	(1.17)%
Cost of funds	(795)	(2.85)%	(882)	(3.01)%
Other operating expenses	(62)	(0.22)%	(68)	(0.23)%
Interest expense	(2)	(0.01)%	(8)	(0.03)%
Management fees from ACRA	—	— %	2	0.01 %
Pre-tax adjusted operating income	312	1.13 %	228	0.78 %
Income tax (expense) benefit - operating	(26)	(0.10)%	(24)	(0.08)%
Adjusted operating income available to common shareholders	\$ 286	1.03 %	\$ 204	0.70 %
Notable items	—	— %	43	0.14 %
Adjusted operating income available to common shareholders excluding notable items	\$ 286	1.03 %	\$ 247	0.84 %
Cost of crediting on deferred annuities	\$ 444	1.98 %	\$ 422	1.91 %
Cost of crediting on institutional products	91	3.69 %	118	3.31 %
Cost of crediting	\$ 535	1.92 %	\$ 540	1.84 %
Net investment earned rate	4.21%		4.04%	
Cost of crediting	1.92%		1.84%	
Other liability costs	0.93%		1.17%	
Cost of funds	2.85%		3.01%	
Net investment spread	1.36%		1.03%	
Net Investment Earned Rate	4.21%		4.04%	
Cost of crediting on deferred annuities	1.98%		1.91%	
Investment margin on deferred annuities	2.23%		2.13%	
Adjusted operating ROE	14.4%		10.6%	

<sup>1</sup> Net investment earned rate, cost of funds (comprised of cost of crediting and other liability costs), other operating expenses, interest expense, management fees from ACRA and income tax (expense) benefit use average net invested assets for the relevant period as the denominator in the calculation. Cost of crediting on deferred annuities is calculated as interest credited on fixed strategies and option costs on index annuity strategies divided by average account value of our deferred annuities. Cost of crediting on institutional products is calculated as interest credited on institutional products (pension risk transfer and funding agreement) divided by average reserves on institutional products. Interim periods are annualized.

# Net Reserve Liability Rollforward

(In millions)

	Three months ended March 31,	
	2019	2020
1 Net reserve liabilities – beginning	\$ 107,732	\$ 114,652
2 Net deposits	4,860	4,084
3 Liability outflows	(2,780)	(2,740)
4 Other reserve changes	1,979	(1,723)
Net reserve liabilities – ending	\$ 111,791	\$ 114,273

- 1 Retirement Services net reserve liabilities include deferred annuity, payout annuity, funding agreements and life products. Additionally, Retirement Services net reserve liabilities include our economic ownership of ACRA reserve liabilities but does not include the reserve liabilities associated with the noncontrolling interest.
- 2 Net deposits are gross deposits less deposits attributable to ACRA noncontrolling interest. Gross deposits equal deposits from our retail, flow reinsurance and institutional channels as well as premiums and deposits for life and products other than deferred annuities or our institutional products, renewal deposits on older blocks of business, annuitizations, and reserve liabilities acquired in our inorganic channel at inception. Gross deposits include all deposits sourced by Athene, including all of the deposits reinsured to ACRA. Deposits attributable to ACRA noncontrolling interest include the proportionate share of deposits associated with the noncontrolling interest.
- 3 Liability outflows includes full surrenders, partial withdrawals, death benefits, annuitization benefits and interest payments and maturities on funding agreement products.
- 4 Other reserve changes primarily include fixed and bonus interest credits, change in fair value of reinsurance assets, change in rider reserves, product charges and change in life reserves.

# Non-GAAP Measures and Definitions

▪ Adjusted operating income (loss) available to common shareholders is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation, and other expenses. Our adjusted operating income available to common shareholders equals net income adjusted to eliminate the impact of the following (collectively, the "non-operating adjustments"): (a) investment gains (losses), (b) change in fair values of derivatives and embedded derivatives - FIA, net of offsets, (c) integration, restructuring, and other non-operating expenses, (d) stock compensation expense, (e) bargain purchase gain and (f) income tax (expense) benefit - non-operating.

