



Athene Holding Ltd.
1Q'21 Financial Supplement

FINANCIAL RESULTS

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Financial Highlights

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
SELECTED INCOME STATEMENT DATA										
Net income (loss) available to AHL common shareholders	\$ (1,065)	\$ 824	\$ 622	\$ 1,065	\$ 578	(46)%	NM	\$ (1,065)	\$ 578	NM
Adjusted operating income (loss) available to common shareholders	(108)	490	302	558	748	34 %	NM	(108)	748	NM
Adjusted operating income available to common shareholders ex. notables and AOG	174	98	356	404	759	88 %	NM	174	759	NM
FINANCIAL RATIOS										
Return on assets (ROA)	(2.95)%	2.03 %	1.33 %	2.16 %	1.13 %	NM	NM	(2.95)%	1.13 %	NM
Adjusted operating ROA	(0.36)%	1.54 %	0.86 %	1.52 %	1.96 %	44bps	NM	(0.36)%	1.96 %	NM
Adjusted operating ROA, excluding notables and AOG	0.59 %	0.31 %	1.03 %	1.11 %	2.00 %	89bps	141bps	0.59 %	2.00 %	141bps
Net investment spread – Retirement Services	1.03 %	0.96 %	1.41 %	1.75 %	2.48 %	73bps	145bps	1.03 %	2.48 %	145bps
Return on equity (ROE)	(36.5)%	26.8 %	16.2 %	24.6 %	12.9 %	NM	NM	(36.5)%	12.9 %	NM
Adjusted operating ROE	(4.4)%	19.4 %	11.7 %	20.5 %	25.3 %	NM	NM	(4.4)%	25.3 %	NM
Adjusted operating ROE, excluding notables and AOG	7.0 %	3.9 %	13.9 %	15.0 %	26.0 %	NM	NM	7.0 %	26.0 %	NM
Adjusted operating ROE – Retirement Services	10.6 %	11.1 %	20.2 %	26.2 %	37.8 %	NM	NM	10.6 %	37.8 %	NM
EARNINGS AND BOOK VALUE PER COMMON SHARE										
Earnings (loss) per common share – basic class A	\$ (5.81)	\$ 4.25	\$ 3.22	\$ 5.57	\$ 3.02	(46)%	NM	\$ (5.81)	\$ 3.02	NM
Earnings (loss) per common share – diluted class A ¹	(5.81)	4.19	3.16	5.44	2.94	(46)%	NM	(5.81)	2.94	NM
Adjusted operating earnings (loss) per common share ²	(0.60)	2.49	1.53	2.85	3.80	33 %	NM	(0.60)	3.80	NM
Adjusted operating earnings per common share ex. notables and AOG	0.96	0.50	1.81	2.06	3.86	87 %	NM	0.96	3.86	NM
Book value per common share	45.23	66.82	74.21	85.51	78.25	(8)%	73 %	45.23	78.25	73 %
Adjusted book value per common share ³	51.07	51.15	53.61	56.95	62.88	10 %	23 %	51.07	62.88	23 %
SELECTED BALANCE SHEET DATA										
Total assets	\$ 142,179	\$ 183,241	\$ 191,088	\$ 202,771	\$ 205,670	1 %	45 %	\$ 142,179	\$ 205,670	45 %
Gross invested assets	128,263	161,965	167,136	175,424	182,296	4 %	42 %	128,263	182,296	42 %
Invested assets – ACRA noncontrolling interests	(7,063)	(24,696)	(24,301)	(25,234)	(26,593)	(5)%	NM	(7,063)	(26,593)	NM
Net invested assets	121,200	137,269	142,835	150,190	155,703	4 %	28 %	121,200	155,703	28 %
Total liabilities	131,649	167,602	173,971	182,631	187,334	3 %	42 %	131,649	187,334	42 %
Net reserve liabilities	114,273	131,333	137,767	144,989	148,339	2 %	30 %	114,273	148,339	30 %
Debt	1,386	1,486	1,487	1,976	1,977	— %	43 %	1,386	1,977	43 %
Total AHL shareholders' equity	9,940	14,711	15,943	18,657	17,291	(7)%	74 %	9,940	17,291	74 %
Adjusted AHL common shareholders' equity	10,097	10,157	10,522	11,232	12,470	11 %	24 %	10,097	12,470	24 %
FLOWS DATA										
Net organic flows ³	\$ 1,207	\$ 3,639	\$ 4,706	\$ 4,866	\$ 3,224	(34)%	167 %	\$ 1,207	\$ 3,224	167 %
Average net invested assets	119,344	127,591	140,052	146,512	152,947	4 %	28 %	119,344	152,947	28 %
Net organic growth rate ⁴	4.0 %	11.4 %	13.4 %	13.3 %	8.4 %	NM	NM	4.0 %	8.4 %	NM
Net organic growth rate - LTM	4.9 %	6.7 %	7.9 %	10.8 %	11.6 %	80bps	NM	4.9 %	11.6 %	NM

Note: "NM" represents changes that are not meaningful. Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion of non-GAAP metrics. 1 Diluted earnings per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, of Class B common shares, Class M common shares and any other stock-based awards. 2 Represents Class A common shares outstanding or weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares, Class M common shares and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. 3 Net organic flows are calculated as organic inflows less total outflows, net of the ACRA noncontrolling interest. In Q1'21 we revised the net organic flows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. 4 Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis. In Q1'21, we revised the net organic growth rate and average net invested assets metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business.

