

ANNUAL STATEMENT

OF THE

Athene Annuity and Life Company

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

LIFE, ACCIDENT AND HEALTH

FRATERNAL BENEFIT SOCIETIES

2022

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Athene Annuity and Life Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	56,759,865,421		56,759,865,421	47,312,106,902
2. Stocks (Schedule D):				
2.1 Preferred stocks	375,053,478		375,053,478	284,442,236
2.2 Common stocks	616,449,012		616,449,012	597,816,934
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	20,143,906,517		20,143,906,517	12,384,264,080
3.2 Other than first liens.....	1,274,604,844		1,274,604,844	1,587,365,315
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)	156,473,042		156,473,042	9,388,542
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 2,780,800,128 , Schedule E - Part 1), cash equivalents (\$ 34,378,683 , Schedule E - Part 2) and short-term investments (\$ 2,894,151,537 , Schedule DA)	5,709,330,349		5,709,330,349	4,990,271,715
6. Contract loans (including \$ premium notes)	153,591,569	910,709	152,680,860	129,483,311
7. Derivatives (Schedule DB)	2,116,281,531		2,116,281,531	1,256,947,383
8. Other invested assets (Schedule BA)	7,608,850,477	10,085,201	7,598,765,276	4,495,295,409
9. Receivables for securities	73,768,248		73,768,248	171,703,103
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets	726,764,185		726,764,185	8,907,540
12. Subtotals, cash and invested assets (Lines 1 to 11)	95,714,938,673	10,995,910	95,703,942,763	73,227,992,469
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	600,171,147	919,341	599,251,806	462,304,513
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	6,175,613		6,175,613	6,531,967
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	234,650,830		234,650,830	205,427,382
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	7,625,899,259	615,023	7,625,284,237	1,684,357,827
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	352,678,715	241,997,107	110,681,608	76,712,397
19. Guaranty funds receivable or on deposit	495,879		495,879	658,553
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	127,521,179		127,521,179	193,480,834
24. Health care (\$) and other amounts receivable	353,266,141	8,366,206	344,899,935	22,375,284
25. Aggregate write-ins for other than invested assets	12,900,972	12,900,972		378,713,210
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	105,028,698,408	275,794,559	104,752,903,849	76,258,554,436
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	40,846,726,231		40,846,726,231	30,036,769,045
28. Total (Lines 26 and 27)	145,875,424,639	275,794,559	145,599,630,080	106,295,323,481
DETAILS OF WRITE-INS				
1101. Derivative Collateral Asset	726,764,185		726,764,185	8,907,540
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	726,764,185		726,764,185	8,907,540
2501. Miscellaneous Assets	12,900,972	12,900,972		
2502. Corporate Owned Life Insurance (COLI)				378,713,210
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	12,900,972	12,900,972		378,713,210

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Athene Annuity and Life Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$63,376,057,437 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ 51,268,514,646 Modco Reserve)	63,376,057,437	47,441,976,603
2. Aggregate reserve for accident and health contracts (including \$957,872 Modco Reserve)	2,312,127	2,398,147
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 18,418,512,189 Modco Reserve)	18,498,699,074	12,744,714,746
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	337,672,303	230,675,427
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	18,356	7,434
5. Policyholders' dividends/refunds to members \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ Modco)		
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ Modco) ...		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ 8,315,490,609 ceded	8,315,490,609	3,229,793,598
9.4 Interest maintenance reserve (IMR, Line 6)	184,929,029	194,149,421
10. Commissions to agents due or accrued-life and annuity contracts \$ 16,497,125 accident and health \$ and deposit-type contract funds \$	16,497,125	14,410,868
11. Commissions and expense allowances payable on reinsurance assumed	3,051,680	
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	18,484,142	19,502,704
13. Transfers to Separate Accounts due or accrued (net) (including \$ (448) accrued for expense allowances recognized in reserves, net of reinsured allowances)	3,391,683,045	2,415,584,012
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)	1,974,602	7,399,283
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	21,606,612	101,980,537
15.2 Net deferred tax liability		
16. Unearned investment income	8,701,702	3,367,181
17. Amounts withheld or retained by reporting entity as agent or trustee	2,650,626	505,365
18. Amounts held for agents' account, including \$ 3,111,150 agents' credit balances	3,111,150	3,441,049
19. Remittances and items not allocated	326,710,586	146,469,795
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		116,199
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	1,746,597,076	1,313,954,239
24.02 Reinsurance in unauthorized and certified (\$) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers	1,247,874,689	1,294,044,178
24.04 Payable to parent, subsidiaries and affiliates	47,234,642	17,208,245
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives	769,982,293	268,646,333
24.09 Payable for securities	31,587,313	110,440,563
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	5,212,042,483	6,275,547,200
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	103,564,968,701	75,836,333,129
27. From Separate Accounts Statement	39,967,399,995	29,180,138,653
28. Total liabilities (Lines 26 and 27)	143,532,368,695	105,016,471,782
29. Common capital stock	10,000,000	10,000,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,090,453,196	1,691,305,174
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(1,033,191,811)	(422,453,474)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$879,326,237 in Separate Accounts Statement)	2,057,261,385	1,268,851,700
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	2,067,261,385	1,278,851,700
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	145,599,630,080	106,295,323,481
DETAILS OF WRITE-INS		
2501. Repurchase Agreement Liability	3,216,199,100	2,608,679,474
2502. Derivative and Other Collateral Liability	1,528,330,498	3,226,404,126
2503. Miscellaneous Liability	233,771,618	247,420,831
2598. Summary of remaining write-ins for Line 25 from overflow page	233,741,267	193,042,770
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	5,212,042,483	6,275,547,200
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Athene Annuity and Life Company

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	5,705,889,974	3,650,964,224
2. Considerations for supplementary contracts with life contingencies	9,329,316	1,110,860
3. Net investment income (Exhibit of Net Investment Income, Line 17)	2,769,976,528	4,203,228,198
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	22,539,703	10,330,918
5. Separate Accounts net gain from operations excluding unrealized gains or losses	(48,169,660)	17,684,601
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	1,228,334,491	940,180,121
7. Reserve adjustments on reinsurance ceded	10,775,089,991	(2,946,559,689)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	19,763,044	13,278,201
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	(31,283,659)	38,289,686
9. Total (Lines 1 to 8.3)	20,451,469,728	5,928,507,120
10. Death benefits	3,255,304	2,226,977
11. Matured endowments (excluding guaranteed annual pure endowments)		188
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	706,918,237	504,171,876
13. Disability benefits and benefits under accident and health contracts	376,058	376,152
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts	807,316,560	805,192,568
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	347,596,992	(228,604,788)
18. Payments on supplementary contracts with life contingencies	7,899,988	10,376,790
19. Increase in aggregate reserves for life and accident and health contracts	15,933,994,815	1,425,806,478
20. Totals (Lines 10 to 19)	17,807,357,954	2,519,546,241
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	1,028,979,527	629,962,330
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	11,861,839	517,783
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3, 4 and 6)	465,964,129	432,795,319
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	22,492,033	18,938,453
25. Increase in loading on deferred and uncollected premiums		
26. Net transfers to or (from) Separate Accounts net of reinsurance	1,736,440,418	2,611,821,213
27. Aggregate write-ins for deductions	(21,226,977)	(126,169,639)
28. Totals (Lines 20 to 27)	21,051,868,923	6,087,411,700
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	(600,399,194)	(158,904,579)
30. Dividends to policyholders and refunds to members	363	8
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	(600,399,557)	(158,904,587)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	123,846,286	70,441,410
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(724,245,843)	(229,345,997)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ 23,029,335 (excluding taxes of \$ 26,419,125 transferred to the IMR)	486,128,264	47,797,534
35. Net income (Line 33 plus Line 34)	(238,117,579)	(181,548,463)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	1,278,851,700	1,312,234,523
37. Net income (Line 35)	(238,117,579)	(181,548,463)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (83,591,217)	(118,739,151)	217,747,574
39. Change in net unrealized foreign exchange capital gain (loss)	(39,118,672)	(44,605,989)
40. Change in net deferred income tax	88,470,947	162,912,649
41. Change in nonadmitted assets	(133,963,768)	(116,566,497)
42. Change in liability for reinsurance in unauthorized and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(432,642,837)	(373,436,540)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period	21,594,444	(131,023,889)
47. Other changes in surplus in Separate Accounts Statement	70,865,505	44,624,848
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in	1,399,148,022	517,922,677
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	170,737,886	(124,802,413)
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	174,889	(4,606,780)
54. Net change in capital and surplus for the year (Lines 37 through 53)	788,409,685	(33,382,823)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	2,067,261,385	1,278,851,700
DETAILS OF WRITE-INS		
08.301. COLI (Expense) Income	(33,395,055)	27,081,778
08.302. Miscellaneous Income	2,111,396	11,207,908
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	(31,283,659)	38,289,686
2701. Transfer to IMR - Ceded	(93,274,665)	(228,318,514)
2702. Funds Withheld Adjustment - Ceded	63,483,441	69,940,111
2703. Transfer to IMR - MVA Benefits	7,207,745	(21,632,740)
2798. Summary of remaining write-ins for Line 27 from overflow page	1,356,501	53,841,504
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	(21,226,977)	(126,169,639)
5301. Athene Re IV Tax Sharing Agreement	174,889	(175,878)
5302. Correction of Prior Period Error		(4,430,902)
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	174,889	(4,606,780)

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE Athene Annuity and Life Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	5,715,644,707	3,652,458,801
2. Net investment income	2,569,701,192	4,096,080,027
3. Miscellaneous income	1,242,944,211	794,252,090
4. Total (Lines 1 through 3)	9,528,290,110	8,542,790,918
5. Benefit and loss related payments	(8,654,843,551)	2,855,893,219
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	760,341,386	2,222,661,336
7. Commissions, expenses paid and aggregate write-ins for deductions	1,508,232,648	1,057,840,843
8. Dividends paid to policyholders	363	8
9. Federal and foreign income taxes paid (recovered) net of \$ 128,108,455 tax on capital gains (losses)	255,313,264	136,733,491
10. Total (Lines 5 through 9)	(6,130,955,890)	6,273,128,896
11. Net cash from operations (Line 4 minus Line 10)	15,659,246,001	2,269,662,021
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	9,634,631,546	15,369,230,503
12.2 Stocks	167,033,803	210,311,998
12.3 Mortgage loans	2,183,867,900	1,691,136,137
12.4 Real estate		
12.5 Other invested assets	1,438,666,199	1,832,662,958
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(24,013,567)	8,491,245
12.7 Miscellaneous proceeds	100,703,374	116,132,798
12.8 Total investment proceeds (Lines 12.1 to 12.7)	13,500,889,255	19,227,965,639
13. Cost of investments acquired (long-term only):		
13.1 Bonds	19,855,809,057	23,265,210,928
13.2 Stocks	260,315,113	256,089,372
13.3 Mortgage loans	9,446,854,398	6,886,906,198
13.4 Real estate		
13.5 Other invested assets	3,303,780,679	3,449,432,752
13.6 Miscellaneous applications	1,122,447,684	138,371,714
13.7 Total investments acquired (Lines 13.1 to 13.6)	33,989,206,931	33,996,010,963
14. Net increase (decrease) in contract loans and premium notes	23,377,329	(19,407,862)
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(20,511,695,005)	(14,748,637,462)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	668,433,498	300,000,000
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	5,753,984,328	10,637,540,803
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(850,910,186)	2,724,658,171
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,571,507,639	13,662,198,974
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	719,058,635	1,183,223,534
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,990,271,715	3,807,048,181
19.2 End of year (Line 18 plus Line 19.1)	5,709,330,349	4,990,271,715

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Capital contribution - non-cash (financing)	781,743,268	27,215,331
20.0002. Capital contribution - non-cash (investing)	(781,743,268)	
20.0003. Capital contribution of stock compensation expense (financing)	23,853,573	15,707,346
20.0004. Capital contribution of stock compensation expense (investing)	(609,521)	(790,023)
20.0005. Capital contribution of stock compensation expense (operating)	(23,244,052)	(14,917,323)
20.0006. Security exchanges and asset in kind trades - other invested asset acquired (investing)	(5,673,883,419)	(43,000,000)
20.0007. Security exchanges and asset in kind trades - other invested asset proceeds (investing)	5,016,243,229	43,000,000
20.0008. Security exchanges and asset in kind trades - bond proceeds (investing)	4,173,128,312	1,482,713,942
20.0009. Security exchanges and asset in kind trades - bonds acquired (investing)	(3,150,931,395)	(1,470,713,942)
20.0010. Security exchanges and asset in kind trades - mortgages acquired (investing)	(461,729,981)	
20.0011. Asset transfer bonds to stocks - proceeds (investing)	183,160,090	
20.0012. Asset transfer bonds to stocks - acquired (investing)	(183,160,090)	
20.0013. Asset transfer mortgages to real estate - proceeds (investing)	147,084,500	

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Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0014. Asset transfer mortgages to real estate - acquired (investing)	(147,084,500)	.....
20.0015. Security exchanges and asset in kind trades - stock proceeds (investing)	103,978,809	..... 13,752,297
20.0016. Reinsurance activity settled in bonds (operating)	86,129,425	..... 577,685,122
20.0017. Reinsurance activity settled in bonds (investing)	(86,129,425)	..... (577,685,122)
20.0018. Asset transfer stocks to bonds - proceeds (investing)	33,810,419	.....
20.0019. Asset transfer stocks to bonds - acquired (investing)	(33,810,419)	.....
20.0020. Interest capitalization (operating)	9,316,118	..... 16,401,178
20.0021. Interest capitalization (investing)	(9,316,118)	..... (16,401,178)
20.0022. Security exchanges and asset in kind trades - stocks acquired (investing)	(6,805,556)	..... (25,752,297)
20.0023. Asset transfer mortgages to other invested assets - proceeds (investing)	959,059	.....
20.0024. Asset transfer mortgages to other invested assets - acquired (investing)	(959,059)	.....
20.0025. Capital contribution - non-cash (operating) .....		..... (27,215,331)

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of **Athene Annuity and Life Company** (the Company) have been prepared in conformity with the accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Iowa.

The Insurance Division, Department of Commerce, of the State of Iowa (the Division) recognizes only statutory accounting practices prescribed or permitted by the State of Iowa for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Iowa Insurance Law. The NAIC's *Accounting Practices & Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Iowa. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

Among the products issued by the Company are indexed universal life insurance and indexed annuities. These products allow a portion of the premium to earn interest based on certain indices, such as the Standard & Poor's 500 Composite Stock Price Index. Call options, futures, variance swaps and total return swaps are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. In 2006, the Commissioner of the Division issued Bulletin 06-01, *Accounting for Derivative Instruments Used to Hedge the Growth in Interest Credited for Index Products*, which prescribes that an insurer may elect to recognize changes in the fair value of derivative instruments purchased to hedge indexed products in the statement of operations. The Company has elected to apply Bulletin 06-01 to its futures, variance swaps and total return swaps. Application of Bulletin 06-01 does not impact the Company's statutory surplus amounts.

In 2009, the Commissioner of the Division promulgated Iowa Administrative Code (IAC) Section 191-97, *Accounting for Certain Derivative Instruments Used to Hedge the Growth in Interest Credited for Indexed Insurance Products and Accounting for the Indexed Insurance Products Reserve*, which prescribes that an insurer may elect (i) to use an amortized cost method to account for certain derivative instruments, such as call options, purchased to hedge the growth in interest credited to the customer on indexed insurance products and (ii) to utilize an indexed annuity reserve calculation methodology under which call options associated with the current index interest crediting term are valued at zero. IAC Section 191-97 does not apply to products that do not guarantee a minimum interest accumulation, such as our variable and index-linked deferred annuities. The Company has elected to apply IAC Section 191-97 to its eligible over the counter (OTC) call options and reserve liabilities.

The NAIC requires annuities issued by life insurance companies on or after January 1, 2015, to use the 2012 Individual Annuity Reserving (IAR) Mortality Table. In 2015, the Division promulgated IAC Section 43.3(5), which set an elective alternative effective date of January 1, 2016 for adoption of the 2012 IAR Mortality Table. The Company chose to use the Annuity 2000 Mortality Table for all annuities issued in 2015.