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

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

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

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

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

# Non-GAAP Measures and Definitions

- Net investment spread is a key measurement of the profitability of our Retirement Services segment. Net investment spread measures our investment performance less the total cost of our liabilities. Net investment earned rate is a key measure of our investment performance, while cost of funds is a key measure of the cost of our policyholder benefits and liabilities. Investment margin on our deferred annuities measures our investment performance less the cost of crediting for our deferred annuities, which make up a significant portion of our net reserve liabilities.
  - Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our net invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our net invested assets divided by the average net invested assets, excluding the impacts of our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to arrive at our net investment earned rate add (a) alternative investment gains and losses, (b) gains and losses related to trading securities for CLOs, (c) net VIE impacts (revenues, expenses and noncontrolling interest), (d) forward points gains and losses on foreign exchange derivative hedges and (e) the change in fair value of reinsurance assets, and removes the proportionate share of the ACRA net investment income associated with the ACRA noncontrolling interest as well as the gain or loss on our investment in Apollo. We include the income and assets supporting our change in fair value of reinsurance assets by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of change in fair value of reinsurance assets. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.
  - Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products as well as other liability costs, but does not include the proportionate share of the ACRA cost of funds associated with the noncontrolling interest. Cost of funds is computed as the total liability costs divided by the average net invested assets, excluding our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
    - \* Cost of crediting includes the costs for both deferred annuities and institutional products. Cost of crediting on deferred annuities is the interest credited to the policyholders on our fixed strategies as well as the option costs on the indexed annuity strategies. With respect to FIAs, the cost of providing index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. Cost of crediting on institutional products is comprised of PRT costs including interest credited, benefit payments and other reserve changes, net of premiums received when issued, as well as funding agreement costs including the interest payments and other reserve changes. Cost of crediting is computed as the cost of crediting for deferred annuities and institutional products divided by the average net invested assets, excluding the investment in Apollo, for the relevant periods. Cost of crediting on deferred annuities is computed as the net interest credited on fixed strategies and option costs on indexed annuity strategies divided by the average net account value of our deferred annuities. Cost of crediting on institutional products is computed as the PRT and funding agreement costs divided by the average net institutional reserve liabilities. Our average net invested assets, excluding our investment in Apollo, net account values and net institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
    - \* Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.
- Operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation expense, interest expense and policy acquisition expenses. We believe a measure like operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe operating expenses is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for policy and other operating expenses presented under GAAP.
- In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.
- In managing our business, we also analyze net reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. Net reserve liabilities represent our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Net reserve liabilities include (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities include our proportionate share of ACRA reserve liabilities, based on our economic ownership, but does not include the proportionate share of reserve liabilities associated with the noncontrolling interest. Net reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and, therefore, we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction. While we believe net reserve liabilities is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total liabilities presented under GAAP.
- Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to deposits generated during a specific period of time. Our sales statistics include deposits for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers). While we believe sales is a meaningful metric and enhances our understanding of our business performance, it should not be used as a substitute for premiums presented under GAAP.

# Non-GAAP Measure Reconciliations

## Reconciliation of AHL shareholders' equity to adjusted AHL common shareholders' equity

<i>(In millions)</i>	December 31,		March 31,	
	2009	2019	2019	2020
Total AHL shareholders' equity	\$ 113	\$ 10,117	\$ 9,940	
Less: Preferred stock	—	—	1,172	
Total AHL common shareholders' equity	113	10,117	8,768	
Less: AOCI	1	706	(1,174)	
Less: Accumulated change in fair value of reinsurance assets	—	309	(155)	
Total adjusted AHL common shareholders' equity	\$ 112	\$ 9,102	\$ 10,097	
Retirement Services		\$ 8,201	\$ 8,002	
Corporate and Other		901	2,095	
Total adjusted AHL common shareholders' equity		\$ 9,102	\$ 10,097	

## Reconciliation of average AHL shareholders' equity to average adjusted AHL common shareholders' equity

<i>(In millions)</i>	Twelve months ended December 31,						Three months ended March 31,	
	2014	2015	2016	2017	2018	2019	2019	2020
Average AHL shareholders' equity	\$ 3,648	\$ 4,959	\$ 6,124	\$ 8,029	\$ 8,726	\$ 10,834	\$ 9,197	\$ 11,666
Less: Average preferred stock	—	—	—	—	—	586	—	1,172
Less: Average AOCI	359	203	63	908	489	905	117	554
Less: Average accumulated change in fair value of reinsurance assets	100	58	41	112	43	209	117	169
Average adjusted AHL common shareholders' equity	\$ 3,189	\$ 4,698	\$ 6,020	\$ 7,009	\$ 8,194	\$ 9,134	\$ 8,963	\$ 9,771
Retirement Services	\$ 2,262	\$ 3,333	\$ 4,186	\$ 4,823	\$ 6,522	\$ 7,625	\$ 8,004	\$ 7,722
Corporate and Other	927	1,365	1,834	2,186	1,672	1,509	959	2,049
Average adjusted AHL common shareholders' equity	\$ 3,189	\$ 4,698	\$ 6,020	\$ 7,009	\$ 8,194	\$ 9,134	\$ 8,963	\$ 9,771