Condensed Consolidated Statements of Income (GAAP view)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
REVENUE										
Premiums	\$ 1,140	\$ 355	\$ 112	\$ 4,356	\$ 3,011	(31)%	164 %	\$ 1,140	\$ 3,011	164 %
Product charges	140	141	144	146	150	3 %	7 %	140	150	7 %
Net investment income	745	1,336	1,209	1,595	1,704	7 %	129 %	745	1,704	129 %
Investment related gains (losses)	(3,572)	2,548	1,797	2,536	(488)	NM	86 %	(3,572)	(488)	86 %
Other revenues	(2)	18	13	7	14	100 %	NM	(2)	14	NM
Total revenues	\$ (1,549)	\$ 4,398	\$ 3,275	\$ 8,640	\$ 4,391	(49)%	NM	\$ (1,549)	\$ 4,391	NM
BENEFITS AND EXPENSES										
Interest sensitive contract benefits	\$ (1,319)	\$ 2,076	\$ 1,225	\$ 1,909	\$ 394	(79)%	NM	\$ (1,319)	\$ 394	NM
Amortization of deferred sales inducements	10	(21)	48	29	84	190 %	NM	10	84	NM
Future policy and other policy benefits	1,356	674	439	4,718	3,317	(30)%	145 %	1,356	3,317	145 %
Amortization of deferred acquisition costs and value of business acquired	(413)	361	299	274	164	(40)%	NM	(413)	164	NM
Dividends to policyholders	11	9	9	9	10	11 %	(9)%	11	10	(9)%
Policy and other operating expenses	188	218	231	218	283	30 %	51 %	188	283	51 %
Total benefits and expenses	(167)	3,317	2,251	7,157	4,252	(41)%	NM	(167)	4,252	NM
Income (loss) before income taxes	(1,382)	1,081	1,024	1,483	139	(91)%	NM	(1,382)	139	NM
Income tax expense (benefit)	(166)	150	140	161	62	(61)%	NM	(166)	62	NM
Net income (loss)	(1,216)	931	884	1,322	77	(94)%	NM	(1,216)	77	NM
Less: Net income (loss) attributable to noncontrolling interests	(169)	88	232	229	(537)	NM	NM	(169)	(537)	NM
Net income (loss) attributable to Athene Holding Ltd. shareholders	(1,047)	843	652	1,093	614	(44)%	NM	(1,047)	614	NM
Less: Preferred stock dividends	18	19	30	28	36	29 %	100 %	18	36	100 %
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ (1,065)	\$ 824	\$ 622	\$ 1,065	\$ 578	(46)%	NM	\$ (1,065)	\$ 578	NM

Segment Results of Operations (Management view)