A reconciliation of the Company's net income and statutory surplus between practices prescribed or permitted by the State of Iowa and NAIC SAP is shown below:

	SSAP #	F/S Page	F/S Line #	2022	2021
Net Income					
(1) State basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ (238,117,579)	\$ (181,548,463)
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Derivative Instruments Bulletin 06-01	86	4	38	(6,012,688)	3,328,595
Derivative Instruments and Equity Indexed Reserves IAC 191-97	86, 51	2, 3	7, 1	(302,662,484)	(98,310,207)
2012 IAR Mortality Table for Annuities Issued in 2015 IAC 43.3(5)	51	3	1	502,498	877,061
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 70,055,095</u>	<u>\$ (87,443,912)</u>
Surplus					
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 2,067,261,385	\$ 1,278,851,700
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Derivative Instruments and Equity Indexed Reserves IAC 191-97	86, 51	2, 3	7, 1	62,258,423	(91,108,291)
2012 IAR Mortality Table for Annuities Issued 2005 IAC 43.3(5)	51	3	1	6,678,611	6,176,112
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 1,998,324,351</u>	<u>\$ 1,363,783,879</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the financial statements.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Accident and health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and to the appropriate level of statutory surplus to be retained by the Company.

Real estate investments are classified in the balance sheet as properties held for the production of income. Properties held for the production of income are carried at depreciated cost less encumbrances. Fair values are based upon market appraisals performed every five years, or more frequent if events and circumstances indicate the fair value of property owned is not recoverable.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

In addition, the Company uses the following accounting policies, as applicable:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds, other than loan-backed and structured securities, are stated at amortized cost or fair value based on their rating by the NAIC. Bonds held at amortized cost are amortized using the scientific interest method on a yield-to-worst basis.
- (3) Common stocks are stated at market value except that investments in stocks of subsidiaries and affiliates in which the Company has an interest of 10% or more are carried on the equity basis. Federal Home Loan Bank (FHLB) stock is carried at fair value, which is presumed to be par because it can only be redeemed by the bank.
- (4) Effective January 1, 2021, the Company adopted the revised guidance in SSAP No. 32R, *Preferred Stock*, which requires perpetual preferred stock to be carried at fair value, not to exceed any currently effective call price. Prior to 2021, perpetual preferred stock with an NAIC designation 1-3 was valued at cost, and perpetual preferred stock with an NAIC designation 4-6 was valued at the lower of cost or fair value. The impact at adoption did not have a material effect on the Company's financial statements.
- (5) Mortgage loans on real estate are stated at amortized cost.
- (6) Loan-backed and structured securities are stated at amortized cost or fair market value based on their rating by the NAIC. Changes to estimated cash flows on the securities are accounted for retrospectively for securities that are highly rated at the time of purchase and in which the security cannot be contractually prepaid or settled in such a way that the Company would not recover substantially all of the recorded investment. The prospective method is used for those securities where an other than temporary impairment has been taken, the security is not highly rated at the time of purchase, securities where receipt of all contractual principal cash flows is not expected, or those securities that can be contractually prepaid or settled in such a way that the Company would not recover substantially all of the recorded investment. Loan-backed and structured securities stated at amortized cost are amortized or accreted using the scientific interest method.
- (7) The Company carries investments in affiliated common stocks directly and indirectly owned at Statutory (insurance companies) or GAAP (non-insurance companies) net worth plus unamortized goodwill, if applicable, multiplied by the percent of the Company's ownership interest.
- (8) Investments in joint ventures, partnerships, or limited liability companies are valued at the Company's proportionate share of US GAAP equity of the entity, adjusted for audited results upon receipt. Changes in US GAAP equity are recorded as an unrealized gain or loss in the Company's capital and surplus. These investments are valued based on the timeliness of information received, which ranges from recording timely to a lag of up to three months.
- (9) Call option derivative assets that hedge the growth in interest credited to the hedged policy as a direct result of changes in the related indices are recorded at amortized cost. Replication synthetic asset transactions are reported at amortized cost. Derivative instruments used in hedging transactions that meet the criteria of a highly effective hedge, and are designated in a hedge accounting relationship, are valued and reported in a manner that is consistent with the hedged items. All other derivative assets and liabilities are stated at fair value.
- (10) The Company does not have premium deficiency reserves for accident and health business.
- (11) Unpaid losses and loss adjustment expenses on any accident and health business include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates. While management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are periodically reviewed and any adjustment is reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have any pharmaceutical rebate receivables.

D. Going Concern

Management's assessment of the relevant conditions through February 27, 2023 does not give rise to substantial doubt of the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors - None

3. Business Combinations and Goodwill

A. Statutory Purchase Method

On October 2, 2013, Athene Annuity & Life Assurance Company (AADE) contributed Athene Annuity & Life Assurance Company of New York (AANY), a New York insurance company, to the Company, which included remaining unamortized goodwill of \$10.7 million. The Company maintained AADE's original goodwill amortization schedule. As of December 31, 2022 the goodwill has been fully amortized. There was \$1.1 million of amortization in 2022.

B. Statutory Merger - None

C. Assumption Reinsurance - None

D. Impairment Loss - None

E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill - None

4. Discontinued Operations - None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for new mortgage loans acquired during 2022 were 12.75% and 2.25%, respectively.
- (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 178.99%.
- (3) Taxes, assessments and any amounts advanced and not included in mortgage loan total - None

Notes to the Financial Statements

5. Investments (Continued)

(4) Age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	\$ 250,668,860	\$ 6,238,902,269	\$ 12,954,521,056	\$ 1,274,604,844	\$ 20,718,697,029		
(b) 30 - 59 days past due	67,252,919	222,165,921	49,225,887		338,644,727		
(c) 60 - 89 days past due	34,755,757	67,227,027	8,900,014		110,882,798		
(d) 90 - 179 days past due	47,119,638	40,749,654	837,435		88,706,727		
(e) 180+ days past due	85,546,166	75,501,576	532,338		161,580,080		
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	\$ 47,119,638	\$ 15,406,695	\$ 605,150	\$ 63,131,483			
(b) Interest accrued	385,162	160,458	2,821	548,441			
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	\$ 85,546,166	\$ 32,291,889	\$ 532,338	\$ 118,370,393			
(b) Interest accrued	2,680,617	301,422	9,553	2,991,592			
4. Interest Reduced							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
b. Prior Year							
1. Recorded Investment							
(a) Current	\$ 112,933,108	\$ 2,917,605,705	\$ 8,815,564,613	\$ 1,232,185,032	\$ 13,078,288,458		
(b) 30 - 59 days past due	20,857,683	179,426,923	7,309,551		207,594,158		
(c) 60 - 89 days past due	19,050,388	36,948,045		80,000,000	135,998,433		
(d) 90 - 179 days past due	138,797,375	26,442,133			165,239,508		
(e) 180+ days past due	333,010,099	51,498,739			384,508,838		
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	\$ 138,797,375	\$ 8,783,815	\$	\$ 147,581,190			
(b) Interest accrued	1,218,870	103,422		1,322,292			
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	\$ 333,010,099	\$ 568,904	\$	\$ 333,579,004			
(b) Interest accrued	6,562,417	2,934		6,565,351			
4. Interest Reduced							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$

(5) Investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan - None

(6) Investment in impaired loans - average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting - None

(7) Allowance for credit losses

	2022	2021
a. Balance at beginning of period	\$ 172,899	\$ 889,574
b. Additions charged to operations	1,842,105	
c. Direct write-downs charged against the allowances		
d. Recoveries of amounts previously charged off	15,089	716,675
e. Balance at end of period (a+b-c-d)	\$ 1,999,915	\$ 172,899

Notes to the Financial Statements

5. Investments (Continued)

(8) Mortgage loans derecognized as a result of foreclosure

	2022
a. Aggregate amount of mortgage loans derecognized	\$ 148,043,559
b. Real estate collateral recognized	148,043,559
c. Other collateral recognized	
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	

(9) The company recognizes interest income on its impaired loans upon receipt.

B. Debt Restructuring

	2022	2021
(1) The total recorded investment in restructured loans, as of year-end	\$	\$ 7,715,251
(2) The realized capital losses related to these loans		
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings		
(4) The Company accrues interest income on restructured bonds to the extent it is deemed collectible (delinquent less than 90 days). Amounts over 90 days past due are nonadmitted. The Company does not accrue interest income on impaired mortgage loans. Net investment income reflects interest income on impaired mortgage loans only after the payment is received.		

C. Reverse Mortgages - None

D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates.
- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI)
No other-than-temporary impairment was recognized on loan-backed securities due to the intent to sell or inability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis.
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
..00213GBL0	\$ 3,210,507	\$ 3,168,999	\$ 41,507	\$ 3,168,999	\$ 2,902,106	03/31/2022
..05533HAL1	1,754,315	1,618,972	135,343	1,618,972	1,566,594	03/31/2022
..16165LAF7	21,110,658	20,971,684	138,974	20,971,684	19,429,509	03/31/2022
..17314UAJ7	2,649,550	2,599,391	50,160	2,599,391	2,396,379	03/31/2022
..41161PVJ9	4,512,008	4,511,518	490	4,511,518	3,579,305	03/31/2022
..41161PWB5	1,225,289	1,197,832	27,457	1,197,832	1,197,832	03/31/2022
..41161PWC3	1,521,202	1,450,831	70,370	1,450,831	1,427,637	03/31/2022
..45660L4E6	1,778,549	1,765,196	13,353	1,765,196	1,678,582	03/31/2022
..61761PAG0	4,529,996	4,416,875	113,121	4,416,875	4,315,856	03/31/2022
..61763DAN0	1,549,129	1,519,782	29,347	1,519,782	1,411,300	03/31/2022
..362611AB1	207,283	123,629	83,654	123,629	71,275	03/31/2022
..466247K28	575,137	499,726	75,411	499,726	449,787	03/31/2022
..00213GBL0	3,033,794	3,003,732	30,062	3,003,732	2,600,958	06/30/2022
..05531WAC0	1,067,771	1,061,037	6,734	1,061,037	942,733	06/30/2022
..05532KAB7	782,730	741,237	41,492	741,237	719,169	06/30/2022
..05532VAV9	969,877	961,595	8,283	961,595	851,008	06/30/2022
..05533HAL1	1,604,107	1,550,097	54,011	1,550,097	1,492,650	06/30/2022
..05951GAQ5	1,076,220	1,046,168	30,052	1,046,168	964,159	06/30/2022
..05955YAB5	1,783,057	1,526,905	256,152	1,526,905	1,391,354	06/30/2022
..1248MBAF2	9,407,425	9,313,712	93,713	9,313,712	8,642,302	06/30/2022
..125430AA6	2,406,371	2,405,632	738	2,405,632	2,087,239	06/30/2022
..12543PAP8	570,087	560,577	9,510	560,577	529,692	06/30/2022
..12544XAQ8	1,432,855	1,424,240	8,615	1,424,240	1,344,549	06/30/2022
..12566RAD3	1,511,641	1,497,289	14,352	1,497,289	1,427,299	06/30/2022
..126694NV6	76,566	72,494	4,071	72,494	71,573	06/30/2022
..16165LAF7	20,637,893	20,311,761	326,132	20,311,761	18,519,541	06/30/2022
..16165TAZ6	823,303	772,573	50,730	772,573	772,573	06/30/2022
..17307G3F3	173,631	170,639	2,992	170,639	166,169	06/30/2022
..32056JAG9	616,823	485,378	131,446	485,378	485,378	06/30/2022

Notes to the Financial Statements

5. Investments (Continued)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
.41161PQU0	6,951,979	6,588,716	363,263	6,588,716	6,436,947	06/30/2022
.45660L4E6	1,704,027	1,698,135	5,892	1,698,135	1,525,245	06/30/2022
.45660L6K0	1,404,535	1,394,417	10,118	1,394,417	1,312,780	06/30/2022
.45660LT25	1,178,370	1,175,704	2,666	1,175,704	1,081,121	06/30/2022
.45660LTS8	539,194	527,604	11,589	527,604	473,600	06/30/2022
.466247K28	482,129	453,517	28,612	453,517	419,823	06/30/2022
.46627MDY0	1,279,514	1,278,557	957	1,278,557	1,156,234	06/30/2022
.46634DCC0	1,100,716	1,079,981	20,735	1,079,981	1,067,356	06/30/2022
.61690PAK7	7,293,642	6,925,578	368,064	6,925,578	6,768,173	06/30/2022
.61748HWT4	2,706,282	2,704,612	1,669	2,704,612	2,495,096	06/30/2022
.61756VBE8	2,739,124	2,725,655	13,469	2,725,655	2,442,602	06/30/2022
.749241AA3	644,687	616,553	28,134	616,553	604,243	06/30/2022
.74958XAB0	547,588	538,041	9,547	538,041	493,976	06/30/2022
.749691BB6	56,385,845	55,124,112	1,261,733	55,124,112	55,124,112	06/30/2022
.05954CAA6	1,008,924	982,164	26,760	982,164	951,510	09/30/2022
.12667G5S8	3,519,231	3,481,145	38,085	3,481,145	3,357,171	09/30/2022
.45661EGC2	832,009	819,770	12,239	819,770	795,292	09/30/2022
.46628KAH3	3,693,500	3,676,654	16,846	3,676,654	3,316,846	09/30/2022
.126694NV6	1,138,856	1,123,034	15,822	1,123,034	1,043,460	09/30/2022
.251510LF8	412,066	404,913	7,152	404,913	373,733	09/30/2022
.881561Z64	4,609,248	4,606,398	2,851	4,606,398	4,565,074	09/30/2022
.1248MBAF2	8,853,342	8,761,650	91,692	8,761,650	4,082,880	12/31/2022
.2254WOMF9	1,614,159	1,609,866	4,293	1,609,866	1,419,684	12/31/2022
.00212JBN1	23,785,256	23,610,866	174,390	23,610,866	10,813,646	12/31/2022
.00443LAA6	1,150,281	1,141,076	9,205	1,141,076	1,050,580	12/31/2022
.00443LAB4	1,507,918	1,465,435	42,483	1,465,435	1,382,904	12/31/2022
.00443LAC2	1,303,158	1,264,058	39,100	1,264,058	1,195,757	12/31/2022
.00443LAD0	1,408,487	1,366,420	42,067	1,366,420	1,293,572	12/31/2022
.02147BAH8	1,036,767	1,027,309	9,458	1,027,309	956,731	12/31/2022
.02151ABK5	1,338,060	1,332,978	5,082	1,332,978	1,195,761	12/31/2022
.02151HAC9	1,884,037	1,876,920	7,117	1,876,920	1,813,266	12/31/2022
.02152AAY5	1,025,742	1,019,099	6,643	1,019,099	980,443	12/31/2022
.05532VAV9	876,509	852,643	23,866	852,643	726,213	12/31/2022
.05533WBF0	4,129,785	4,087,423	42,362	4,087,423	3,661,979	12/31/2022
.05539BEH3	5,074,967	5,052,326	22,641	5,052,326	4,529,400	12/31/2022
.05542JAF9	6,452,420	6,418,238	34,182	6,418,238	5,280,482	12/31/2022
.07386HQW4	4,667,477	4,602,983	64,494	4,602,983	4,230,666	12/31/2022
.07386HZG9	13,922,038	13,868,627	53,411	13,868,627	13,764,873	12/31/2022
.07388DAC2	3,956,332	3,848,148	108,184	3,848,148	3,772,399	12/31/2022
.07402FAC9	801,813	791,466	10,347	791,466	657,989	12/31/2022
.12489WGD0	1,534,657	1,497,411	37,246	1,497,411	1,497,411	12/31/2022
.12545AAD6	888,094	879,272	8,822	879,272	813,631	12/31/2022
.12642LBS0	1,245,483	1,240,007	5,476	1,240,007	1,176,675	12/31/2022
.12645LBG3	3,259,465	3,254,494	4,971	3,254,494	2,968,734	12/31/2022
.12645QAC2	2,839,923	2,772,187	67,736	2,772,187	2,630,811	12/31/2022
.12645VAC1	3,349,135	3,198,463	150,672	3,198,463	2,930,186	12/31/2022
.12646AAY8	6,385,897	6,325,010	60,887	6,325,010	6,325,010	12/31/2022
.12646JAW3	1,570,061	1,560,266	9,795	1,560,266	1,290,974	12/31/2022
.12646NAL8	697,081	664,937	32,144	664,937	618,418	12/31/2022
.12668BKH5	2,408,419	2,407,621	798	2,407,621	2,250,551	12/31/2022
.16165TAZ6	1,151,997	1,096,495	55,502	1,096,495	657,897	12/31/2022
.17316YAH1	427,579	426,850	729	426,850	385,424	12/31/2022
.23244FAV6	1,259,116	1,224,688	34,428	1,224,688	1,215,837	12/31/2022
.36190FAE0	1,842,218	1,813,611	28,607	1,813,611	1,813,611	12/31/2022
.36245RAA7	1,742,903	1,691,428	51,475	1,691,428	1,666,383	12/31/2022
.36245RAB5	1,021,882	984,014	37,868	984,014	958,802	12/31/2022
.36251EAH2	10,090,908	10,017,969	72,939	10,017,969	4,564,535	12/31/2022
.45660L4E6	1,629,064	1,625,657	3,407	1,625,657	1,383,508	12/31/2022