## Reconciliation of total capitalization to total adjusted capitalization

<i>(In millions)</i>	March 31,	
	2019	2020
Total debt	\$ 991	\$ 1,386
Total AHL shareholders' equity	10,117	9,940
Total capitalization	11,108	11,326
Less: AOCI	706	(1,174)
Less: Accumulated change in fair value of reinsurance assets	309	(155)
Total adjusted capitalization	\$ 10,093	\$ 12,655

# Non-GAAP Measure Reconciliations

## Reconciliation of basic Class A common shares outstanding to adjusted operating common shares outstanding

<i>(In millions)</i>	December 31,	March 31,	
	2009	2019	2020
Class A common shares outstanding	0.1	161.3	193.9
Conversion of Class B common shares to Class A common shares	9.7	25.4	—
Conversion of Class M common shares to Class A common shares	—	5.0	—
Effect of other stock compensation plans	—	0.7	3.8
Adjusted operating common shares outstanding	9.8	192.4	197.7

## Reconciliation of book value per common share to adjusted book value per common share

	December 31,	March 31,	
	2009	2019	2020
Book value per common share	\$ 11.62	\$ 52.12	\$ 51.28
Preferred stock	—	—	(6.04)
AOCI	(0.13)	(3.64)	6.06
Accumulated change in fair value of reinsurance assets	—	(1.59)	0.80
Effect of items convertible to or settled in Class A common shares	—	0.41	(1.03)
Adjusted book value per common share	\$ 11.49	\$ 47.30	\$ 51.07

## Reconciliation of basic earnings (loss) per Class A common shares to adjusted operating earnings (loss) per common share

<i>(in millions)</i>	Three months ended March 31,	
	2019	2020
Basic earnings (loss) per share – Class A common shares	\$ 3.65	\$ (5.81)
Non-operating adjustments		
Investment gains (losses), net of offsets	2.38	(6.27)
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	(0.14)	0.36
Integration, restructuring and other non-operating expenses	(0.01)	(0.03)
Stock compensation expense	(0.01)	(0.05)
Income tax (expense) benefit – non-operating	(0.03)	0.72
Less: Total non-operating adjustments	2.19	(5.27)
Less: Effect of items convertible to or settled in Class A common shares	(0.04)	0.06
Adjusted operating earnings (loss) per common share	\$ 1.50	\$ (0.60)

# Non-GAAP Measure Reconciliations

## Reconciliation of basic weighted average Class A common shares to weighted average common shares outstanding - adjusted operating

<i>(In millions)</i>	Three months ended March 31,	
	2019	2020
Basic weighted average common shares outstanding – Class A	161.3	161.4
Conversion of Class B common shares to Class A common shares	25.4	16.9
Conversion of Class M common shares to Class A common shares	5.1	3.2
Effect of other stock compensation plans	0.4	—
Weighted average common shares outstanding – adjusted operating	192.2	181.5

## Reconciliation of net income (loss) available to common shareholders to adjusted operating income (loss) available to common shareholders ex. notables

<i>(In millions)</i>	Three Months Ended,							
	Mar. 31, 2017	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 377	\$ 298	\$ 244	\$ 439	\$ 277	\$ 257	\$ 623	\$ (104)
Less: Total non-operating adjustments	109	37	31	126	36	(31)	252	(344)
Adjusted operating income (loss) available to common shareholders	268	261	213	313	241	288	371	240
Notable items	(50)	(26)	17	(81)	12	(11)	(23)	53
Adjusted operating income (loss) available to common shareholders excluding notable items	\$ 218	\$ 235	\$ 230	\$ 232	\$ 253	\$ 277	\$ 348	\$ 293
Retirement Services adjusted operating income available to common shareholders	\$ 277	\$ 248	\$ 226	\$ 287	\$ 239	\$ 287	\$ 379	\$ 296
Proceeds from bond previously written down	(14)	—	—	—	—	—	—	—
Rider reserve and DAC equity market performance	(40)	(28)	(20)	(55)	14	(13)	(38)	58
Unlocking	—	—	20	—	—	—	13	—
Tax impact of notable items	4	2	—	4	(2)	2	2	(5)
Retirement Services notable items	(50)	(26)	—	(51)	12	(11)	(23)	53
Retirement Services adjusted operating income available to common shareholders excluding notable items	227	222	226	236	251	276	356	349
Corporate and Other adjusted operating income (loss) available to common shareholders	(9)	13	(13)	26	2	1	(8)	(56)
Germany adjusted operating income (loss), net of tax	—	—	17	(30)	—	—	—	—
Corporate and Other adjusted operating income (loss) available to common shareholders excluding notable items	(9)	13	4	(4)	2	1	(8)	(56)
Adjusted operating income (loss) available to common shareholders excluding notable items	\$ 218	\$ 235	\$ 230	\$ 232	\$ 253	\$ 277	\$ 348	\$ 293