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
CONSOLIDATED										
Fixed income and other investment income	\$ 1,188	\$ 1,140	\$ 1,225	\$ 1,283	\$ 1,286	— %	8 %	\$ 1,188	\$ 1,286	8 %
Alternative investment income (loss)	(37)	(100)	305	324	712	120 %	NM	(37)	712	NM
Net investment earnings	1,151	1,040	1,530	1,607	1,998	24 %	74 %	1,151	1,998	74 %
Cost of crediting	(540)	(560)	(640)	(677)	(668)	1 %	(24)%	(540)	(668)	(24)%
Other liability costs ¹	(342)	(215)	(320)	(281)	(342)	(22)%	— %	(342)	(342)	— %
Cost of funds	(882)	(775)	(960)	(958)	(1,010)	(5)%	(15)%	(882)	(1,010)	(15)%
Operating expenses	(79)	(88)	(78)	(93)	(98)	(5)%	(24)%	(79)	(98)	(24)%
Interest expense	(19)	(28)	(27)	(27)	(26)	4 %	(37)%	(19)	(26)	(37)%
Management fees from ACRA	2	3	9	8	9	13 %	NM	2	9	NM
Pre-tax adjusted operating income	173	152	474	537	873	63 %	NM	173	873	NM
Income tax expense – operating ²	(24)	(15)	(61)	(64)	(70)	(9)%	NM	(24)	(70)	NM
Adjusted operating income	149	137	413	473	803	70 %	NM	149	803	NM
Preferred stock dividends	(18)	(19)	(30)	(28)	(36)	(29)%	(100)%	(18)	(36)	(100)%
Adjusted operating income available to common shareholders excluding Apollo	131	118	383	445	767	72 %	NM	131	767	NM
Change in fair value of Apollo investment, net of tax ³	(239)	372	(81)	113	(19)	NM	92 %	(239)	(19)	92 %
Adjusted operating income (loss) available to common shareholders	<u>\$ (108)</u>	<u>\$ 490</u>	<u>\$ 302</u>	<u>\$ 558</u>	<u>\$ 748</u>	34 %	NM	<u>\$ (108)</u>	<u>\$ 748</u>	NM
Adjusted operating earnings (loss) per common share	\$ (0.60)	\$ 2.49	\$ 1.53	\$ 2.85	\$ 3.80	33 %	NM	\$ (0.60)	\$ 3.80	NM
RETIREMENT SERVICES										
Fixed income and other investment income	\$ 1,177	\$ 1,132	\$ 1,216	\$ 1,274	\$ 1,276	— %	8 %	\$ 1,177	\$ 1,276	8 %
Alternative investment income (loss)	7	(57)	228	310	659	113 %	NM	7	659	NM
Net investment earnings	1,184	1,075	1,444	1,584	1,935	22 %	63 %	1,184	1,935	63 %
Cost of crediting	(540)	(560)	(640)	(677)	(668)	1 %	(24)%	(540)	(668)	(24)%
Other liability costs ¹	(342)	(215)	(320)	(281)	(342)	(22)%	— %	(342)	(342)	— %
Cost of funds	(882)	(775)	(960)	(958)	(1,010)	(5)%	(15)%	(882)	(1,010)	(15)%
Operating expenses	(68)	(71)	(63)	(73)	(78)	(7)%	(15)%	(68)	(78)	(15)%
Interest expense	(8)	(9)	(8)	(4)	(2)	50 %	75 %	(8)	(2)	75 %
Management fees from ACRA	2	3	9	8	9	13 %	NM	2	9	NM
Pre-tax adjusted operating income	228	223	422	557	854	53 %	275 %	228	854	275 %
Income tax expense – operating	(24)	(15)	(61)	(64)	(70)	(9)%	NM	(24)	(70)	NM
Adjusted operating income available to common shareholders	<u>\$ 204</u>	<u>\$ 208</u>	<u>\$ 361</u>	<u>\$ 493</u>	<u>\$ 784</u>	59 %	284 %	<u>\$ 204</u>	<u>\$ 784</u>	284 %
CORPORATE & OTHER										
Fixed income and other investment income	\$ 11	\$ 8	\$ 9	\$ 9	\$ 10	11 %	(9)%	\$ 11	\$ 10	(9)%
Alternative investment income (loss)	(44)	(43)	77	14	53	279 %	NM	(44)	53	NM
Net investment earnings (loss)	(33)	(35)	86	23	63	174 %	NM	(33)	63	NM
Operating expenses	(11)	(17)	(15)	(20)	(20)	— %	(82)%	(11)	(20)	(82)%
Interest expense	(11)	(19)	(19)	(23)	(24)	(4)%	NM	(11)	(24)	NM
Adjusted operating income (loss)	(55)	(71)	52	(20)	19	NM	NM	(55)	19	NM
Preferred stock dividends	(18)	(19)	(30)	(28)	(36)	(29)%	(100)%	(18)	(36)	(100)%
Adjusted operating income (loss) available to common shareholders excluding Apollo	(73)	(90)	22	(48)	(17)	65 %	77 %	(73)	(17)	77 %
Change in fair value of Apollo investment, net of tax ³	(239)	372	(81)	113	(19)	NM	92 %	(239)	(19)	92 %
Adjusted operating income (loss) available to common shareholders	<u>\$ (312)</u>	<u>\$ 282</u>	<u>\$ (59)</u>	<u>\$ 65</u>	<u>\$ (36)</u>	NM	88 %	<u>\$ (312)</u>	<u>\$ (36)</u>	88 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on adjusted operating income available to common shareholders and adjusted operating earnings per common share. 1 Other liability costs primarily includes DAC, DSI and VOBA amortization and rider reserve changes for all products, the cost of liabilities on products other than deferred annuities and institutional costs including offsets for premiums, product charges and other revenues. 2 Income tax expense - operating excludes the income tax expense/benefit on the earnings from our investment in Apollo. 3 Change in fair value of Apollo investment, net of tax, includes both the change in our investment in Apollo and the tax expense or benefit associated with the income or loss.

Components of Adjusted Operating Return on Assets (Management View)