Notes to the Financial Statements

5. Investments (Continued)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
45660LCN7	1,357,295	1,345,444	11,851	1,345,444	1,322,208	12/31/2022
45660LT25	1,101,914	1,097,127	4,787	1,097,127	925,675	12/31/2022
46627MFV4	1,563,924	1,538,638	25,286	1,538,638	1,369,162	12/31/2022
46628KAE0	304,898	303,264	1,634	303,264	283,884	12/31/2022
46628KAJ9	2,471,492	2,461,409	10,083	2,461,409	2,324,172	12/31/2022
46629CAR8	3,342,168	3,341,500	668	3,341,500	2,943,951	12/31/2022
46629DAH8	1,649,879	1,648,146	1,733	1,648,146	1,375,194	12/31/2022
46629DAR6	3,696,995	3,675,568	21,427	3,675,568	2,005,637	12/31/2022
46629EAG8	1,253,263	1,231,001	22,262	1,231,001	1,206,524	12/31/2022
46631JAA6	1,846,642	1,838,390	8,252	1,838,390	1,542,778	12/31/2022
46632BAE4	865,794	828,986	36,808	828,986	699,561	12/31/2022
46637JBD3	5,349,241	5,324,482	24,759	5,324,482	4,672,069	12/31/2022
59020U5W1	1,103,180	1,095,813	7,367	1,095,813	729,458	12/31/2022
61749LAF8	960,056	912,046	48,010	912,046	896,384	12/31/2022
61756VBE8	2,636,563	2,596,577	39,986	2,596,577	2,163,743	12/31/2022
69121PCH4	3,608,833	3,536,096	72,737	3,536,096	3,441,598	12/31/2022
74927XAE2	189,149	166,356	22,793	166,356	148,285	12/31/2022
74958XAB0	468,802	459,966	8,836	459,966	380,480	12/31/2022
81377CAC2	2,900,126	2,865,598	34,528	2,865,598	2,865,598	12/31/2022
81744LAN4	1,623,764	1,609,087	14,677	1,609,087	1,399,758	12/31/2022
007037AB0	1,532,304	1,484,770	47,534	1,484,770	1,227,780	12/31/2022
073870AG2	1,829,862	1,787,131	42,731	1,787,131	1,787,131	12/31/2022
13604AA0	9,208,327	3,785,396	5,422,931	3,785,396	3,164,499	12/31/2022
251510LF8	382,311	372,622	9,689	372,622	346,981	12/31/2022
362334CM4	1,467,160	1,457,198	9,962	1,457,198	1,311,301	12/31/2022
362528AA9	4,189,921	4,157,171	32,750	4,157,171	4,045,892	12/31/2022
456681AE5	4,402,018	4,306,244	95,774	4,306,244	4,119,553	12/31/2022
749228AA0	1,278,856	1,277,600	1,256	1,277,600	1,186,626	12/31/2022
749228AD4	1,147,957	1,147,673	284	1,147,673	1,054,778	12/31/2022
Total			\$ 11,630,391			

(4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

The following table shows the gross unrealized losses and fair values of loan-backed securities, which have not been impaired to fair value, aggregated by length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2022:

a. The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 1,233,045,368
2. 12 months or longer	736,300,175
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 15,456,338,008
2. 12 months or longer	5,028,932,996

(5) A full analysis of all relevant qualitative considerations was completed in reaching the conclusion that the impairments were not other-than-temporary, including the intent and ability to hold the investment for a period of time sufficient to allow for a recovery in value. Specific events that may influence the operations of the issuer and impaired earnings potential are reviewed in addition to length of time and extent to which the fair value has been less than cost.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Taker - Overview of Secured Borrowing Transactions

(1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral

The Company participates in repurchase agreements with unaffiliated financial institutions. Under these agreements, the Company lends bonds and receives cash as collateral. The Company monitors the estimated fair value of the collateral and the securities loaned throughout the duration of the contract and contributes additional collateral as necessary. Securities loaned under these agreements may be sold or re-pledged by the transferee.

Notes to the Financial Statements

5. Investments (Continued)

(2) Type of repo trades used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (Yes/No).....	YES	YES	YES	YES
b. Tri-Party (Yes/No).....	NO	NO	NO	NO

(3) Original (flow) & residual maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open - No maturity.....	\$.....	\$.....	\$.....	\$.....
2. Overnight.....				
3. 2 days to 1 week.....			-	
4. Over 1 week to 1 month.....		897,759,273	-	
5. Over 1 month to 3 months.....		742,711,010	768,263,750	
6. Over 3 months to 1 year.....				1,168,263,750
7. Over 1 year.....	2,994,053,981	1,353,583,698	2,047,935,350	2,047,935,350
b. Ending Balance				
1. Open - No maturity.....	\$.....	\$.....	\$.....	\$.....
2. Overnight.....				
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....		1,256,645,800	768,263,750	
6. Over 3 months to 1 year.....				1,168,263,750
7. Over 1 year.....	2,994,053,981	1,437,229,250	2,047,935,350	2,047,935,350

(4) Fair value of securities sold and/or acquired that resulted in default

The Company did not have any securities sold or outstanding for which the repurchase agreement defaulted as of December 31, 2022.

(5) Securities "sold" under repo - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV.....	XXX	XXX	XXX	\$ 3,036,885,176
2. Nonadmitted - Subset of BACV.....	XXX	XXX	XXX	\$.....
3. Fair Value.....	\$ 2,939,406,937	\$ 2,939,406,937	\$ 2,704,933,233	\$ 2,939,406,937
b. Ending Balance				
1. BACV.....	XXX	XXX	XXX	\$ 3,731,133,196
2. Nonadmitted - Subset of BACV.....	XXX	XXX	XXX	\$.....
3. Fair Value.....	\$ 2,939,406,937	\$ 2,704,933,233	\$ 2,600,273,791	\$ 3,150,054,574

(6) Securities sold under repo - secured borrowing by NAIC designation

Ending Balance	(1) None	(2) NAIC 1	(3) NAIC 2	(4) NAIC 3	(5) NAIC 4	(6) NAIC 5	(7) NAIC 6	(8) Nonadmitted
a. Bonds - BACV.....	\$.....	\$ 2,739,331,504	\$ 991,801,691	\$.....	\$.....	\$.....	\$.....	\$.....
b. Bonds - FV.....		2,255,458,422	894,596,152					
c. LB & SS - BACV.....								
d. LB & SS - FV.....								
e. Preferred stock - BACV.....								
f. Preferred stock - FV.....								
g. Common stock.....								
h. Mortgage loans - BACV.....								
i. Mortgage loans - FV.....								
j. Real estate - BACV.....								
k. Real estate - FV.....								
l. Derivatives - BACV.....								
m. Derivatives - FV.....								
n. Other invested assets - BACV.....								
o. Other invested assets - FV.....								
p. Total assets - BACV.....	\$.....	\$ 2,739,331,504	\$ 991,801,691	\$.....	\$.....	\$.....	\$.....	\$.....
q. Total assets - FV.....	\$.....	\$ 2,255,458,422	\$ 894,596,152	\$.....	\$.....	\$.....	\$.....	\$.....

Notes to the Financial Statements

5. Investments (Continued)

(7) Collateral received - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	\$ 2,994,053,981	\$ 2,994,053,981	\$ 2,816,199,100	\$ 3,216,199,100
2. Securities (FV)				
b. Ending Balance				
1. Cash	\$ 2,994,053,981	\$ 2,693,875,050	\$ 2,816,199,100	\$ 3,216,199,100
2. Securities (FV)				

(8) Cash & non-cash collateral received - secured borrowing by NAIC designation

Ending Balance	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	None	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Does Not Qualify as Admitted
a. Cash	\$ 3,216,199,100	\$	\$	\$	\$	\$	\$	\$
b. Bonds - FV								
c. LB & SS - FV								
d. Preferred stock - FV								
e. Common stock								
f. Mortgage loans - FV								
g. Real estate - FV								
h. Derivatives - FV								
i. Other Invested Assets - FV								
j. Total collateral assets - FV (sum of a through i)	\$ 3,216,199,100	\$	\$	\$	\$	\$	\$	\$

(9) Allocation of aggregate collateral by remaining contractual maturity

	Fair Value
a. Overnight and continuous	\$ 3,216,199,100
b. 30 Days or less	
c. 31 to 90 Days	
d. More than 90 days	

(10) Allocation of aggregate collateral reinvested by remaining contractual maturity

	Amortized Cost	Fair Value
a. 30 Days or less	\$ 3,216,199,100	\$ 3,216,199,100
b. 31 to 60 Days		
c. 61 to 90 Days		
d. 91 to 120 Days		
e. 121 to 180 Days		
f. 181 to 365 Days		
g. 1 to 2 Years		
h. 2 to 3 Years		
i. More than 3 years		

(11) Liability to return collateral - secured borrowing (total)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash (Collateral - All)	\$ 2,994,053,981	\$ 2,994,053,981	\$ 2,816,199,100	\$ 3,216,199,100
2. Securities Collateral (FV)				
b. Ending Balance				
1. Cash (Collateral - All)	\$ 2,994,053,981	\$ 2,693,875,050	\$ 2,816,199,100	\$ 3,216,199,100
2. Securities Collateral (FV)				

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Provider - Overview of Secured Borrowing Transactions

(1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral

Included in short-term investments are amounts receivable under reverse repurchase agreements, which involves the purchase of investments from a seller with the agreement that the investments will be repurchased by the seller at a specified price, and at a specified date or within a specified period of time, not to exceed 364 days. The investments purchased, which represent collateral on a secured lending arrangement, are not reflected in the Company's consolidated balance sheets. Instead, the secured lending arrangement is reflected as a short-term investment for the principal amount loaned under the agreement.

Notes to the Financial Statements

5. Investments (Continued)

(2) Type of repo trades used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (Yes/No).....				YES
b. Tri-Party (Yes/No).....				NO

(3) Original (flow) & residual maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open - No maturity.....	\$.....	\$.....	\$.....	\$.....
2. Overnight.....				
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				1,614,318,828
7. Over 1 year.....				
b. Ending Balance				
1. Open - No maturity.....	\$.....	\$.....	\$.....	\$.....
2. Overnight.....				
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				1,614,318,828
7. Over 1 year.....				

(4) Fair value of securities sold and/or acquired that resulted in default - None

(5) Fair value of securities acquired under repo - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount.....				\$
	\$.....	\$.....	\$.....	1,614,318,828
b. Ending Balance.....				\$
	\$.....	\$.....	\$.....	1,614,318,828

(6) Securities acquired under repo - secured borrowing by NAIC designation

Ending Balance	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	None	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Does Not Qualify as Admitted
a. Bonds - FV.....	\$.....	\$.....	\$ 1,614,318,828	\$.....	\$.....	\$.....	\$.....	\$.....
b. LB & SS - FV.....								
c. Preferred stock - FV.....								
d. Common stock.....								
e. Mortgage loans - FV.....								
f. Real estate - FV.....								
g. Derivatives - FV.....								
h. Other invested assets - FV.....								
i. Total assets - FV (Sum of a through h).....	\$.....	\$.....	\$ 1,614,318,828	\$.....	\$.....	\$.....	\$.....	\$.....

(7) Collateral provided - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash.....	\$.....	\$.....	\$.....	\$.....
2. Securities (FV).....				2,102,772,103
3. Securities (BACV).....	XXX	XXX	XXX	XXX
4. Nonadmitted Subset (BACV).....	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash.....	\$.....	\$.....	\$.....	\$.....
2. Securities (FV).....				2,102,772,103
3. Securities (BACV).....				
4. Nonadmitted Subset (BACV).....				

(8) Allocation of aggregate collateral pledged by remaining contractual maturity - None

Notes to the Financial Statements

5. Investments (Continued)

(9) Recognized receivable for return of collateral - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash.....	\$	\$	\$	\$
2. Securities (FV).....				1,635,004,483
b. Ending Balance				
1. Cash.....	\$	\$	\$	\$
2. Securities (FV).....				1,635,004,483

(10) Recognized liability to return collateral - secured borrowing (total) - None

H. Repurchase Agreements Transactions Accounted for as a Sale - None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None

J. Real Estate

(1) Impairment loss - None

(2) Real estate sold or classified held for sale - None

(3) Changes to a plan of sale for an investment in real estate - None

(4) Retail land sales operations - None

(5) Participating mortgage loan features - None

K. Low-Income Housing Tax Credits (LIHTC)

(1) Number of remaining years for unexpired tax credits: 11 years
The LIHTC projects are subject to a 15-year compliance period.

(2) Total LIHTC tax benefits recognized in the year ended December 31, 2022 were \$0.2 million.

(3) Total LIHTC investments were \$10.5 million as of December 31, 2022.

(4) Regulatory reviews - None

(5) The Company's investment in LIHTC is less than 10% of total admitted assets.