# Non-GAAP Measure Reconciliations

Reconciliation of net income (loss) available to common shareholders to adjusted operating income (loss) available to common shareholders ex. notables cont.

<i>(In millions)</i>	Three Months Ended,				
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 708	\$ 720	\$ 276	\$ 432	\$ (1,065)
Less: Total non-operating adjustments	421	350	33	43	(957)
Adjusted operating income (loss) available to common shareholders	287	370	243	389	(108)
Notable items	—	—	62	(43)	43
Adjusted operating income (loss) available to common shareholders excluding notable items	\$ 287	\$ 370	\$ 305	\$ 346	\$ (65)
Retirement Services adjusted operating income available to common shareholders	\$ 286	\$ 376	\$ 256	\$ 404	\$ 204
Rider reserve and DAC equity market performance	—	—	5	(25)	50
Actuarial updates	—	—	—	(22)	—
Out of period actuarial adjustments	—	—	13	—	—
Unlocking	—	—	48	—	—
Tax impact of notable items	—	—	(4)	4	(7)
Retirement Services notable items	—	—	62	(43)	43
Retirement Services adjusted operating income available to common shareholders excluding notable items	286	376	318	361	247
Corporate and Other adjusted operating income (loss) available to common shareholders	1	(6)	(13)	(15)	(312)
Adjusted operating income (loss) available to common shareholders excluding notable items	\$ 287	\$ 370	\$ 305	\$ 346	\$ (65)



# Non-GAAP Measure Reconciliations

## Reconciliation of GAAP net investment income to net investment earnings and earned rate

<i>(In millions)</i>	Three months ended March 31,			
	2019		2020	
	Dollar	Rate	Dollar	Rate
GAAP net investment income	\$ 1,082	3.85 %	\$ 745	2.51 %
Change in fair value of reinsurance assets	132	0.47 %	270	0.90 %
Alternative income gain (loss)	(5)	(0.02)%	(101)	(0.34)%
ACRA noncontrolling interest	—	— %	(72)	(0.24)%
Apollo investment (income) loss	—	— %	297	1.00 %
Held for trading amortization and other	(6)	(0.02)%	12	0.04 %
Total adjustments to arrive at net investment earnings/earned rate	121	0.43 %	406	1.36 %
Total net investment earnings/earned rate	\$ 1,203	4.28 %	\$ 1,151	3.87 %
Retirement Services	\$ 1,171	4.21 %	\$ 1,184	4.04 %
Corporate and Other	32	13.19 %	(33)	(8.14)%
Total net investment earnings/earned rate	\$ 1,203	4.28 %	\$ 1,151	3.87 %
Retirement Services	\$ 111,443		\$ 117,295	
Corporate and Other ex. Apollo investment	959		1,624	
Consolidated average net invested assets ex. Apollo investment	\$ 112,402		\$ 118,919	