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
CONSOLIDATED										
Fixed income and other investment income	4.20 %	3.78 %	3.70 %	3.70 %	3.57 %	(13)bps	(63)bps	4.20 %	3.57 %	(63)bps
Alternative investment income (loss)	(2.58)%	(6.75)%	19.44 %	19.56 %	38.51 %	NM	NM	(2.58)%	38.51 %	NM
Net investment earnings	3.87 %	3.29 %	4.41 %	4.43 %	5.27 %	84bps	140bps	3.87 %	5.27 %	140bps
Cost of crediting	(1.82)%	(1.77)%	(1.84)%	(1.86)%	(1.76)%	10bps	6bps	(1.82)%	(1.76)%	6bps
Other liability costs	(1.15)%	(0.68)%	(0.93)%	(0.78)%	(0.90)%	(12)bps	25bps	(1.15)%	(0.90)%	25bps
Cost of funds	(2.97)%	(2.45)%	(2.77)%	(2.64)%	(2.66)%	(2)bps	31bps	(2.97)%	(2.66)%	31bps
Net investment spread	0.90 %	0.84 %	1.64 %	1.79 %	2.61 %	82bps	171bps	0.90 %	2.61 %	171bps
Operating expenses	(0.27)%	(0.28)%	(0.22)%	(0.26)%	(0.26)%	0bps	1bps	(0.27)%	(0.26)%	1bps
Interest expense	(0.06)%	(0.09)%	(0.08)%	(0.07)%	(0.07)%	0bps	(1)bps	(0.06)%	(0.07)%	(1)bps
Management fees from ACRA	0.01 %	0.01 %	0.03 %	0.02 %	0.02 %	0bps	1bps	0.01 %	0.02 %	1bps
Pre-tax adjusted operating income	0.58 %	0.48 %	1.37 %	1.48 %	2.30 %	82bps	172bps	0.58 %	2.30 %	172bps
Income tax expense – operating	(0.08)%	(0.05)%	(0.18)%	(0.18)%	(0.18)%	0bps	(10)bps	(0.08)%	(0.18)%	(10)bps
Adjusted operating income	0.50 %	0.43 %	1.19 %	1.30 %	2.12 %	82bps	162bps	0.50 %	2.12 %	162bps
Preferred stock dividends	(0.06)%	(0.06)%	(0.09)%	(0.07)%	(0.10)%	(3)bps	(4)bps	(0.06)%	(0.10)%	(4)bps
Adjusted operating income available to common shareholders excluding Apollo	0.44 %	0.37 %	1.10 %	1.23 %	2.02 %	79bps	158bps	0.44 %	2.02 %	158bps
Change in fair value of Apollo investment, net of tax	(0.80)%	1.17 %	(0.24)%	0.29 %	(0.06)%	(35)bps	74bps	(0.80)%	(0.06)%	74bps
Adjusted operating income (loss) available to common shareholders	(0.36)%	1.54 %	0.86 %	1.52 %	1.96 %	44bps	NM	(0.36)%	1.96 %	NM
Consolidated average net invested assets ex. Apollo investment	\$ 118,919	\$ 126,510	\$ 138,797	\$ 145,251	\$ 151,644	4 %	28 %	\$ 118,919	\$ 151,644	28 %
Consolidated average net invested assets	119,344	127,591	140,052	146,512	152,947	4 %	28 %	119,344	152,947	28 %
RETIREMENT SERVICES										
Fixed income and other investment income	4.20 %	3.78 %	3.70 %	3.70 %	3.57 %	(13)bps	(63)bps	4.20 %	3.57 %	(63)bps
Alternative investment income (loss)	0.56 %	(4.38)%	17.24 %	22.59 %	42.33 %	NM	NM	0.56 %	42.33 %	NM
Net investment earnings	4.04 %	3.44 %	4.22 %	4.43 %	5.18 %	75bps	114bps	4.04 %	5.18 %	114bps
Cost of crediting	(1.84)%	(1.79)%	(1.87)%	(1.89)%	(1.79)%	10bps	5bps	(1.84)%	(1.79)%	5bps
Other liability costs	(1.17)%	(0.69)%	(0.94)%	(0.79)%	(0.91)%	(12)bps	26bps	(1.17)%	(0.91)%	26bps
Cost of funds	(3.01)%	(2.48)%	(2.81)%	(2.68)%	(2.70)%	(2)bps	31bps	(3.01)%	(2.70)%	31bps
Net investment spread	1.03 %	0.96 %	1.41 %	1.75 %	2.48 %	73bps	145bps	1.03 %	2.48 %	145bps
Operating expenses	(0.23)%	(0.23)%	(0.18)%	(0.20)%	(0.21)%	(1)bps	2bps	(0.23)%	(0.21)%	2bps
Interest expense	(0.03)%	(0.03)%	(0.02)%	(0.01)%	(0.01)%	0bps	2bps	(0.03)%	(0.01)%	2bps
Management fees from ACRA	0.01 %	0.01 %	0.03 %	0.02 %	0.02 %	0bps	1bps	0.01 %	0.02 %	1bps
Pre-tax adjusted operating income	0.78 %	0.71 %	1.24 %	1.56 %	2.28 %	72bps	150bps	0.78 %	2.28 %	150bps
Income tax expense – operating	(0.08)%	(0.04)%	(0.18)%	(0.18)%	(0.18)%	0bps	(10)bps	(0.08)%	(0.18)%	(10)bps
Adjusted operating income available to common shareholders	0.70 %	0.67 %	1.06 %	1.38 %	2.10 %	72bps	140bps	0.70 %	2.10 %	140bps
Retirement Services average net invested assets	\$ 117,295	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	4 %	27 %	\$ 117,295	\$ 149,397	27 %