(6) Impaired assets - None

(7) Write-downs and reclassifications - None

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted										
	Current Year							Current Year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements	3,731,133,196				3,731,133,196	2,381,367,915	1,349,765,281		3,731,133,196	2.558	2.563
d. Subject to reverse repurchase agreements	1,614,318,828				1,614,318,828		1,614,318,828		1,614,318,828	1.107	1.109
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock											
i. FHLB capital stock	146,248,000				146,248,000	105,248,000	41,000,000		146,248,000	0.100	0.100
j. On deposit with states	7,114,843				7,114,843	7,124,065	(9,222)		7,114,843	0.005	0.005
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)		8,457,466,710									
m. Pledged as collateral not captured in other categories	1,450,793,719				1,450,793,719	542,028,640	908,765,079		1,450,793,719	0.995	0.996
n. Other restricted assets	703,630				703,630	1,216,033	(512,403)		703,630	-	-
o. Total restricted assets (Sum of a through n)	\$ 6,950,312,217	\$ 8,457,466,710	\$	\$	\$ 6,950,312,217	\$ 3,036,984,653	\$ 3,913,327,563	\$	\$ 6,950,312,217	4.765 %	4.774 %

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year							Total Current Year Admitted Restricted	(9)	(10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
Secured Funding Agreement	\$ 503,862,914	\$	\$	\$	\$ 503,862,914	\$ 476,573,580	\$ 27,289,334	\$ 503,862,914	0.345 %	0.346 %
Reinsurance trusts	220,166,620				220,166,620	56,547,520	163,619,101	220,166,620	0.151	0.151
Derivative collateral asset	726,764,185				726,764,185	8,907,540	717,856,645	726,764,185	0.498	0.499
Total	\$ 1,450,793,719	\$	\$	\$	\$ 1,450,793,719	\$ 542,028,640	\$ 908,765,079	\$ 1,450,793,719	0.995 %	0.996 %

Notes to the Financial Statements

5. Investments (Continued)

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							Percentage		
	Current Year							(8)	(9)	(10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %	
Commercial mortgages	\$ 703,630	\$	\$	\$	\$ 703,630	\$ 1,216,033	\$ (512,403)	\$ 703,630	- %	- %
Total	\$ 703,630	\$	\$	\$	\$ 703,630	\$ 1,216,033	\$ (512,403)	\$ 703,630	- %	- %

(4) Collateral received and reflected as assets within the reporting entity's financial statements

Collateral Assets	(1)	(2)	(3)	(4)
	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)	% of BACV to Total Admitted Assets
General Account:				
a. Cash, cash equivalents and short-term investments	\$ 1,528,330,498	\$ 1,528,330,498	1.455 %	1.459 %
b. Schedule D, Part 1				
c. Schedule D, Part 2, Section 1				
d. Schedule D, Part 2, Section 2				
e. Schedule B				
f. Schedule A				
g. Schedule BA, Part 1				
h. Schedule DL, Part 1				
i. Other				
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 1,528,330,498	\$ 1,528,330,498	1.455 %	1.459 %
Separate Account:				
k. Cash, cash equivalents and short-term investments	\$	\$	%	%
l. Schedule D, Part 1				
m. Schedule D, Part 2, Section 1				
n. Schedule D, Part 2, Section 2				
o. Schedule B				
p. Schedule A				
q. Schedule BA, Part 1				
r. Schedule DL, Part 1				
s. Other				
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	\$	\$	%	%
			(1)	(2)
			Amount	% of Liability to Total Liabilities
u. Recognized Obligation to Return Collateral Asset (General Account)			\$ 1,528,330,498	1.476 %
v. Recognized Obligation to Return Collateral Asset (Separate Account)			\$	%

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	2022	2021	2022	2021	2022	2021
(1) Bonds - amortized cost	6	-	\$ 7,761,238	\$ -	\$ 4,126,491	\$ -
(2) LB & SS - amortized cost						
(3) Preferred stock - amortized cost						
(4) Preferred stock - fair value						
(5) Total (1+2+3+4)	6	-	\$ 7,761,238	\$ -	\$ 4,126,491	\$ -

P. Short Sales - None

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	59	56
(2) Aggregate amount of investment income	\$ 10,705,581	\$ 5,981,939

Notes to the Financial Statements

5. Investments (Continued)

R. Reporting Entity's Share of Cash Pool by Asset type - None

6. Joint Ventures, Partnerships and Limited Liability Companies

During the second quarter of 2022, the Company contributed its equity interests in 76 partnership investments to Apollo Aligned Alternatives, L.P. (AAA), in exchange for a 69% partnership interest in AAA with an aggregate value of \$5.6 billion as of June 30, 2022. The transaction received approval from the Division on March 31, 2022. AAA is a strategic alternative investment vehicle designed to include investment by affiliated and unaffiliated insurers and other investors, with each investor having pro rata exposure to the underlying investments. The partnership is managed by an affiliate of the Company. Under the terms of the partnership agreement, the Company has the right to require distribution of its pro rata portion of underlying assets and direct such assets to be liquidated.

On Schedule BA, Part 1, the Company presents the pro rata interests in the underlying funds that comprise its investment in AAA. On Schedule BA, Parts 2 and 3, the Company reports its proportional share of AAA's activity in total.

While we have included AAA's unfunded capital commitments (Unfunded AAA Commitments) on a look through basis for the Company (based on the Company's percentage interest in AAA) as of December 31, 2022, such Unfunded AAA Commitments are not the legal obligation of the Company. Additionally, while the Company may provide commitments in respect of such Unfunded AAA Commitments under the Liquidity Facility, the Company has not yet done so.

The following table lists the net contribution, carry value, fund income and unfunded commitments of new investment funds held by AAA during the three months ended December 31, 2022.

Investment Holding Name	Contribution	Carry Value	YTD Fund Income	Unfunded Amount	Ownership %
AA Otter Investor, LP	-	186,496,612	(785,553)	51,668	68.4%
A.A. Diversified, LP	-	68,684,520	210,489	-	68.4%
ARIS	-	55,419,040	44,865	-	68.4%
AA Otter AssetCo Investor, L.P.	-	20,846,319	1,718,319	174,290,850	68.4%
AIOF II Woolly Co-Invest, LP	-	2,557,163	13,249	11,298,938	68.4%
New To 4Q'22	-	334,003,653	1,201,368	185,641,455	68.4%

The 10 largest holdings of AAA as of December 31, 2022 are:

Investment Holding Name	Carry Value	YTD Fund Income	Unfunded Amount	Ownership %
Freedom Parent, LP	513,126,037	23,832,729	-	68.4%
AA RRH, L.P.	483,446,274	17,303,302	55,038,269	68.4%
MidCap Class A Notes	437,599,836	46,151,249	13,583,705	68.4%
Athene Wessex Investor A, L.P.	234,354,891	18,637,371	12,715,400	68.4%
SFR Delos Partners, L.P.	193,561,635	41,987,871	-	68.4%
PK Air Holdings, LP	191,093,976	21,530,813	44,937,609	68.4%
AA Otter Investor, LP	186,496,612	(785,553)	51,668	68.4%
Apollo Gretel Investor L.P.	171,954,870	5,036,261	6,174,080	68.4%
Pretium Olympus JV, LP	149,538,416	24,040,149	3,850,376	68.4%
Apollo Hybrid Value Fund, L.P.	141,756,552	6,755,268	84,832,157	68.4%
Total Top 10	2,702,929,099	204,489,460	221,183,264	68.4%

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets - None

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies

The Company recognized other-than-temporary impairments of \$21.3 million and \$9.5 million as of December 31, 2022 and 2021, respectively, on partnerships and limited liability companies included in Schedule BA. The impairments were based on an assessment that future cash flows of affected limited partnerships would be less than the cost basis of the limited partnership. Fair value is determined by statements received from the partnerships and limited liability companies.

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued with amounts over 90 days past due, with the exception of mortgage loans in default, was nonadmitted.

B. Total Amount Excluded

The total amount excluded was \$0.9 million and \$5.4 million as of December 31, 2022 and 2021, respectively.

8. Derivative Instruments

A. Derivatives under SSAP No. 86 - Derivatives

(1) The Company utilizes derivative instruments which may include the following:

Options: The Company has issued fixed indexed products. These contracts credit interest based on certain indices, primarily the Standard & Poor's 500® Composite Stock Price Index. Over-the-counter (OTC) option contracts, call options and call spreads are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. Upon exercise, the Company will receive the fair value of the call option. The parties with whom the Company enters into OTC option contracts are highly rated financial institutions where contracts are supported by collateral, which minimizes the credit risk associated with such contracts.

Variance Swaps: The Company has issued fixed indexed products. These contracts credit interest based on certain indices, primarily the Standard & Poor's 500® Composite Stock Price Index. The Company uses variance swaps to hedge the market risks from changes in volatility for these products. Under variance swaps, the Company and the counterparty agree to exchange amounts calculated based on a fixed rate (implied volatility at inception of transaction) and realized volatility over the life of the transaction (similar to an interest rate swap). Generally, no cash is exchanged at the outset of the contract and neither party makes principal payments. The parties with whom the Company enters into OTC variance swaps contracts are highly rated financial institutions which minimizes the credit risk associated with such contracts.

Notes to the Financial Statements

8. Derivative Instruments (Continued)

Interest Rate Swaps: The Company uses interest rate swaps to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and liabilities. Under interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. Generally, no cash is exchanged at the outset of the contract and neither party makes principal payments.

The interest rate swaps that qualify for hedge accounting in accordance SSAP No. 86, *Derivatives*, and are designated in a hedge accounting relationship, are recorded in a manner consistent with the hedged asset or liability. Qualifying interest rate swaps hedging liabilities, are carried at amortized cost. Cash which is exchanged as the difference between fixed and floating interest rates is recognized in the statements of operations through investment income. If the contract is terminated prior to maturity, a realized gain or loss is reported in the statements of operations for the amount of cash exchanged in order to close the contract.

Futures: Under exchange-traded futures contracts, the Company agrees 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. Futures contracts are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. The clearing broker with whom the Company enters into exchange-traded futures are regulated futures commission merchants who are members of a trading exchange.

Futures are recorded at fair value of margin on deposit with the clearing broker and changes in this margin on deposit are recognized in the Summary of Operations through investment income.

Currency Swaps: Foreign currency swaps are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets denominated in foreign currencies. With a foreign currency swap transaction, the Company agrees with another party to exchange, at specified intervals, the difference between one currency and another at a forward exchange rate calculated by reference to an agreed upon principal amount. The principal amount of each currency is exchanged at the inception and termination of the currency swap by each party.

The currency swaps that qualify for hedge accounting in accordance with SSAP No. 86, and are designated in a hedge accounting relationship, are recorded in a manner consistent with the hedged asset or liability. The change in the value of the hedged item due to fluctuations in foreign exchange rates is recorded as unrealized capital gains or losses until the time of sale. As such, the qualifying currency swap also records the change in value associated with fluctuations in foreign currency exchange rates in unrealized capital gains and losses.

Forwards: The Company uses foreign exchange forward contracts to hedge certain invested assets against movement in foreign currency. The price is agreed upon at the time of the contract and payment for such a contract is made at a specified future date. Foreign exchange forward contracts are utilized in non-qualifying hedging relationships.

Credit Default Swaps: Credit default swaps are used to synthetically create the characteristics of a bond, or hedge credit risk, referred to as a replication synthetic asset transaction (RSAT). An RSAT is created by coupling a bond with a credit default swap to create a synthetic instrument that is cheaper than its cost in the cash market or one which has better default characteristics. These transactions provide the Company with a periodic premium to compensate it for accepting credit risk and are used to enhance investment income and improve the default characteristics of the portfolio. The exposure amount of such agreement, which is usually the notional amount, is equal to the maximum proceeds that must be paid by a counterparty for a defaulted security. Should a credit event occur on a reference entity, a counterparty would be required to pay the notional amount in exchange for receipt of an obligation of the reference entity. Generally, there is no cash requirement at the initiation of the credit default swap contract.

Credit default swaps used in replication transactions are carried at amortized cost. The premiums received are accrued and recognized in the Summary of Operations through investment income over the life of the agreements. A capital loss would be recorded on the date of default, through the Summary of Operations, to reflect the difference between the notional amount paid and the fair value of the bonds received.

Total Return Swaps: The Company purchases total return swaps to gain exposure and benefit from a reference asset without actually having to own it. Total return swaps are contracts in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying asset, which includes both the income it generates and any capital gains.

See Note 1 for further explanation of the accounting policy for derivatives.

- (2) See part (1) above.
- (3) See part (1) above.
- (4) There were no derivative contracts with financing premiums.
- (5) There were no gains or losses recognized in unrealized gains or losses during the reporting period representing the component of the derivative instrument's gain or loss excluded from the assessment of hedge effectiveness.
- (6) There were no net gains or losses recognized in unrealized gains or losses during the reporting period resulting from derivatives that no longer qualify for hedge accounting.
- (7) There are no derivatives accounted for as cash flow hedges of a forecasted transaction.
- (8) Premium Cost for Derivative Contracts - None

B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - None

9. Income Taxes

In August 2022, the US government enacted legislation commonly known as the Inflation Reduction Act of 2022 (Act). The Act imposes a corporate alternative minimum tax (CAMT) on certain large corporations based on adjusted financial statement income. The CAMT goes into effect for tax years beginning after December 31, 2022. It is unclear how the US Department of Treasury will implement the CAMT through regulation.

The controlled group of corporations of which the reporting entity is a member has not determined as of the reporting date whether they will be liable for CAMT in 2023. The 2022 financial statements do not include an estimated impact of the CAMT, because a reasonable estimate cannot be made.

Notes to the Financial Statements

9. Income Taxes (Continued)

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2022			2021			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 678,898,442	\$	\$ 678,898,442	\$ 482,548,626	\$	\$ 482,548,626	\$ 196,349,816	\$	\$ 196,349,816
(b) Statutory valuation allowance adjustments									
(c) Adjusted gross deferred tax assets (1a - 1b)	678,898,442		678,898,442	482,548,626		482,548,626	196,349,816		196,349,816
(d) Deferred tax assets nonadmitted	241,997,107		241,997,107	103,904,154		103,904,154	138,092,953		138,092,953
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 436,901,335	\$	\$ 436,901,335	\$ 378,644,472	\$	\$ 378,644,472	\$ 58,256,863	\$	\$ 58,256,863
(f) Deferred tax liabilities	102,977,803	223,241,924	326,219,727	291,814,119	10,117,956	301,932,075	(188,836,316)	213,123,968	24,287,652
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 333,923,532	\$ (223,241,924)	\$ 110,681,608	\$ 86,830,353	\$ (10,117,956)	\$ 76,712,397	\$ 247,093,179	\$ (213,123,968)	\$ 33,969,211

(2) Admission calculation components SSAP No. 101

	2022			2021			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	110,681,608		110,681,608	76,712,397		76,712,397	33,969,211		33,969,211
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	110,681,608		110,681,608	76,712,397		76,712,397	33,969,211		33,969,211
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	278,486,967	XXX	XXX	180,320,895	XXX	XXX	98,166,072
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	326,219,727		326,219,727	301,932,075		301,932,075	24,287,652		24,287,652
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total 2(a) + 2(b) + 2(c)	\$ 436,901,335	\$	\$ 436,901,335	\$ 378,644,472	\$	\$ 378,644,472	\$ 58,256,863	\$	\$ 58,256,863

(3) Ratio used as basis of admissibility

	2022	2021
(a) Ratio percentage used to determine recovery period and threshold limitation amount	753.913 %	705.204 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 3,736,314,443	\$ 2,542,684,029

(4) Impact of tax-planning strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	2022		2021		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 678,898,442	\$	\$ 482,548,626	\$	\$ 196,349,816	\$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 436,901,335	\$	\$ 378,644,472	\$	\$ 58,256,863	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding Deferred Tax Liabilities That Are Not Recognized

No unrecognized DTL exists for temporary differences related to investments in foreign subsidiaries or foreign corporate joint ventures that are essentially permanent in duration.

Notes to the Financial Statements

9. Income Taxes (Continued)

C. Major Components of Current Income Taxes Incurred

	(1) 2022	(2) 2021	(3) Change (1-2)
Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
(a) Federal	\$ 123,846,286	\$ 70,441,410	\$ 53,404,876
(b) Foreign			
(c) Subtotal (1a+1b)	\$ 123,846,286	\$ 70,441,410	\$ 53,404,876
(d) Federal income tax on net capital gains	49,448,460	201,123,573	(151,675,113)
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 173,294,746	\$ 271,564,983	\$ (98,270,237)
	(1) 2022	(2) 2021	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$	\$	\$
(2) Unearned premium reserve			
(3) Policyholder reserves	437,408,867	412,083,309	25,325,558
(4) Investments	138,181,110	-	138,181,110
(5) Deferred acquisition costs	84,968,751	51,242,562	33,726,189
(6) Policyholder dividends accrual			
(7) Fixed assets	-	3,537	(3,537)
(8) Compensation and benefits accrual	45,743	889,740	(843,997)
(9) Pension accrual			
(10) Receivables - nonadmitted	1,886,058	673,731	1,212,327
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other	16,407,913	17,655,747	(1,247,834)
(99) Subtotal (sum of 2a1 through 2a13)	\$ 678,898,442	\$ 482,548,626	\$ 196,349,816
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted	241,997,107	103,904,154	138,092,953
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 436,901,335	\$ 378,644,472	\$ 58,256,863
(e) Capital			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	\$	\$	\$
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)			
(i) Admitted deferred tax assets (2d + 2h)	\$ 436,901,335	\$ 378,644,472	\$ 58,256,863
	(1) 2022	(2) 2021	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 127,024	\$ 147,378,277	\$ (147,251,253)
(2) Fixed assets	14,999	-	14,999
(3) Deferred and uncollected premium	1,296,879	1,371,713	(74,834)
(4) Policyholder reserves	101,538,901	143,064,129	(41,525,228)
(5) Other			
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 102,977,803	\$ 291,814,119	\$ (188,836,316)
(b) Capital			
(1) Investments	\$ 223,241,924	\$ 10,117,956	\$ 213,123,968
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	\$ 223,241,924	\$ 10,117,956	\$ 213,123,968
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 326,219,727	\$ 301,932,075	\$ 24,287,652
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 110,681,608	\$ 76,712,397	\$ 33,969,211

Notes to the Financial Statements

9. Income Taxes (Continued)

The change in net deferred taxes is comprised of the following (this analysis is exclusive of the tax effect of unrealized capital gain (losses) as the deferred taxes on unrealized gains (losses) are reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2022	2021	Change
Adjusted gross deferred tax assets	\$ 678,898,442	\$ 482,548,626	\$196,349,816
Total deferred tax liabilities	(326,219,727)	(301,932,075)	(24,287,652)
Net deferred tax assets (liabilities)	\$ 352,678,715	\$ 180,616,551	\$172,062,164
Tax effect of unrealized gains (losses)			(83,591,217)
Change in net deferred income tax			<u>\$ 88,470,947</u>

D. Among the More Significant Book to Tax Adjustments

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:

	2022	Effective Tax Rate
Provision computed at statutory rate	\$ (19,160,811)	21.000 %
Permanent differences		
IMR	737,881	-0.809
Nontaxable income	(877,099)	0.961
Nondeductible expenses	280,082	-0.307
Non-admitted assets	369,479	-0.405
Affiliated expenses	(3,389,338)	3.715
Reinsurance adjustment A-791	(1,525,591)	1.672
Unrealized gain (loss) on options	(27,533,433)	30.176
Unrealized (gain) loss ceded	106,565,769	-116.794
Specific reserves in surplus	(590,323)	0.647
Prior year true-up and adjustments	31,336,371	-34.344
Corporate owned life insurance	(1,331,631)	1.459
LIHTC tax credits	(57,557)	0.063
Total	<u>\$ 84,823,799</u>	<u>-92.966 %</u>

	2022	Effective Tax Rate
Federal and foreign income taxes incurred	\$ 123,846,286	-135.734 %
Realized capital gains (losses) tax	49,448,460	-54.195
Change in net deferred income taxes	(88,470,947)	96.963
Total statutory income taxes	<u>\$ 84,823,799</u>	<u>-92.966 %</u>

E. Operating Loss and Tax Credit Carryforwards

(1) The Company has no tax attribute carry forwards at December 31, 2022.