# Non-GAAP Measure Reconciliations

## Reconciliation GAAP interest sensitive contract benefits to Retirement Services' cost of crediting

<i>(In millions)</i>	Three months ended March 31,			
	2019		2020	
	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 1,516	5.44 %	\$ (1,319)	(4.50)%
Interest credited other than deferred annuities and institutional products	55	0.20 %	63	0.21 %
FIA option costs	278	1.00 %	266	0.91 %
Product charges (strategy fees)	(28)	(0.10)%	(32)	(0.11)%
Reinsurance embedded derivative impacts	15	0.05 %	14	0.05 %
Change in fair values of embedded derivatives – FIAs	(1,311)	(4.70)%	1,504	5.13 %
Negative VOBA amortization	12	0.04 %	7	0.02 %
ACRA noncontrolling interest	—	— %	38	0.13 %
Other changes in interest sensitive contract liabilities	(2)	(0.01)%	(1)	— %
Total adjustments to arrive at cost of crediting	(981)	(3.52)%	1,859	6.34 %
Retirement Services cost of crediting	\$ 535	1.92 %	\$ 540	1.84 %
Retirement Services cost of crediting on deferred annuities	\$ 444	1.98 %	\$ 422	1.91 %
Retirement Services cost of crediting on institutional products	91	3.69 %	118	3.31 %
Retirement Services cost of crediting	\$ 535	1.92 %	\$ 540	1.84 %
Retirement Services average net invested assets	\$ 111,443		\$ 117,295	
Average net account value on deferred annuities	89,809		88,119	
Average institutional net reserve liabilities	9,809		14,250	

# Non-GAAP Measure Reconciliations

## Reconciliation of GAAP benefits and expenses to other liability costs

<i>(In millions)</i>	Three months ended March 31,	
	2019	2020
GAAP benefits and expenses	\$ 4,255	\$ (167)
Premiums	(2,000)	(1,140)
Product charges	(125)	(140)
Other revenues	(12)	2
Cost of crediting	(242)	(259)
Change in fair value of embedded derivatives – FIA, net of offsets	(1,260)	1,456
DAC, DSI and VOBA amortization related to investment gains and losses	(173)	425
Rider reserves	(28)	76
Policy and other operating expenses, excluding policy acquisition expenses	(103)	(117)
AmerUs closed block fair value liability	(53)	45
ACRA noncontrolling interest	—	165
Other	1	(4)
Total adjustments to arrive at other liability costs	(3,995)	509
Other liability costs	\$ 260	\$ 342
Retirement Services	\$ 260	\$ 342
Corporate and Other	—	—
Consolidated other liability costs	\$ 260	\$ 342

## Reconciliation GAAP policy and other expenses to operating expenses

<i>(In millions)</i>	Three months ended March 31,	
	2019	2020
Policy and other operating expenses	\$ 165	\$ 188
Interest expense	(17)	(20)
Policy acquisition expenses, net of deferrals	(62)	(71)
Integration, restructuring and other non-operating expenses	(1)	(4)
Stock compensation expenses	(3)	(10)
ACRA noncontrolling interest	—	(4)
Total adjustments to arrive at operating expenses	(83)	(109)
Operating expenses	\$ 82	\$ 79
Retirement Services	\$ 62	\$ 68
Corporate and Other	20	11
Consolidated operating expenses	\$ 82	\$ 79

# Non-GAAP Measure Reconciliations

## Reconciliation of total investments, including related parties, to net invested assets

<i>(In millions)</i>	March 31,	
	2019	2020
Total investments, including related parties	\$ 116,346	\$ 121,969
Derivative assets	(1,920)	(1,610)
Cash and cash equivalents (including restricted cash)	3,518	5,983
Accrued investment income	751	802
Payables for collateral on derivatives	(1,781)	(1,589)
Reinsurance funds withheld and modified coinsurance	(578)	355
VIE and VOE assets, liabilities and noncontrolling interest	17	23
Unrealized (gains) losses	(1,254)	2,292
Ceded policy loans	(283)	(229)
Net investment receivables (payables)	(1,045)	(238)
Allowance for credit losses	—	505
Total adjustments to arrive at gross invested assets	(2,575)	6,294
Gross invested assets	113,771	128,263
ACRA noncontrolling interest	—	(7,063)
Net invested assets	\$ 113,771	\$ 121,200

# Non-GAAP Measure Reconciliations

## Reconciliation of total liabilities to net reserve liabilities

<i>(In millions)</i>	March 31,	
	2019	2020
Total liabilities	\$ 122,740	\$ 131,649
Short-term debt	—	(400)
Long-term debt	(991)	(986)
Derivative liabilities	(85)	(222)
Payables for collateral on derivatives	(1,781)	(2,883)
Funds withheld liability	(724)	(396)
Other liabilities	(1,411)	(853)
Reinsurance ceded receivables	(5,647)	(5,087)
Policy loans ceded	(283)	(229)
ACRA noncontrolling interest	—	(6,322)
Other	(27)	2
Total adjustments to arrive at net reserve liabilities	(10,949)	(17,376)
Net reserve liabilities	\$ 111,791	\$ 114,273