Reconciliation of Earnings Measures

Unaudited (in millions, except percentages and per share data)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO ATHENE HOLDING LTD. COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS										
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ (1,065)	\$ 824	\$ 622	\$ 1,065	\$ 578	(46)%	NM	\$ (1,065)	\$ 578	NM
Non-operating adjustments										
Realized gains (losses) on sale of AFS securities	12	(11)	(11)	37	19	(49)%	58 %	12	19	58 %
Unrealized, allowances and other investment gains (losses)	(369)	52	49	116	100	(14)%	NM	(369)	100	NM
Change in fair value of reinsurance assets	(1,277)	1,113	434	522	(865)	NM	32 %	(1,277)	(865)	32 %
Offsets to investment gains (losses)	495	(379)	(126)	(149)	141	NM	(72)%	495	141	(72)%
Investment gains (losses), net of offsets	(1,139)	775	346	526	(605)	NM	47 %	(1,139)	(605)	47 %
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	65	(405)	72	33	488	NM	NM	65	488	NM
Integration, restructuring and other non-operating expenses	(4)	(9)	—	3	(45)	NM	NM	(4)	(45)	NM
Stock compensation expense	(10)	—	(1)	—	—	NM	NM	(10)	—	NM
Income tax (expense) benefit – non-operating	131	(27)	(97)	(55)	(8)	85 %	NM	131	(8)	NM
Less: Total non-operating adjustments	(957)	334	320	507	(170)	NM	82 %	(957)	(170)	82 %
Adjusted operating income (loss) available to common shareholders	\$ (108)	\$ 490	\$ 302	\$ 558	\$ 748	34 %	NM	\$ (108)	\$ 748	NM
RECONCILIATION OF BASIC EARNINGS (LOSS) PER CLASS A COMMON SHARES TO ADJUSTED OPERATING EARNINGS (LOSS) PER COMMON SHARE										
Basic earnings (loss) per share - Class A common shares	\$ (5.81)	\$ 4.25	\$ 3.22	\$ 5.57	\$ 3.02	(46)%	NM	\$ (5.81)	\$ 3.02	NM
Non-operating adjustments										
Realized gains (losses) on sale of AFS securities	0.07	(0.06)	(0.06)	0.19	0.10	(47)%	43 %	0.07	0.10	43 %
Unrealized, allowances and other investment gains (losses)	(2.03)	0.26	0.24	0.59	0.50	(15)%	NM	(2.03)	0.50	NM
Change in fair value of reinsurance assets	(7.04)	5.66	2.20	2.66	(4.40)	NM	38 %	(7.04)	(4.40)	38 %
Offsets to investment gains (losses)	2.73	(1.93)	(0.64)	(0.76)	0.72	NM	(74)%	2.73	0.72	(74)%
Investment gains (losses), net of offsets	(6.27)	3.93	1.74	2.68	(3.08)	NM	51 %	(6.27)	(3.08)	51 %
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.36	(2.06)	0.37	0.17	2.48	NM	NM	0.36	2.48	NM
Integration, restructuring and other non-operating expenses	(0.03)	(0.04)	—	0.01	(0.22)	NM	NM	(0.03)	(0.22)	NM
Stock compensation expense	(0.05)	—	—	—	—	NM	NM	(0.05)	—	NM
Income tax (expense) benefit – non-operating	0.72	(0.14)	(0.49)	(0.28)	(0.04)	86 %	NM	0.72	(0.04)	NM
Less: Total non-operating adjustments	(5.27)	1.69	1.62	2.58	(0.86)	NM	84 %	(5.27)	(0.86)	84 %
Less: Effect of items convertible to or settled in Class A common shares	0.06	0.07	0.07	0.14	0.08	(43)%	33 %	0.06	0.08	33 %
Adjusted operating earnings (loss) per common share	\$ (0.60)	\$ 2.49	\$ 1.53	\$ 2.85	\$ 3.80	33 %	NM	\$ (0.60)	\$ 3.80	NM

Note: Please refer to Notes to the Financial Supplement section for discussion on adjusted operating income available to common shareholders.

Retirement Services Segment Highlights

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET INVESTMENT SPREAD – RETIREMENT SERVICES										
Net investment earned rate	4.04 %	3.44 %	4.22 %	4.43 %	5.18 %	75bps	114bps	4.04 %	5.18 %	114bps
Cost of crediting	1.84 %	1.79 %	1.87 %	1.89 %	1.79 %	(10)bps	(5)bps	1.84 %	1.79 %	(5)bps
Other liability costs	1.17 %	0.69 %	0.94 %	0.79 %	0.91 %	12bps	(26)bps	1.17 %	0.91 %	(26)bps
Cost of funds	3.01 %	2.48 %	2.81 %	2.68 %	2.70 %	2bps	(31)bps	3.01 %	2.70 %	(31)bps
Net investment spread	<u>1.03 %</u>	<u>0.96 %</u>	<u>1.41 %</u>	<u>1.75 %</u>	<u>2.48 %</u>	73bps	145bps	<u>1.03 %</u>	<u>2.48 %</u>	145bps
Average net invested assets	\$ 117,295	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	4 %	27 %	\$ 117,295	\$ 149,397	27 %
COST OF CREDITING – RETIREMENT SERVICES										
FIA option costs	\$ 248	\$ 252	\$ 264	\$ 258	\$ 255	(1)%	3 %	\$ 248	\$ 255	3 %
Fixed interest credited to policyholders	174	199	242	247	238	(4)%	37 %	174	238	37 %
Cost of crediting on deferred annuities	422	451	506	505	493	(2)%	17 %	422	493	17 %
Average account value on deferred annuities	88,119	92,814	102,144	103,990	104,310	— %	18 %	88,119	104,310	18 %
Cost of crediting on deferred annuities rate	1.91 %	1.94 %	1.98 %	1.94 %	1.89 %	(5)bps	(2)bps	1.91 %	1.89 %	(2)bps
Cost of crediting on institutional products	\$ 118	\$ 109	\$ 134	\$ 172	\$ 175	2 %	48 %	\$ 118	\$ 175	48 %
Average institutional reserve liabilities	14,250	15,233	18,162	22,375	27,028	21 %	90 %	14,250	27,028	90 %
Cost of crediting on institutional products rate	3.31 %	2.87 %	2.95 %	3.08 %	2.59 %	(49)bps	(72)bps	3.31 %	2.59 %	(72)bps
Cost of crediting	<u>\$ 540</u>	<u>\$ 560</u>	<u>\$ 640</u>	<u>\$ 677</u>	<u>\$ 668</u>	(1)%	24 %	<u>\$ 540</u>	<u>\$ 668</u>	24 %
OTHER LIABILITY COSTS – RETIREMENT SERVICES										
Change in rider reserve	\$ 183	\$ 128	\$ 119	\$ 121	\$ 138	14 %	(25)%	\$ 183	\$ 138	(25)%
DAC, DSI and VOBA amortization	127	84	178	154	194	26 %	53 %	127	194	53 %
Other ¹	32	3	23	6	10	67 %	(69)%	32	10	(69)%
Other liability costs	<u>\$ 342</u>	<u>\$ 215</u>	<u>\$ 320</u>	<u>\$ 281</u>	<u>\$ 342</u>	22 %	— %	<u>\$ 342</u>	<u>\$ 342</u>	— %
INVESTMENT MARGIN ON DEFERRED ANNUITIES – RETIREMENT SERVICES										
Net investment earned rate	4.04 %	3.44 %	4.22 %	4.43 %	5.18 %	75bps	114bps	4.04 %	5.18 %	114bps
Cost of crediting on deferred annuities	1.91 %	1.94 %	1.98 %	1.94 %	1.89 %	(5)bps	(2)bps	1.91 %	1.89 %	(2)bps
Investment margin on deferred annuities	<u>2.13 %</u>	<u>1.50 %</u>	<u>2.24 %</u>	<u>2.49 %</u>	<u>3.29 %</u>	80bps	116bps	<u>2.13 %</u>	<u>3.29 %</u>	116bps