(2) Income tax expense available for recoupment

The amount of capital gains taxes incurred available for recoupment in the event of future capital losses are:

	Total
2020	\$ 862,568
2021	136,291,485
2022	50,554,207

(3) There are no aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Code as of December 31, 2022 and 2021.

F. Consolidated Federal Income Tax Return

The Company files as a member of a consolidated federal income tax return with its indirect parent company, Athene USA Corporation. The Company is a party to a written tax sharing agreement that has been approved by the Board of Directors. Allocation of tax benefits is based on separate returns. Losses are paid at the time they can be used in the consolidated return. Intercompany tax balances are settled quarterly.

The Company has also entered into a supplemental tax sharing agreement with Athene Re USA IV, Inc. (Athene Re IV), whereby the Company is obligated to perform all of Athene Re IV's tax sharing obligations and is entitled to accept all of Athene Re IV's tax sharing benefits. Accordingly, any current taxes payable or receivable by Athene Re IV are reflected by the Company.

The following entities are included in the consolidated return:

Athene USA Corporation
Athene Annuity and Life Company
Athene Annuity & Life Assurance Company
Athene Annuity & Life Assurance Company of New York
Athene Annuity Re Ltd.
Athene Assignment Corporation
Athene Life Insurance Company of New York
Athene London Assignment Corporation
Athene Re USA IV, Inc.
Centralife Annuities Services, Inc

Notes to the Financial Statements

9. Income Taxes (Continued)

PL. Assigned Services
Structured Annuity Reinsurance Company

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total tax liability will significantly increase within 12 months of the reporting date.

H. Repatriation Transition Tax (RTT) - None

I. Alternative Minimum Tax (AMT) Credit - None

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. The Company's various affiliated relationships, agreements and transactions are discussed within Notes 10A through 10F and the 2022 affiliated transactions are disclosed in Schedule Y, part 2. Investments in affiliated entities are disclosed in the investment schedules.

The Company cedes a quota share of its annuity and funding agreement business to Athene Annuity Re Ltd. (AARE), an affiliated Bermuda reinsurer, and AADE, and 100% of the Closed Block liabilities to Athene Re IV. The Company cedes to Structured Annuity Reinsurance Company a 100% quota share of its benefits payable for all structured annuity contracts issued by the Company to Aviva London Assignment Corporation (an affiliated company prior to October 2, 2013). See disclosures in Schedule S and Schedule Y, part 2.

On January 1, 2022 (the Merger Effective Date), the merger transaction pursuant to the Agreement and Plan of Merger, dated as of March 8, 2021 (the Merger Agreement), by and among Athene Holding Ltd. (AHL), Apollo Global Management Inc. (formerly known as Tango Holdings, Inc.), Apollo Asset Management, Inc. (AAM, formerly known as Apollo Global Management, Inc.), Blue Merger Sub, Ltd. (AHL Merger Sub), and Green Merger Sub, Inc. (AAM Merger Sub) was completed. Effective as of 1:00 a.m. Eastern Time on the Merger Effective Date, AAM Merger Sub merged with and into AAM (the AAM Merger), with AAM continuing as a direct subsidiary of AGM. Effective as of 1:01 a.m. Eastern Time on the Merger Effective Date, AHL Merger Sub merged with and into AHL (the AHL Merger and, together with the AAM Merger, the Mergers), with AHL continuing as a direct subsidiary of AGM. As a result of the Mergers, AAM and AHL became direct subsidiaries of AGM.

Some employees of the Company and Athene Employee Services LLC participate in one or more Share Award Agreements (the Agreements) sponsored by AHL for which the Company has no legal obligation. Salary expense of the Company and of Athene Employee Services LLC is allocated through the Shared Services Agreement. Under SSAP No. 104R, *Share-Based Payments*, the stock compensation expense associated with the Agreements that would have been allocated to the Company is required to be recorded as a capital contribution to the reporting entity. The Company has allocated the stock compensation expense associated with the Agreements based on the same methodology as the Shared Services Agreement. In accordance with SSAP No. 104R, the Company incurred expense and recorded a capital contribution under the Agreements totaling \$23.9 million and \$15.7 million for the years ended December 31, 2022 and December 31, 2021, respectively, which includes amounts contributed by the Company to downstream insurance subsidiaries.

During February 2022, the Company received a \$175.3 million capital contribution from its parent, AADE. This capital contribution was accrued at December 31, 2021 as a \$175.0 million receivable from parent with a corresponding increase in gross paid-in and contributed surplus. In accordance with SSAP No. 72 *Surplus and Quasi-Reorganizations*, capital contributions receivable that are satisfied with the receipt of cash or marketable securities prior to the filing of the annual statement shall be treated as a Type I subsequent event and considered an admitted asset based on evidence of collection and approval of the domiciliary commissioner.

During 2022, the Company received capital contributions of \$1,275.0 million from AADE.

During February 2023, the Company received a \$100 million capital contribution from its parent, AADE. This capital contribution was accrued at December 31, 2022 as a receivable from parent with a corresponding increase in gross paid-in and contributed surplus. In accordance with SSAP No. 72 *Surplus and Quasi-Reorganizations*, capital contributions receivable that are satisfied with the receipt of cash or marketable securities prior to the filing of the financial statement shall be treated as a Type I subsequent event and considered an admitted asset based on evidence of collection and approval of the domiciliary commissioner.

B. See part A above.

C. Transactions With Related Party Who Are Not Reported on Schedule Y

There are no related party transactions greater than ½ of 1% of total admitted assets individually or in the aggregate that require further disclosure.

D. As of December 31, 2022 and 2021, the Company reported \$127.5 million and \$193.5 million, respectively, receivable due from affiliates and \$47.2 million and \$17.2 million, respectively, payable due to affiliates. All intercompany balances shown as payable to or receivable from parent, subsidiaries and affiliates are settled within 45 days of their incurrence under the terms of the intercompany expense sharing agreements.

E. The Company is party to an investment management agreement with affiliate Apollo Insurance Solutions Group, LP (ISG), under which ISG agrees to provide asset management services in exchange for management fees. The Company pays ISG 30 basis points per annum on the Company's managed assets. The Company incurred expense on its general and separate account assets of \$307.8 million and \$257.3 million in 2022 and 2021, respectively.

The Company participates in a Shared Services and Cost Sharing Agreement with certain other affiliated companies pursuant to which each party thereto agreed to provide certain financial, legal and other services to the other parties. The Company incurred related expenses under these agreements totaling \$326.3 million and \$295.3 million in 2022 and 2021, respectively.

F. See Note 14 for details of the Company's affiliated guarantees.

G. The operating results and financial position of the Company as reported in these financial statements would not be significantly different from those that would have been obtained if the Company were autonomous.

H. Amount Deducted for Investment in Upstream Company - None

I. The Company does not hold an investment in a subsidiary, controlled or affiliated company (SCA) that exceeds 10% of admitted assets.

J. The Company did not recognize any impairment write downs for its investment in SCAs during the statement period.

K. The Company does not hold an investment in a foreign insurance subsidiary.

L. The Company does not hold an investment in a downstream noninsurance holding company.

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

M. All SCA Investments

(1) Balance sheet value (admitted and nonadmitted) all SCAs (except 8b(i) entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8b(ii) Entities	XXX	\$	\$	\$
c. SSAP No. 97 8b(iii) Entities				
Centralife Annuities Services, Inc.	100.000 %	\$	\$	\$
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b+c+d)				
	XXX	\$	\$	\$
f. Aggregate Total (a+e)				
	XXX	\$	\$	\$

(2) NAIC filing response information

SCA Entity	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received (Yes/No)	NAIC Disallowed Entities Valuation Method, Resubmission Required (Yes/No)	Code**
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities			\$			
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities			\$			
c. SSAP No. 97 8b(iii) Entities						
Centralife Annuities Services, Inc.	S2	10/22/2021	\$	YES	NO	I
Total SSAP No. 97 8b(iii) Entities			\$			
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities			\$			
e. Total SSAP No. 97 8b Entities (except 8b(i) entities) (b+c+d)						
			\$			
f. Aggregate Total (a+e)						
			\$			

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

N. Investment in Insurance SCAs

The Company owns all of the outstanding capital stock of Athene Re IV, a special purpose financial captive life insurance company domiciled in the State of Vermont.

(1) Athene Re IV, with the explicit permission of the Commissioner of the Vermont Department of Financial Regulation of the State of Vermont, has included as admitted assets the value of a letter of credit serving as collateral for reinsurance credit taken by the Company in connection with reinsurance agreements entered into between Athene Re IV and the Company. Under NAIC SAP, the letter of credit would not otherwise be treated as an admitted asset.

(2) The monetary effect on net income and surplus

The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC SAP, the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual is as follows:

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA had Completed Statutory Financial Statements*
Athene Re IV	\$	\$ 111,940,868	\$ 43,499,407	\$

* Per AP&P Manual (without permitted or prescribed practices)

As of the issue date of this report, the 2022 statutory audit of Athene Re IV has not been completed.

(3) If Athene Re IV had not been permitted to include the letter of credit in surplus, its risk-based capital would have been below Mandatory Control Level.

O. SCA and SSAP No. 48 Entity Loss Tracking - None

Notes to the Financial Statements

11. Debt

A. Effective May 1, 2021, the Company entered into an unsecured revolving promissory note (the Promissory Note), with Athene USA (AUSA) and certain of AUSA's other subsidiaries, pursuant to which the Company and other borrower parties thereto may borrow up to \$200 million from AUSA. The Promissory Note has a 5 year term and was approved by the Iowa Insurance Division. Interest shall accrue on the principal balance from time to time outstanding at a rate per annum equal to 2.085%. The Company shall pay such interest in arrears quarterly on the last day of each March, June, September and December, on any day any portion of the principal balance is repaid or prepaid. During November 2022, \$200 million was drawn under the Promissory Note by the Company and repaid during December 2022. No amounts were drawn during the year ended December 31, 2021. Interest expense of \$0.3 million and \$0 was incurred by the Company during the years ended December 31, 2022 and 2021, respectively.

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the FHLB of Des Moines. Through its membership, the Company is eligible to borrow under variable rate short-term federal fund arrangements to provide additional liquidity. These borrowings are accounted for as borrowed money under SSAP No. 15, *Debt and Holding Company Obligations*. During November 2022, the Company borrowed \$800.0 million with an interest rate of 4.0% under the FHLB short-term arrangement. The borrowing was repaid during December 2022. The Company did not have any outstanding borrowings as of December 31, 2022 or December 31, 2021. The Company incurred interest expense on short-term borrowings of \$2.6 million and \$0.2 million in the general and separate account for the years ended December 31, 2022 and December 31, 2021, respectively.

The Company has issued separate account funding agreements to the FHLB of Des Moines in exchange for cash resulting in a liability of \$3,328.3 million as of December 31, 2022. The Company uses these funds in an investment spread strategy, consistent with its other investment spread operations. As such, the Company applies SSAP No. 52, *Deposit-Type Contracts*, accounting treatment to these funds, consistent with its other deposit-type contracts. It is not part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLB of Des Moines for use in general operations would be accounted for consistent with SSAP No. 15 as borrowed money.

The Company must provide appropriate collateral to borrow under the arrangements described above. The borrowing capacity available to the Company under these agreements is largely a factor of the Company's ability to post eligible collateral, as well as internal limits such as single-holder exposure limits (10% of the entity's balance sheet liabilities) and NAIC capital requirements.

The tables below indicate the amount of FHLB of Des Moines stock purchased, collateral pledged, assets and liabilities related to the agreements with FHLB of Des Moines.

(2) FHLB capital stock

(a) Aggregate totals

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts
1. Current Year			
(a) Membership stock - Class A	\$	\$	\$
(b) Membership stock - Class B	10,000,000	10,000,000	
(c) Activity stock	136,248,000	136,248,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	\$ 146,248,000	\$ 146,248,000	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 5,400,000,000		
2. Prior Year-End			
(a) Membership stock - Class A	\$	\$	\$
(b) Membership stock - Class B	10,000,000	10,000,000	
(c) Activity stock	95,248,000	95,248,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	\$ 105,248,000	\$ 105,248,000	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 3,200,000,000		

(b) Membership stock (class A and B) eligible and not eligible for redemption

Membership Stock	(1) Current Year Total (2+3+4+5+6)	(2) Not Eligible for Redemption	Eligible for Redemption			
			(3) Less Than 6 Months	(4) 6 Months to Less Than 1 Year	(5) 1 to Less Than 3 Years	(6) 3 to 5 Years
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 10,000,000	\$ 10,000,000	\$	\$	\$	\$

(3) Collateral pledged to FHLB

(a) Amount pledged as of reporting date

	(1) Fair Value	(2) Carrying Value	(3) Aggregate Total Borrowing
1. Current year total general and separate accounts total collateral pledged (Lines 2+3)	\$ 7,400,549,420	\$ 8,457,466,710	\$ 3,406,200,000
2. Current year general account total collateral pledged	7,400,549,420	8,457,466,710	
3. Current year separate accounts total collateral pledged			3,406,200,000
4. Prior year-end total general and separate accounts total collateral pledged	3,625,145,066	3,537,075,300	2,381,200,000

Notes to the Financial Statements

11. Debt (Continued)

(b) Maximum amount pledged during reporting period

	(1) Fair Value	(2) Carrying Value	(3) Amount Borrowed at Time of Maximum Collateral
1. Current year total general and separate accounts maximum collateral pledged (Lines 2+3)	\$ 7,400,549,420	\$ 8,457,466,710	\$ 3,406,200,000
2. Current year general account maximum collateral pledged	7,400,549,420	8,457,466,710	
3. Current year separate accounts maximum collateral pledged			3,406,200,000
4. Prior year-end total general and separate accounts maximum collateral pledged	3,625,145,066	3,537,075,300	2,381,200,000

(4) Borrowing from FHLB

(a) Amount as of the reporting date

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts	(4) Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	3,406,200,000		3,406,200,000	\$ 3,328,300,945
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 3,406,200,000</u>	<u>\$</u>	<u>\$ 3,406,200,000</u>	<u>\$ 3,328,300,945</u>
2. Prior Year-end				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	2,381,200,000		2,381,200,000	\$ 2,298,946,950
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 2,381,200,000</u>	<u>\$</u>	<u>\$ 2,381,200,000</u>	<u>\$ 2,298,946,950</u>

(b) Maximum amount during reporting period (current year)

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts
1. Debt	\$ 800,000,000	\$	\$ 800,000,000
2. Funding agreements	3,406,200,000		3,406,200,000
3. Other			
4. Aggregate total (Lines 1+2+3)	<u>\$ 4,206,200,000</u>	<u>\$</u>	<u>\$ 4,206,200,000</u>

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

(c) FHLB - Prepayment obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	NO
2. Funding agreements	NO
3. Other	NO

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan - None
- B. Investment Policies and Strategies of Plan Assets - None
- C. Fair Value of Each Class of Plan Assets - None
- D. Expected Long-Term Rate of Return for the Plan Assets - None
- E. Defined Contribution Plans - None
- F. Multiemployer Plans - None
- G. Consolidated/Holding Company Plans

The Company is allocated a portion of the costs related to a qualified contribution savings and retirement plan sponsored by AUSA. The plan is a qualified 401(k) plan covering officers and employees. The plan provides only non-discretionary company matching contributions. Expenses allocated to the Company for AUSA's contributions amounted to \$7.3 million and \$6.9 million for 2022 and 2021, respectively.

- H. Postemployment Benefits and Compensated Absences - None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

Notes to the Financial Statements

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- A. At December 31, 2022 the Company has authorized and issued 10.0 million shares of \$1 par common stock which are outstanding and owned by AADE.
- B. Dividend Rate of Preferred Stock - None
- C. The payment of dividends by the Company to its parent is regulated under Iowa law. Under Iowa law, the Company may pay dividends only from the earned surplus arising from its business and must receive the prior approval (or non-disapproval) of the Iowa Insurance Commissioner to pay any dividend that would exceed certain statutory limitations.

In connection with the acquisition of Aviva USA during 2013, AHL entered into a Net Worth Maintenance Agreement to provide capital support to the Company such that AHL is obligated to maintain the Company's capital and surplus in an amount sufficient to maintain the Company's total adjusted capital to be at least 200% of company action level risk based capital. The agreement also provides that the Company will not pay any dividends if such dividends would cause the company action level risk based capital ratio to fall below 200%.

Effective January 30, 2020, the Company's parent, AADE, entered into a Capital Maintenance Agreement to provide capital support to the Company, in an amount sufficient to satisfy the insurance laws of the State of New Jersey, in order to obtain authority for the Company to issue registered index-linked annuities in New Jersey. The agreement will remain in effect for ten years.

- D. Ordinary Dividends - None
- E. Within the limitations presented in item C above, based on December 31, 2022 results, the maximum dividend that may be paid without prior approval in 2023 is \$0.
- F. The unassigned surplus is held for the benefit of the Company's shareholder.
- G. Surplus Advances - None
- H. Stock Held for Special Purposes - None
- I. Changes in Special Surplus Funds - None
- J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and (losses), net of capital gains tax is \$(118.7) million at December 31, 2022.

- K. Company-Issued Surplus Debentures or Similar Obligations - None
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
- M. During the quarter ended March 31, 2017, the Company recorded a surplus reset under SSAP No. 72, *Surplus and Quasi-Reorganizations*, in the amount of \$1,502.3 million, resulting in a reclassification between unassigned surplus and gross paid-in and contributed surplus. In accordance with SSAP No. 72, the Company is required to disclose this surplus reset for ten years following its effective date.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company

As of December 31, 2022, the Company has unfunded commitments to invest in SCA entities, joint ventures, partnerships or limited liability companies of \$4,478.6 million.

As of December 31, 2022, the Company has unfunded commitments to invest in certain bonds and mortgage loans in the general and separate accounts of \$5,364.2 million.

See Note 6 for additional details on the Company's reporting of unfunded commitments.

Effective July 31, 2019, the Company entered into a Capital Maintenance Agreement to provide capital support to its wholly-owned subsidiary, AANY, such that the Company has agreed to maintain AANY's total adjusted capital in an amount at least equal to 300% of AANY's company action level risk based capital. The agreement will remain in effect until both parties agree in writing to its termination and receive prior written approval from the regulating body. Given the current capital level of AANY, the likelihood of payment by the Company under the terms of this agreement is remote. See the table below for additional detail.

Effective July 31, 2019, the Company entered into an agreement to guarantee payment of all amounts due from its subsidiary, AANY, to the contract and certificate holders under the terms of a group annuity contract issued by AANY during August 2019. As part of the issuance, AANY received sufficient assets to fund future obligations of the contract and the chance of any payments by the Company under this guarantee is remote. Further, it is expected that the previously mentioned Capital Maintenance Agreement between the Company and AANY would preclude any payments that would be required under this guarantee. This agreement will remain in effect until all obligations related to the group annuity contract have been satisfied. See the table below for additional detail.

- (2) Nature and circumstances of guarantee

(1) Nature and Circumstances of Guarantee and Key Attributes	(2) Liability Recognition of Guarantee	(3) Ultimate Financial Statement Impact if Action Under the Guarantee is Required	(4) Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor Could be Required to Make Under the Guarantee	(5) Current Status of Payment or Performance Risk of Guarantees
Guarantee of total adjusted capital ratio of AANY (a) (b)	\$	Common Stocks (Page 2, Line 2.2)	\$	No payments required since inception
Guarantee related to group annuity contract issued by AANY (a) (b)		Common Stocks (Page 2, Line 2.2)		No payments required since inception
Total	\$		\$	

- (a) Liability recognition is not required as guarantee is made to or on behalf of wholly-owned insurance subsidiary
- (b) No limitation on the maximum potential future payments under the guarantee

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

(3) Aggregate compilation of guarantee obligations

No liability has been recognized by the Company as the guarantees are for a wholly owned insurance subsidiary. There is no limit on the maximum potential future payments under these guarantees.

B. Assessments

(1) Based on the 2022 National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) Report, the Company has identified insolvencies. The Company fulfilled premium-based guaranty funds assessments of less than \$0.1 million during the current period. It is expected that the identified insolvencies will result in retrospective premium-based guaranty fund assessments against the Company. During 2022, future estimated costs to be assessed against the Company from identified insolvencies from the NOLHGA Report decreased by \$0.2 million, which has been credited to operations in the current period and the liability decreased.

(2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges, prior year-end.....	\$..... 658,553
b. Decreases current year:	
Paid premium tax offset applied.....	\$..... 33,847
Change in accrued premium tax offset.....	128,827
c. Increases current year:	
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges, current year-end.....	\$ 495,879

(3) Guaranty fund liabilities and assets related to long-term care insolvencies - None

C. Gain Contingencies - None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None

E. Joint and Several Liabilities - None

F. All Other Contingencies

Corporate-owned Life Insurance (COLI) Matter - In 2000 and 2001, two insurance companies which were subsequently merged into the Company, purchased broad based variable COLI policies from American General Life Insurance Company (American General). In January 2012, the COLI policy administrator delivered to the Company a supplement to the existing COLI policies and advised that American General and ZC Resource Investment Trust (ZC Trust) had unilaterally implemented changes set forth in the supplement that, if effective, would: (1) potentially negatively impact the crediting rate for the policies and (2) change the exit and surrender protocols set forth in the policies. In March 2013, the Company filed suit against American General, ZC Trust, and ZC Resource LLC in Chancery Court in Delaware, seeking, among other relief, a declaration that the changes set forth in the supplement were ineffectual and in breach of the parties' agreement. The parties filed cross motions for judgment as a matter of law, and the court granted defendants' motion and dismissed without prejudice on ripeness grounds. The issue that negatively impacts the crediting rate for one of the COLI policies has subsequently been triggered and, on April 3, 2018, we filed suit against the same defendants in Chancery Court in Delaware seeking substantially similar relief. Defendants moved to dismiss and the court heard oral arguments on February 13, 2019. The court issued an opinion on July 31, 2019 that did not address the merits, but found that the Chancery Court did not have jurisdiction over our claims and directed us to either amend our complaint or transfer the matter to Delaware Superior Court. The matter was transferred to the Delaware Superior Court. Defendants renewed their motion to dismiss and the Superior Court heard oral arguments on December 18, 2019. The Superior Court issued an opinion on May 18, 2020 in which it granted in part and denied in part defendants' motion. The Superior Court denied defendants' motion with respect to the issue that negatively impacts the crediting rate for one of the COLI policies, which issue proceeded to discovery. The Superior Court granted defendants' motion and dismissed without prejudice on ripeness grounds claims related to the exit and surrender protocols set forth in the policies, and dismissed defendant ZC Resource LLC. If the supplement were to have been deemed effective, the purported changes to the policies could have impaired the Company's ability to access the value of guarantees associated with the policies. The parties engaged in discovery as well as discussions concerning whether the matter could be resolved without further litigation; and, at the request of the parties, on August 11, 2021, the court entered an Amended Scheduling Order setting the trial date for June 2023. On December 27, 2021, the parties agreed in principle to a settlement, pursuant to which we will be able to surrender the policies at any time and receive proceeds within six months. During the year ended December 31, 2021, the Company recorded an impairment of the COLI asset of \$52.6 million, and an adjustment to deferred tax liabilities of \$46.9 million, to reflect the terms of the settlement. The Superior Court formally dismissed the matter on December 28, 2022. The Company surrendered the policies effective December 30, 2022.

Fiduciary or Best Interest Standards - The U.S. Securities and Exchange Commission (SEC), Department of Labor (DOL), NAIC, and several states have taken action or are exploring options around a fiduciary standard or best interest standard that may impact the Company and its subsidiaries. If these rules do not align, the distribution of products by the Company and its subsidiaries could be further complicated.

In 2019, the SEC adopted a rulemaking package designed to enhance the quality and transparency of retail investors' relationships with investment advisers and broker-dealers. The rulemaking package included: Regulation Best Interest - the Broker-Dealer Standard of Conduct; the new Form CRS Relationship Summary; and two separate interpretations under the Investment Advisers Act of 1940. The heightened requirements for broker-dealers and investment advisers apply to recommendations and sales of variable and other registered insurance and annuity products. The Company believes the Regulation and the interpretations of the Regulation may impact the distribution of its subsidiaries' products through third party broker-dealers that distribute the products to retail customers, the impact of which is still being determined.

The NAIC adopted the Suitability in Annuity Transactions Model Regulation (SAT), which places responsibilities upon issuing insurance companies with respect to the suitability of annuity sales, including responsibilities for training agents. On February 13, 2020, the SAT was amended to incorporate a "best interest" or similar standard with respect to the suitability of annuity sales. The amendments include a requirement for producers to act in the "best interest" of a consumer when making a recommendation of an annuity. A producer is considered to have acted in the best interest of the customer if they have satisfied certain prescribed obligations regarding care, disclosure, conflict of interest and documentation. State adoption of these revisions, and any future changes in such laws and regulations, may impact the way our US insurance subsidiaries market and sell their annuity products. Several states, including Iowa, have adopted or are in the process of adopting a version of the amended SAT that includes a best interest standard. On July 22, 2018, separate and apart from the NAIC, the NYDFS issued amendments to its SAT regulation to incorporate a "best interest" standard with respect to the suitability of life insurance and annuity sales. The amendments made by NYDFS are currently the subject of litigation. Other states, including California, could also adopt a "best interest" or other standard separate from the NAIC's SAT. Future changes in such laws and regulations, including those that impose a "best interest" standard, may impact the way the Company and its subsidiaries market and sell annuity products.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

In April 2016, the DOL issued regulations expanding the definition of "investment advice" and broadening the circumstances under which distributors and manufacturers of insurance and annuity products could be considered "fiduciaries" and subject to certain standards in providing advice. These regulations were vacated effective June 2018. Thereafter, the DOL issued proposed regulatory action to address the vacated definition and to reinstate the pre-2016 regulatory definition of fiduciary advice on December 15, 2020. In the preamble to Prohibited Transaction Exemption (PTE) 2020-02, however, the DOL announced a new interpretation of parts of the regulation that broadens the circumstances under which producers, including insurance producers, could be considered fiduciaries under ERISA in connection with recommendations to "roll over" assets from a qualified retirement plan to an IRA or from an IRA to another IRA. For this purpose, "IRA" includes individual retirement annuities. This guidance reverses an earlier DOL interpretation suggesting that rollover advice by someone who was not already a fiduciary to a plan did not constitute investment advice giving rise to a fiduciary relationship. In connection with the broadened application of the fiduciary definition, the DOL's PTE 2020-02 allows fiduciaries to receive compensation in connection with providing investment advice, including advice about rollovers, that would otherwise be prohibited as a result of their fiduciary relationship to the ERISA Plan, a participant in the ERISA Plan, or an IRA owner. The DOL has indicated they intend to issue further guidance or regulations with regards to these types of annuity sales. The Company and its subsidiaries continue to monitor the situation and will be reviewing whatever is issued to determine how it might apply to and impact our business.

In addition to the cases previously discussed, the Company is routinely involved in litigation and other proceedings, reinsurance claims and regulatory proceedings arising in the ordinary course of its business. At present, no contingencies related to pending litigation and regulatory matters are considered material in relation to the financial position of the Company.

15. Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk

The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk:

	Assets		Liabilities	
	2022	2021	2022	2021
a. Swaps.....	\$ 2,978,355,994	\$ 2,369,955,241	\$ 14,542,438,704	\$ 4,752,759,671
b. Futures.....	12,972	22,626		
c. Options.....	48,871,180,781	39,830,675,577	1,525,901,321	990,171,596
d. Total (a+b+c).....	<u>\$ 51,849,549,747</u>	<u>\$ 42,200,653,444</u>	<u>\$ 16,068,340,025</u>	<u>\$ 5,742,931,267</u>

- The Company's futures, swaps, options and forwards have off-balance sheet risk. See Note 8 for information regarding the Company's derivative instruments.
- The Company is exposed to credit-related losses in the event of nonperformance by counterparties on derivative instruments. The Company does not anticipate non-performance by any of these counterparties. Purchasing instruments from financial institutions with high credit ratings minimizes the credit risk associated with such instruments. The amount of exposure is represented by the fair value (market value) at the reporting date less any posted collateral. Collateral support documents are negotiated to further reduce this exposure where deemed necessary. Exchange-traded derivatives are affected through a regulated exchange and positions are marked to market daily.
- The counterparty may be required to post collateral for any derivative contracts that are entered. The amount of collateral that is required is determined by the market value and credit threshold of the counterparty.

The current credit exposure of the Company's derivative contracts is limited to the fair value at the reporting date less collateral held. Credit risk is managed by entering into transactions with creditworthy counterparties and obtaining collateral where appropriate and customary. The Company also attempts to minimize its exposure to credit risk through the use of various credit monitoring techniques. 100% of the net credit exposure for the Company from derivative contracts is with investment-grade counterparties.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - None

Notes to the Financial Statements

20. Fair Value Measurements

A. Fair Value Measurement

(1) Fair value measurements at reporting date

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds: Corporates	\$	\$ 17,521,186	\$ 1,793,400	\$	\$ 19,314,586
Bonds: CMBS		11,649,480			11,649,480
Bonds: RMBS		397,900			397,900
Bonds: ABS			3,164,499		3,164,499
Preferred stocks	13,076,720	360,902,192			373,978,912
Common stocks		146,248,000	59,236,279		205,484,279
Derivative assets: Currency Swaps		138,018,923			138,018,923
Derivative assets: Interest Rate	1,264,045				1,264,045
Derivative assets: Options		323,925,509			323,925,509
Derivative assets: Futures	28,576,762				28,576,762
Derivative assets: FX Forwards		457,190,983			457,190,983
Separate account assets: group annuity		318,075,354	5,500,861		323,576,215
Separate account assets: index-linked products		38,107,203			38,107,203
Separate account assets: variable products		22,583,895			22,583,895
Total assets at fair value/NAV	\$ 42,917,527	\$ 1,834,620,625	\$ 69,695,039	\$	\$ 1,947,233,191
b. Liabilities at fair value					
Derivative liabilities: Currency Swaps	\$	\$ 17,036,034	\$	\$	\$ 17,036,034
Derivative liabilities: Interest Rate	887,384	33,194			920,578
Derivative liabilities: Options		105,689,993			105,689,993
Derivative liabilities: Total Return Swaps		2,689,313			2,689,313
Derivative liabilities: FX Forwards		178,770,035			178,770,035
Separate account liabilities: group annuity		18,862,654			18,862,654
Separate account liabilities: index-linked products		1,157,148			1,157,148
Separate account liabilities: variable products		22,583,446			22,583,446
Total liabilities at fair value	\$ 887,384	\$ 346,821,817	\$	\$	\$ 347,709,201

(2) Fair value measurements in Level 3 of the fair value hierarchy

Description	Beginning balance as of 01/01/2022	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2022
a. Assets										
Bonds: Corporates	\$ -	\$ 26,633,678	\$ (16,527,778)	\$ 158,524	\$ (7,936,302)	\$	\$	\$	\$ (534,722)	\$ 1,793,400
Bonds: CMBS	13,050,000		(8,214,983)	148,678	(4,983,695)					-
Bonds: ABS	-	8,431,333		(4,645,937)	(620,897)					3,164,499
Common Stocks	56,066,725			5,386,618	(3,612,495)	4,133,571		(59,389,751)	(2,584,668)	-
Preferred Stock	26,944,661	6,805,556		365	25,488,359	393		(3,055)		59,236,279
Separate account assets: group annuity	-	14,401,914		2,869,688	(522,741)	12,276,206		(22,740,907)	(783,299)	5,500,861
Total assets	\$ 96,061,386	\$ 56,272,481	\$ (24,742,761)	\$ 3,917,936	\$ 7,812,229	\$ 16,410,170	\$	\$ (82,133,713)	\$ (3,902,689)	\$ 69,695,039
b. Liabilities										
Total liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Transfers into and out of Level 3 represent securities carried at lower of cost or fair value resulting in periodic transfers into and out of Level 3 Financial instruments which are characterized as carried at fair value. Transfers into and out of Level 3 may occur due to changes in valuation sources, or changes in the availability of market observable inputs.