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Reconciliations for discussion on net investment spread, investment margin on deferred annuities, net investment earned rate, cost of crediting on deferred annuities and other liability costs.

¹ Other primarily includes payout annuities, policy maintenance costs, reinsurance expense allowances and non-deferred acquisition costs, net of product charges.

Condensed Consolidated Balance Sheets

Unaudited (in millions, except percentages)



	December 31, 2020	March 31, 2021	Δ
ASSETS			
Investments			
Available-for-sale securities, at fair value	\$ 82,853	\$ 85,524	3 %
Trading securities, at fair value	2,093	1,979	(5)%
Equity securities	532	524	(2)%
Mortgage loans, net of allowances	15,264	16,671	9 %
Investment funds	803	966	20 %
Policy loans	369	356	(4)%
Funds withheld at interest	48,612	46,024	(5)%
Derivative assets	3,523	3,677	4 %
Short-term investments	222	125	(44)%
Other investments, net of allowances	572	1,722	201 %
Total investments	154,843	157,568	2 %
Cash and cash equivalents	7,704	6,427	(17)%
Restricted cash	738	546	(26)%
Investments in related parties			
Available-for-sale securities, at fair value	6,520	6,905	6 %
Trading securities, at fair value	1,529	1,710	12 %
Equity securities, at fair value	72	114	58 %
Mortgage loans, net of allowances	674	714	6 %
Investment funds	5,284	5,899	12 %
Funds withheld at interest	13,030	12,572	(4)%
Other investments, net of allowances	469	469	— %
Accrued investment income	905	968	7 %
Reinsurance recoverable	4,848	4,690	(3)%
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	5,303	8 %
Other assets	1,249	1,785	43 %
Total assets	\$ 202,771	\$ 205,670	1 %

Condensed Consolidated Balance Sheets, continued

Unaudited (in millions, except percentages)



	December 31, 2020	March 31, 2021	Δ
LIABILITIES			
Interest sensitive contract liabilities	\$ 144,566	\$ 146,247	1 %
Future policy benefits	29,258	31,767	9 %
Other policy claims and benefits	130	135	4 %
Dividends payable to policyholders	110	110	— %
Long-term debt	1,976	1,977	— %
Derivative liabilities	298	288	(3)%
Payables for collateral on derivatives and securities to repurchase	3,801	3,952	4 %
Funds withheld liability	452	422	(7)%
Other liabilities	2,040	2,436	19 %
Total liabilities	<u>182,631</u>	<u>187,334</u>	3 %
EQUITY			
Preferred stock	—	—	NM
Common stock	—	—	NM
Additional paid-in-capital	6,613	6,623	— %
Retained earnings	8,073	8,647	7 %
Accumulated other comprehensive income	3,971	2,021	(49)%
Total Athene Holding Ltd. shareholders' equity	<u>18,657</u>	<u>17,291</u>	(7)%
Noncontrolling interests	1,483	1,045	(30)%
Total equity	<u>20,140</u>	<u>18,336</u>	(9)%
Total liabilities and equity	<u>\$ 202,771</u>	<u>\$ 205,670</u>	1 %