(3) Transfers between fair value hierarchy levels are recognized at the end of the period in which the transfer occurs.

(4) The following discussion describes the valuation methodologies and inputs used for assets and liabilities measured and disclosed at fair value. The techniques utilized in estimating the fair values of financial instruments are reliant on the assumptions used.

Fair value estimates are based on quoted market prices when available. When quoted market prices are not available, the Company utilizes commercially available pricing vendors that utilize observable market inputs, like recent trading activity, to derive fair value. When vendor prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates the fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect risk inherent in a particular methodology, model or input employed.

The Company's financial assets and liabilities carried at estimated fair value have been classified, for disclosure purposes, based on a hierarchy defined by current accounting guidance. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

- 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:

1. Quoted prices for similar assets or liabilities in active markets,
2. Observable inputs other than quoted market prices, and
3. 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.

Assets and liabilities are valued as discussed below in part C.

(5) See parts (1) through (4) above.

B. Other Fair Value Disclosures - None

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets - Bonds	\$ 51,583,661,507	\$ 56,759,865,421	\$ 1,402,191,510	\$ 42,131,663,721	\$ 8,049,806,276	\$	\$
Assets - Preferred stocks	375,046,815	375,053,478	13,076,720	361,970,095			
Assets - Common stock	205,484,279	205,484,279		146,248,000	59,236,279		
Assets - Mortgage loans - first liens	18,394,038,210	20,143,906,517			18,394,038,210		
Assets - Mortgage loans - other than first liens	1,176,264,675	1,274,604,844			1,176,264,675		
Assets - Policy loans	152,680,860	152,680,860		152,680,860			
Assets - Cash and short-term investments	5,709,234,132	5,709,330,349	3,812,443,073	1,860,703,248	36,087,811		
Assets - Derivative assets	1,930,183,159	2,116,281,531	(189,035,542)	2,120,255,996	(1,037,295)		
Assets - Derivative collateral assets	726,764,185	726,764,185	726,764,185				
Assets - Other invested assets	7,524,282,065	7,598,765,276		282,945,666	638,764,809	6,602,571,590	
Assets - Separate account: variable products	22,583,895	22,583,895		22,583,895			
Assets - Separate account: group annuity	33,067,923,945	37,674,330,520	544,531,162	23,818,429,679	7,514,879,599	1,190,083,505	
Assets - Separate account: index-linked products	1,370,116,395	1,524,563,900	85,023,101	943,492,473	305,891,969	35,708,852	
Liabilities - Deposit-type contracts	17,034,810,742	18,498,699,074		16,654,169,268	380,641,474		
Liabilities - Repurchase agreements	3,216,199,100	3,216,199,100		3,216,199,100			
Liabilities - Derivative liabilities	1,248,666,223	769,982,293	68,104,624	1,180,561,599			
Liabilities - Derivative and other collateral	1,516,669,191	1,528,330,498	1,516,669,191				
Liabilities - Separate account: group annuity deposit-type contracts	10,169,233	10,296,799			10,169,233		
Liabilities - Separate account: funding agreements	3,247,659,912	3,328,300,945		3,247,659,912			
Liabilities - Separate account: index-linked products derivatives	347,979	1,440,468		347,979			
Liabilities - Separate account: group annuity derivatives	121,073,725	37,518,187		31,027,525	90,046,200		

Bonds and short-term investments – The Company obtains the fair value for most marketable, public bonds 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, broker-dealer quotes, credit quality, issuer spreads, bids, offers, and other reference data. If the Company cannot value a public bond with a commercial pricing vendor, the Company obtains broker quotes (or utilizes an internally-developed model) and are considered to be Level 3. The Company values privately placed bonds based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer. In some instances, the Company uses 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. Privately placed fixed maturity securities are classified as Level 2 or 3.

Preferred stocks and common stocks unaffiliated – The Company values equity securities, typically private equities or equity securities not traded on an exchange, using several commercial pricing services or an internal model. The securities priced by a commercial pricing service are classified as Level 2 and the securities priced by an internal model are classified as Level 3. In addition, unaffiliated common stocks include FHLB stock, which is carried at fair value, which is presumed to be par because it can only be redeemed by the bank and is classified as Level 2.

Mortgage loans – The Company estimates mortgage loans 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.

Policy loans – The fair value of policy loans classified as Level 2 is equal to the carrying value of the loans, which are collateralized by the cash surrender value of the associated insurance contracts.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

Derivatives (including separate account group annuity and index-linked products) – Derivative contracts can be exchange traded or over-the-counter. 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, measures of volatility, prepayment rates, and correlation of the inputs. The Company considers and incorporates counterparty credit risk in the valuation process through counterparty credit rating requirements and monitoring of overall exposure. The Company also evaluates and includes its own nonperformance risk in valuing derivatives. The majority of the Company's derivatives trade are in liquid markets; therefore, the Company can verify model inputs and model selection does not involve significant management judgment and are classified within Level 2. If the Company cannot verify model inputs and model selection does involve significant management judgment, the derivatives are classified as Level 3.

Other invested assets – Within other invested assets, partnerships are valued based on net asset value information provided by the general partner or related asset manager. These partnership interests usually include multiple underlying investments for which either observable market prices or other valuation methods are used to determine the fair value. These investments are reported in the Net Asset Value (NAV) column. Other than partnerships, other invested assets may include surplus notes and other investments with bond or stock characteristics and the Company attempts to value these using several commercial pricing services, which would be classified as Level 2 assets. If the Company cannot value with a commercial pricing vendor, the Company obtains broker quotes (or utilizes an internally-developed model) and are considered to be Level 3 assets.

Separate account assets (variable products) – Separate account assets classified as Level 2 are valued based on the fair value of the underlying funds. Fair values and changes in the fair values of the underlying funds accrue directly to the policy owners and are not included in the Company's revenues and expenses or surplus.

Separate account assets (group annuity and index-linked products) – Financial instruments within these separate accounts classified as Level 2 and 3 or included in the NAV column are valued using the same fair value assumptions and methods utilized in the general account.

Repurchase agreements - The carrying value of the repurchase agreements liability approximates fair value and is reported as level 2.

Deposit-type contracts (including separate account group annuity and funding agreements) – Deposit-type contracts classified as Level 3 include single premium immediate annuities (SPIA) and supplemental contracts. Fair value of SPIA and supplemental contracts are calculated by discounting best estimate cash flows based on market interest rate assumptions. Fair value of funding agreements are calculated by discounting future cash flows using market rates on the valuation date, and are classified as Level 2.

D. Not Practicable to Estimate Fair Value - None

E. Nature and Risk of Investments Reported at NAV

The Company invests in certain non-fixed income, alternative investments in the form of limited partnerships (investment funds) which are reported at NAV. Adjustments to the carrying amount reflect the Company's pro rata ownership percentage of the operating results as indicated by NAV in the investment fund financial statements. The NAV from the investment fund financial statements can be on a lag of up to three months when investee information is not received in a timely manner. These investments are listed in the NAV column of the fair value tables above as this is the primary method for reporting fair value for these investments.

As of December 31, 2022, the Company's general and separate accounts have \$4,479 million unfunded commitments to invest in these investment funds. See Note 6 for additional details on the Company's reporting of unfunded commitments.

21. Other Items

A. Unusual or Infrequent Items - None

B. Troubled Debt Restructuring - None

C. Other Disclosures

During February 2022, the Company novated 1,266 policies with statutory policy reserves of \$63.8 million to Accordia Life and Annuity Company (Accordia). These policies were previously 100% ceded to Accordia through a coinsurance agreement entered into in 2013, and therefore the novation had no impact on the Company's balance sheet, income or capital and surplus position.

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-Transferable Tax Credits

(1) Carrying value of transferable and non-transferable state tax credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Guaranty Fund Assessment Credits.....	Various.....	\$ 495,879	\$ 495,879
Total.....		\$ 495,879	\$ 495,879

(2) Method of estimating utilization of remaining transferable and non-transferable state tax credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining state tax credits.

(3) Impairment loss - None

(4) State tax credits admitted and nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable.....	\$	\$
b. Non-transferable.....	\$ 495,879	\$

F. Subprime-Mortgage-Related Risk Exposure

(1) The Company engages in direct lending to the subprime markets. The Company's exposure to subprime risk is primarily limited to whole mortgage loans and investments within the fixed maturity investment portfolio in the form of securities collateralized by mortgages that have characteristics of subprime lending.

Notes to the Financial Statements

21. Other Items (Continued)

The Company generally defines subprime whole mortgage loans as borrowers with impaired credit history and lower FICO scores. In 2022 and 2021, the Company invested in residential whole loans which consisted of borrowers with lower FICO scores. The price paid for the residential loans factored in the consideration of the borrower's ability to repay along with the overall credit profile of the loan. The Company will continue to monitor the performance of the subprime residential mortgage loans along with performance expectations.

The Company's portfolio also contains residential mortgage backed securities that include subprime mortgage exposure. The risk of such defaults is generally higher in the case of subprime mortgages. The acquisition value of these residential mortgage backed securities factored in the consideration of that default risk. Quarterly, we monitor and evaluate the undiscounted expected future cash flows associated with these residential mortgage backed securities based on updates to key assumptions.

(2) Direct exposure through investments in subprime mortgage loans

	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Value of Land and Buildings	Other-Than- Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	\$ 18,150,849	\$ 17,951,305	\$ 36,442,430	\$	%
b. Mortgages in good standing	340,968,044	301,583,844	653,034,111		
c. Mortgages with restructured terms					
d. Total (a+b+c)	<u>\$ 359,118,893</u>	<u>\$ 319,535,149</u>	<u>\$ 689,476,541</u>	<u>\$</u>	<u>XXX</u>

(3) Direct exposure through other investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 196,266,589	\$ 208,955,846	\$ 210,953,259	\$ 462,772
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total (a+b+c+d+e+f)	<u>\$ 196,266,589</u>	<u>\$ 208,955,846</u>	<u>\$ 210,953,259</u>	<u>\$ 462,772</u>

* These investments comprise 0% of the company's invested assets.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - None

G. Retained Assets - None

H. Insurance-Linked Securities (ILS) Contracts - None

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

The Company was the owner and beneficiary of life insurance policies which were included in aggregate write-ins for other than invested assets at their cash surrender values pursuant to SSAP No. 21, *Other Admitted Assets*. The company surrendered the policies in December 2022.

22. Events Subsequent

Subsequent events have been considered through February 27, 2023 for the statutory statement dated December 31, 2022.

23. Reinsurance

Gains on cession of inforce blocks of business are to be accounted for in accordance with Appendix A-791 of the NAIC Accounting Practices and Procedures Manual which requires that any increase in surplus (net of federal income tax) resulting from reinsurance agreements entered into or amended which involve the reinsurance of business issued prior to the effective date of the agreements shall be deferred and identified separately as a surplus item by the ceding company. Subsequent recognition of the surplus increase as income shall be reflected on a net of tax basis as earnings emerge from the business reinsured. Based on the emergence of earnings of previous reinsurance of inforce blocks of business in 2022 and 2021, \$7.3 million and \$12.6 million, respectively, was amortized into income.

The Company entered into a modified coinsurance agreement effective January 1, 2022 with AARE, pursuant to which it cedes a quota share, specified by the Company, of certain of the Company's retail annuity business issued on or after January 1, 2022. This treaty is applied prior to any further cession of this business under other treaties. Modified coinsurance reserves were \$2,858.7 million as of December 31, 2022.

Effective July 1, 2022, the Company entered into a quota share coinsurance agreement with Protective Life Insurance Company (Protective) to assume a quota share of fixed indexed annuities and multi-year guaranteed annuities issued by Protective on or after the effective date of the treaty. The Company also entered into a retrocession modified coinsurance agreement with AARE effective July 1, 2022 to cede 80% of this block of business to AARE. Assumed reserves were \$194.3 million at December 31, 2022 of which \$155.5 million represented modified coinsurance reserves ceded to AARE at December 31, 2022.

Effective January 1, 2022, the Company recaptured a modified coinsurance agreement from Transamerica Life Insurance Company that ceded a block of annuity policies. The modified coinsurance reserves recaptured were \$72.1 million as of January 1, 2022.

The Company entered into a coinsurance agreement on January 1, 2018 with AADE, pursuant to which it ceded to AADE a 50% quota share of all of the Company's retail annuity business issued between January 1, 2018 and December 31, 2021 (excluding the Company's registered indexed linked annuities). This treaty had applied prior to any further cession of this business under other treaties. The Company has recognized a reserve credit of \$12,885.6 million as of December 31, 2022 for this block. Effective January 1, 2022, the Company recaptured the payout annuities ceded to AADE under this reinsurance agreement. Coinsurance reserves for the payout annuities recaptured by the Company were \$135.4 million as of January 1, 2022.

Notes to the Financial Statements

23. Reinsurance (Continued)

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?
Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ –
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (X)

B. Uncollectible Reinsurance - None

C. Commutation of Reinsurance Reflected in Income and Expenses - None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

E. Reinsurance of Variable Annuity Contracts with an Affiliated Captive Reinsurer - None

F. Reinsurance Agreement with an Affiliated Captive Reinsurer - None

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to the XXX/AXXX Captive Framework - None

H. Reinsurance Credit - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate - None

B. Method Used to Record - None

C. Amount and Percent of Net Retrospective Premiums - None

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?

NO

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - None
- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - None
- (4) Roll-forward of risk corridors asset and liability balances by program benefit year - None
- (5) ACA risk corridors receivable as of reporting date - None

25. Change in Incurred Losses and Loss Adjustment Expenses - None

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables - None

Notes to the Financial Statements

29. Participating Policies

As of December 31, 2022 and 2021, 67.4% and 64.5%, respectively, of life insurance policies were participating. All participating life insurance policies are included in reinsurance agreements with Athene Re IV or Accordia. The method of accounting for policyholder dividends is based upon dividends credited annually to policyholders on their policy anniversary date plus the change from the prior period on one year's projected dividend liability on policies in force at the statement date. Source data is produced from the policy administration system. The amount of dividend expense incurred was less than \$0.1 million for the years ended December 31, 2022 and 2021. There was no additional income allocated to participating policyholders.

30. Premium Deficiency Reserves - None

31. Reserves for Life Contracts and Annuity Contracts

- The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. The reserve for surrender values promised in excess of the legally computed reserves is shown in Exhibit 5, Miscellaneous Reserves.