Investments (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
INVESTMENTS AND INVESTMENTS IN RELATED PARTIES SUMMARY				
Investments				
Available-for-sale securities, at fair value				
U.S. government and agencies	\$ 351	0.2 %	\$ 351	0.2 %
U.S. state, municipal and political subdivisions	1,033	0.6 %	1,006	0.5 %
Foreign governments	368	0.2 %	382	0.2 %
Corporate	58,180	31.9 %	58,848	31.5 %
CLO	9,569	5.2 %	11,272	6.1 %
ABS	4,270	2.3 %	4,832	2.6 %
CMBS	2,169	1.2 %	2,206	1.2 %
RMBS	6,913	3.8 %	6,627	3.6 %
Total available-for-sale securities, at fair value	82,853	45.4 %	85,524	45.9 %
Trading securities, at fair value	2,093	1.2 %	1,979	1.1 %
Equity securities	532	0.3 %	524	0.3 %
Mortgage loans, net of allowances	15,264	8.4 %	16,671	8.9 %
Investment funds	803	0.4 %	966	0.5 %
Policy loans	369	0.2 %	356	0.2 %
Funds withheld at interest	48,612	26.7 %	46,024	24.7 %
Derivative assets	3,523	1.9 %	3,677	2.0 %
Short-term investments	222	0.1 %	125	0.1 %
Other investments	572	0.3 %	1,722	0.9 %
Total investments	154,843	84.9 %	157,568	84.6 %
Investments in related parties				
Available-for-sale securities, at fair value				
Corporate	215	0.1 %	221	0.1 %
CLO	1,520	0.9 %	1,869	1.0 %
ABS	4,785	2.6 %	4,815	2.6 %
Total available-for-sale securities, at fair value	6,520	3.6 %	6,905	3.7 %
Trading securities, at fair value	1,529	0.8 %	1,710	0.9 %
Equity securities, at fair value	72	— %	114	0.1 %
Mortgage loans	674	0.4 %	714	0.4 %
Investment funds	5,284	2.9 %	5,899	3.2 %
Funds withheld at interest	13,030	7.1 %	12,572	6.8 %
Other investments	469	0.3 %	469	0.3 %
Total investments in related parties	27,578	15.1 %	28,383	15.4 %
Total investments including related parties	\$ 182,421	100.0 %	\$ 185,951	100.0 %

Net Invested Assets (Management view) and Flows

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	Percent of Total	Invested Asset Value ¹	Percent of Total
NET INVESTED ASSETS				
Corporate	\$ 71,040	47.3 %	\$ 74,549	47.9 %
CLO	14,609	9.7 %	15,835	10.2 %
Credit	85,649	57.0 %	90,384	58.1 %
RMBS	8,337	5.6 %	7,968	5.1 %
CML	16,778	11.2 %	18,113	11.6 %
RML	4,774	3.2 %	5,229	3.4 %
CMBS	3,227	2.1 %	3,271	2.1 %
Real estate	33,116	22.1 %	34,581	22.2 %
ABS	13,137	8.7 %	14,061	9.0 %
Alternative investments	6,793	4.5 %	8,004	5.1 %
State, municipal, political subdivisions and foreign government	2,136	1.4 %	2,153	1.5 %
Equity securities	478	0.3 %	494	0.3 %
Short-term investments	479	0.3 %	227	0.1 %
U.S. government and agencies	206	0.2 %	242	0.2 %
Other investments	23,229	15.4 %	25,181	16.2 %
Cash and equivalents	5,417	3.6 %	2,844	1.8 %
Policy loans and other	1,455	1.0 %	1,432	0.9 %
Net invested assets excluding investment in Apollo	148,866	99.1 %	154,422	99.2 %
Investment in Apollo	1,324	0.9 %	1,281	0.8 %
Net invested assets	\$ 150,190	100.0 %	\$ 155,703	100.0 %

	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET FLOWS										
Retail	\$ 1,246	\$ 1,791	\$ 2,465	\$ 2,299	\$ 1,757	(24)%	41 %	\$ 1,246	\$ 1,757	41 %
Flow reinsurance	861	2,265	2,317	559	299	(47)%	(65)%	861	299	(65)%
Funding agreements ²	823	2,636	2,619	2,199	3,226	47 %	292 %	823	3,226	292 %
Pension risk transfer	1,017	229	—	4,221	2,893	(31)%	184 %	1,017	2,893	184 %
Gross organic inflows	3,947	6,921	7,401	9,278	8,175	(12)%	107 %	3,947	8,175	107 %
Gross inorganic inflows	—	28,792	—	—	—	NM	NM	—	—	NM
Total gross inflows	3,947	35,713	7,401	9,278	8,175	(12)%	107 %	3,947	8,175	107 %
Inflows attributable to ACRA noncontrolling interest	—	(18,268)	—	(1,180)	(1,470)	(25)%	NM	—	(1,470)	NM
Net outflows ³	(2,740)	(3,282)	(2,695)	(3,232)	(3,481)	(8)%	(27)%	(2,740)	(3,481)	(27)%
Net flows	\$ 1,207	\$ 14,163	\$ 4,706	\$ 4,866	\$ 3,224	(34)%	167 %	\$ 1,207	\$ 3,224	167 %
Gross organic inflows	\$ 3,947	\$ 6,921	\$ 7,401	\$ 9,278	\$ 8,175	(12)%	107 %	\$ 3,947	\$ 8,175	107 %
Organic inflows attributable to ACRA noncontrolling interest	—	—	—	(1,180)	(1,470)	(25)%	NM	—	(1,470)	NM
Net organic inflows	3,947	6,921	7,401	8,098	6,705	(17)%	70 %	3,947	6,705	70 %
Net outflows ³	(2,740)	(3,282)	(2,695)	(3,232)	(3,481)	(8)%	(27)%	(2,740)	(3,481)	(27)%
Net organic flows	\$ 1,207	\$ 3,639	\$ 4,706	\$ 4,866	\$ 3,224	(34)%	167 %	\$ 1,207	\$ 3,224	167 %
Net organic growth rate ⁴	4.0 %	11.4 %	13.4 %	13.3 %	8.4 %	NM	NM	4.0 %	8.4 %	NM

¹ Please refer to Notes to the Financial Supplement for discussion on net invested assets including net alternative investments and Non-GAAP Measure Reconciliations for the reconciliation of investments including related parties to net invested assets. Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. ² Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements. ³ Net outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and funding agreement maturities, net of the ACRA noncontrolling interest. In Q1'21, we revised the net outflows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. ⁴ Net organic growth rate is calculated as net organic flows divided by average net invested assets, on an annualized basis. In Q1'21, we revised the net organic growth rate and average net invested assets metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business.