The Company offers riders on its fixed annuities which provides for future withdrawal and death benefits. In accordance with the NAIC's Accounting Practices and Procedures Manual, the rider should be reserved for under the revised Actuarial Guideline 33 (AG33). The Company requested and received approval to use an alternative methodology under the Practical Consideration section of AG 33 from the Insurance Division, Department of Commerce of the State of Iowa for policies issued prior to January 1, 2014. The reserve held at December 31, 2022 was based on Actuarial Guideline 43 (AG43) for policies issued prior to January 1, 2014, the approved alternative method for these contracts. For policies issued January 1, 2014 and after, the reserve was based on AG33.

- Mean reserves for substandard policies are determined by computing the regular mean reserve for the policy and holding in addition one half of the extra premium charge for the year.
- As of December 31, 2022, the Company had \$1,465.7 million of insurance in force for which the gross premiums were less than the net premiums according to the standard of valuation set by the State of Iowa. Reserves to cover the above shortfall in premium totaled \$102.9 million at December 31, 2022, are calculated annually, and were included in reserves on Page 3, Line 1 (Exhibit 5, Miscellaneous Reserves).
- The tabular interest at December 31, 2022, (Page 7, Line 4), tabular less actual reserve released (Page 7, Line 5) and tabular cost (Page 7, Line 9) have been determined by formula as described in the NAIC instructions for Page 7.
- The tabular interest on funds not involving life contingencies is calculated as the product of the mean fund balance and the average valuation interest rate.
- Details for Other Changes

The significant changes in reserves shown on the Other Increases (net) line on Page 7, Line 7, and the significant changes in the Other net change in reserves line on Exhibit 7, Line 4 as of December 31, 2022 are as follows:

Item	Total	Ordinary			Credit Life Group and Individual	Group	
		Industrial Life	Life Insurance	Individual Annuities		Supplementary Contracts	Life Insurance	Annuities
Exhibit 7 - Funding agreement Day 1 Discounted Cash Flow Gain	\$ (78,832,380)	\$	\$	\$ (78,832,380)	\$	\$	\$
Exhibit 7 - Funding agreement foreign currency translation adjustment	(330,253,049)			(330,253,049)			
Total	\$ (409,085,429)	\$	\$	\$ (409,085,429)	\$	\$	\$

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics

A. Individual Annuities

	General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1) Subject to discretionary withdrawal					
a. With market value adjustment	\$ 50,774,882,472	\$	\$	\$ 50,774,882,472	64.716 %
b. At book value less current surrender charge of 5% or more	3,243,973,581		1,514,225,974	4,758,199,555	6.065 %
c. At fair value			22,583,446	22,583,446	0.029 %
d. Total with market value adjustment or at fair value (total of a through c)	54,018,856,053		1,536,809,420	55,555,665,472	70.810 %
e. At book value without adjustment (minimal or no charge or adjustment)	20,534,557,475			20,534,557,475	26.173 %
(2) Not subject to discretionary withdrawal	2,367,278,916			2,367,278,916	3.017 %
(3) Total (gross: direct + assumed)	\$ 76,920,692,444	\$	\$ 1,536,809,420	\$ 78,457,501,864	100.000 %
(4) Reinsurance ceded	14,737,113,382			14,737,113,382	
(5) Total (net) (3 - 4)	\$ 62,183,579,062	\$	\$ 1,536,809,420	\$ 63,720,388,482	
(6) Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	\$ 806,546,609	\$	\$	\$ 806,546,609	

Notes to the Financial Statements

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics (Continued)

B. Group Annuities

	General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1) Subject to discretionary withdrawal					
a. With market value adjustment	\$ 116,646,115	\$ 2,155,789,081	\$	\$ 2,272,435,196	5.958 %
b. At book value less current surrender charge of 5% or more	33,513,964			33,513,964	0.088 %
c. At fair value					
d. Total with market value adjustment or at fair value (total of a through c)	150,160,079	2,155,789,081		2,305,949,160	6.046 %
e. At book value without adjustment (minimal or no charge or adjustment)	985,068,059	93,818,599		1,078,886,658	2.829 %
(2) Not subject to discretionary withdrawal		34,756,714,939		34,756,714,939	91.126 %
(3) Total (gross: direct + assumed)	\$ 1,135,228,138	\$ 37,006,322,619	\$	\$ 38,141,550,757	100.000 %
(4) Reinsurance ceded					
(5) Total (net) (3 - 4)	\$ 1,135,228,138	\$ 37,006,322,619	\$	\$ 38,141,550,757	
(6) Amount included in B(1)b above that will move to B(1)e for the first time within the year after the statement date:	\$	\$	\$	\$	

C. Deposit-Type Contracts (no life contingencies)

	General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1) Subject to discretionary withdrawal					
a. With market value adjustment	\$	\$	\$	\$	%
b. At book value less current surrender charge of 5% or more					
c. At fair value					
d. Total with market value adjustment or at fair value (total of a through c)					
e. At book value without adjustment (minimal or no charge or adjustment)					
(2) Not subject to discretionary withdrawal	18,659,909,681	3,338,597,744		21,998,507,424	100.000 %
(3) Total (gross: direct + assumed)	\$ 18,659,909,681	\$ 3,338,597,744	\$	\$ 21,998,507,424	100.000 %
(4) Reinsurance ceded	161,210,606			161,210,606	
(5) Total (net) (3 - 4)	\$ 18,498,699,074	\$ 3,338,597,744	\$	\$ 21,837,296,818	
(6) Amount included in C(1)b above that will move to C(1)e for the first time within the year after the statement date:	\$	\$	\$	\$	

D. Reconciliation of Total Annuity Actuarial Reserves and Deposit Fund Liabilities Amounts

	Amount
Life & Accident & Health Annual Statement	
(1) Exhibit 5, Annuities Section, Total (net)	\$ 63,055,727,174
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	263,080,025
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	18,498,699,074
(4) Subtotal (1+2+3)	\$ 81,817,506,273
Separate Accounts Annual Statement	
(5) Exhibit 3, Line 0299999, Column 2	38,543,132,040
(6) Exhibit 3, Line 0399999, Column 2	
(7) Policyholder dividend and coupon accumulations	
(8) Policyholder premiums	
(9) Guaranteed interest contracts	3,328,300,945
(10) Other contract deposit funds	10,296,799
(11) Subtotal (5+6+7+8+9+10)	\$ 41,881,729,784
(12) Combined Total (4+11)	\$ 123,699,236,057

Notes to the Financial Statements

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics

A. General Account

	Account Value	Cash Value	Reserve
(1) Subject to discretionary withdrawal, surrender values or policy loans:			
a. Term Policies with Cash Value	\$	\$ 1,624,936,790	\$ 1,694,602,378
b. Universal Life	317,544,112	314,942,611	310,899,983
c. Universal Life with Secondary Guarantees	6,885,417	6,329,208	37,358,812
d. Indexed Universal Life	205,366,446	201,962,412	172,030,106
e. Indexed Universal Life with Secondary Guarantees	253,779,334	244,335,847	593,677,490
f. Indexed Life			
g. Other Permanent Cash Value Life Insurance	20,095,332	20,095,332	20,280,660
h. Variable Life			
i. Variable Universal Life			
j. Miscellaneous Reserves			
(2) Not subject to discretionary withdrawal or no cash values			
a. Term Policies without Cash Value	XXX	XXX	30,429,285
b. Accidental Death Benefits	XXX	XXX	144,938
c. Disability – Active Lives	XXX	XXX	5,210,911
d. Disability – Disabled Lives	XXX	XXX	9,692,915
e. Miscellaneous Reserves	XXX	XXX	147,780,866
(3) Total (gross: direct + assumed)	803,670,641	2,412,602,200	3,022,108,344
(4) Reinsurance Ceded	747,278,053	2,358,074,277	2,964,858,105
(5) Total (net) (3) - (4)	<u>\$ 56,392,588</u>	<u>\$ 54,527,923</u>	<u>\$ 57,250,238</u>

B. Separate Account with Guarantees - None

C. Separate Account Nonguaranteed - None

D. Reconciliation of Total Life Insurance Reserves

	Amount
Life & Accident & Health Annual Statement:	
1. Exhibit 5, Life Insurance Section, Total (net)	\$ 55,546,534
2. Exhibit 5, Accidental Death Benefits Section, Total (net)	1,101
3. Exhibit 5, Disability – Active Lives Section, Total (net)	
4. Exhibit 5, Disability – Disabled Lives Section, Total (net)	15,520
5. Exhibit 5, Miscellaneous Reserves Section, Total (net)	1,687,083
6. Subtotal (1+2+3+4+5)	<u>\$ 57,250,238</u>
Separate Accounts Annual Statement:	
7. Exhibit 3, Line 0199999, Column 2	
8. Exhibit 3, Line 0499999, Column 2	
9. Exhibit 3, Line 0599999, Column 2	
10. Subtotal (7+8+9)	<u>\$</u>
11. Combined Total (6+10)	<u>\$ 57,250,238</u>

34. Premiums and Annuity Considerations Deferred and Uncollected

A. Deferred and Uncollected Life Insurance Premiums and Annuity Considerations

Type	Gross	Net of Loading
(1) Industrial	\$	\$
(2) Ordinary new business		
(3) Ordinary renewal	4,536,565	6,175,613
(4) Credit life		
(5) Group life		
(6) Group annuity		
(7) Totals (1+2+3+4+5+6)	<u>\$ 4,536,565</u>	<u>\$ 6,175,613</u>

35. Separate Accounts

In accordance with a 2019 consent order entered into with the NYDFS, during 2020, the Company began the process of transferring to AANY, its subsidiary, primary responsibility for New York residents entitled to payments under certain existing PGA transactions. On October 22, 2020, the Company entered into an Assignment Agreement with AANY pursuant to which the Company assigned all rights and obligations related to certain individuals entitled to annuity payments from existing PGA business. The Company transferred net invested assets with a carrying value of \$157.1 million to AANY in 2021. In connection with the transfer of its primary obligations to AANY, the Company released \$136.1 million of statutory reserves in 2021 and after considering the affects of reinsurance, the Company's separate accounts recognized an aggregate net loss of \$4.2 million in 2021. In the remote scenario and only to the extent AANY is unable to perform its obligations to New York residents entitled to payments under the existing assigned PGA transactions, the Company will be required to satisfy any of the remaining obligations.

Notes to the Financial Statements

35. Separate Accounts (Continued)

A. Separate Account Activity

(1) The Company maintains four types of separate account arrangements. The first arrangement includes one separate account containing funding agreement policies issued to the FHLB, known as Separate Account – Funding Agreements. The second arrangement includes one separate account, known as ALAC Separate Account I, consisting of individual variable annuities of a non-guaranteed return nature. The third arrangement, known as Group Annuity Separate Accounts, includes separate accounts supporting annuities payable under group fixed annuity contracts issued to various employers, or trusts established by such employers, in respect of those employers' pension plans. The fourth arrangement includes two separate accounts consisting of index-linked deferred annuity contracts, known as Index-Linked Deferred Annuity Separate Accounts.

(2) Separate account assets legally insulated from the general account claims

In accordance with the products/transactions recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account. The assets legally insulated from the general account as of December 31, 2022, are attributed to the following separate account arrangements:

Product/Transaction	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Separate Account - Funding Agreements	\$	\$ 31,589,180
Separate Account I - Variable Annuities	22,583,895	.....
Group Annuity Separate Accounts	38,742,420,502	.....
Index-Linked Deferred Annuity Separate Accounts	2,050,132,655	.....
Total	<u>\$ 40,815,137,052</u>	<u>\$ 31,589,180</u>

(3) Separate account products that have guarantees backed by the general account

The Company's variable annuity product guarantees a minimum death benefit. The Company's general account has not paid towards separate account guarantees for the past five years. The Company's variable annuity separate account has not paid risk charges for the past five years.

The Company's Group Annuity Separate Account and Index-Linked Deferred Annuity Separate Account liabilities are guaranteed by the general account. The Company's general account has not paid towards separate account guarantees for the past five years.

To compensate the general account for the risk taken, the separate account was paid risk charges as follows for the past five years:

a. 2022	\$ 19,408,334
b. 2021	\$ 12,823,094
c. 2020	\$ 7,339,072
d. 2019	\$ 5,572,622
e. 2018	\$ 8,878,343

(4) There are no securities lending transactions in the separate account.

B. General Nature and Characteristics of Separate Accounts Business

Separate Account - Funding Agreements: The funding agreement policies are secured by the assets in the Company's general account which are not subject to claims that arise out of any other business of the Company. The funding agreement policies may not be accelerated by the holder unless there is a default under the agreement, but the Company may retire the funding agreement policies at any time. The assets and liabilities of this separate account are carried at amortized cost.

ALAC Separate Account I: Net investment experience of this separate account is credited directly to the policyholder and can be positive or negative, as determined by the performance and/or fair value of the investments held in the separate account. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. The assets and liabilities of these accounts are carried at fair value. This business has been included in column 4 of the table below.

Group Annuity Separate Accounts: The group fixed annuity contracts obligate the Company's general account to make annuity payments if the separate account is not able to do so. The assets and liabilities of this separate account are carried at amortized cost. During 2021, the Company's general account contributed \$155.4 million to Group Annuity Separate Accounts. During April 2021, the Texas Group Annuity Commingled Separate Account repaid \$100 million of seed money plus \$7.6 million of interest to the Company's general account.

Index-linked Deferred Annuity Separate Accounts: The index-linked annuity separate accounts support registered index-linked deferred annuity contracts issued by the Company. The separate account assets are legally segregated and are not subject to claims which may arise from any other business of the Company. The assets and liabilities are carried at amortized cost. During 2021, the Company's general account contributed \$83.2 million to the Index-Linked Deferred Annuity Separate Accounts. During 2022, the Index-Linked Deferred Annuity Separate Account repaid \$20 million of seed money plus \$1.6 million of interest to the Company's general account.

Information regarding the separate accounts of the Company is as follows. All amounts are for separate accounts as of or for the year ended December 31, 2022.

Notes to the Financial Statements

35. Separate Accounts (Continued)

	Indexed	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for period ending 12/31/2022	\$ 180,550,124	\$ 475,000,000	\$ 3,119,001,819	\$ 17,957	\$ 3,774,569,900
(2) Reserves at 12/31/2022 for accounts with assets at:					
a. Fair value				22,583,446	22,583,446
b. Amortized cost	1,514,225,974	28,270,277,900	12,074,642,464		41,859,146,339
c. Total reserves (a+b)	<u>\$ 1,514,225,974</u>	<u>\$ 28,270,277,900</u>	<u>\$ 12,074,642,464</u>	<u>\$ 22,583,446</u>	<u>\$ 41,881,729,784</u>
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal:					
1. With market value adjustment	\$	\$ 2,155,789,081	\$	\$	\$ 2,155,789,081
2. At book value without market value adjustment and with current surrender charge of 5% or more	1,514,225,974				1,514,225,974
3. At fair value				22,583,446	22,583,446
4. At book value without market value adjustment and with current surrender charge less than 5%		93,818,599			93,818,599
5. Subtotal (1+2+3+4)	<u>\$ 1,514,225,974</u>	<u>\$ 2,249,607,680</u>	<u>\$</u>	<u>\$ 22,583,446</u>	<u>\$ 3,786,417,100</u>
b. Not subject to discretionary withdrawal		26,020,670,220	12,074,642,464		38,095,312,684
c. Total (a+b)	<u>\$ 1,514,225,974</u>	<u>\$ 28,270,277,900</u>	<u>\$ 12,074,642,464</u>	<u>\$ 22,583,446</u>	<u>\$ 41,881,729,784</u>
(4) Reserves for asset default risk in lieu of AVR	\$	\$	\$	\$	\$
C. Reconciliation of Net Transfers To or (From) Separate Accounts					
(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement					
a. Transfers to Separate Accounts (Page 4, Line 1.4)				\$ 2,346,936,740	
b. Transfers from Separate Accounts (Page 4, Line 10)					610,827,328
c. Net transfers to or (from) Separate Accounts (a - b)					<u>\$ 1,736,109,411</u>
(2) Reconciling adjustments					
a. Other adjustments					\$ 331,007
(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement					
(1c + 2) = (Page 4, Line 26)					<u>\$ 1,736,440,418</u>

36. Loss/Claim Adjustment Expenses - None