Investment Funds (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
INVESTMENT FUNDS INCLUDING RELATED PARTIES¹				
Investment funds				
Real estate	\$ 348	5.7 %	\$ 462	6.7 %
Credit funds	107	1.8 %	122	1.8 %
Private equity	267	4.4 %	300	4.4 %
Real assets	81	1.3 %	82	1.2 %
Total investment funds	803	13.2 %	966	14.1 %
Investment funds – related parties				
Differentiated investments				
AmeriHome	444	7.3 %	583	8.5 %
Catalina	334	5.5 %	344	5.0 %
Athora	709	11.6 %	689	10.0 %
Venerable	123	2.0 %	316	4.6 %
Other	279	4.6 %	308	4.5 %
Total differentiated investments	1,889	31.0 %	2,240	32.6 %
Real estate	828	13.5 %	942	13.7 %
Credit funds	375	6.2 %	398	5.8 %
Private equity	473	7.8 %	689	10.0 %
Real assets	172	2.8 %	139	2.0 %
Natural resources	113	1.9 %	110	1.6 %
Public equities	110	1.8 %	100	1.5 %
Investment in Apollo	1,324	21.8 %	1,281	18.7 %
Total investment funds – related parties	5,284	86.8 %	5,899	85.9 %
Total investment funds including related parties	\$ 6,087	100.0 %	\$ 6,865	100.0 %

Note: The investment funds balances include the entire investment fund balance attributable to ACRA as ACRA is 100% consolidated. ¹ Investment funds, including related parties, is the GAAP measure which does not include investments that we view as alternative investments. Alternative investments include CLO and ABS equity tranche securities that are included in trading securities in the GAAP view, a nonredeemable preferred stock viewed as an alternative investment for management view but included in equity securities for GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, royalties and other investments. Please refer to Notes to the Financial Supplement section for discussion on net invested assets including net alternative investments and the Non-GAAP Measure Reconciliations section for the reconciliation of investment funds, including related parties, to net alternative investments.

Net Alternative Investments (Management view)

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	Percent of Total	Invested Asset Value ¹	Percent of Total
NET ALTERNATIVE INVESTMENTS				
Retirement Services				
Differentiated investments				
AmeriHome	\$ 546	8.0 %	\$ 720	9.0 %
MidCap	611	9.0 %	650	8.1 %
Catalina	334	4.9 %	344	4.3 %
Venerable	123	1.8 %	316	3.9 %
Other	339	5.0 %	373	4.6 %
Total differentiated investments	1,953	28.7 %	2,403	29.9 %
Real estate	1,537	22.6 %	1,687	21.1 %
Credit	941	13.9 %	1,055	13.2 %
Private equity	831	12.2 %	1,311	16.4 %
Real assets	296	4.4 %	307	3.8 %
Natural resources	60	0.9 %	67	0.8 %
Total Retirement Services	5,618	82.7 %	6,830	85.2 %
Corporate & Other				
Athora	661	9.7 %	669	8.4 %
Credit	93	1.4 %	110	1.4 %
Natural resources	238	3.5 %	222	2.8 %
Equities ²	183	2.7 %	173	2.2 %
Total Corporate & Other	1,175	17.3 %	1,174	14.8 %
Net alternative investments ³	\$ 6,793	100.0 %	\$ 8,004	100.0 %

¹ Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. ² Equities includes our private equity investment in Jackson and a public equity position of 2.4 million and 2.8 million shares in OneMain Holdings, Inc. (ticker: OMF) as of March 31, 2021 and December 31, 2020, respectively. ³ Net alternative investments does not correspond to the total investment funds, including related parties, on our condensed consolidated balance sheets. Net alternative investments adjusts the GAAP presentation to include CLO and ABS equity tranche securities that are included in trading securities in the GAAP view, a nonredeemable preferred stock viewed as an alternative investment for management view but included in equity securities for GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, royalties and other investments. Please refer to Notes to the Financial Supplement section for discussion on net invested assets including net alternative investments and the Non-GAAP Measure Reconciliations section for the reconciliation of investment funds, including related parties, to net alternative investments.

Funds Withheld at Interest (GAAP view)

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
FUNDS WITHHELD AT INTEREST INCLUDING RELATED PARTIES				
Fixed maturity securities				
U.S. state, municipal and political subdivisions	\$ 513	0.8 %	\$ 462	0.8 %
Foreign governments	301	0.5 %	279	0.5 %
Corporate	34,057	55.2 %	30,372	51.8 %
CLO	5,912	9.6 %	5,912	10.1 %
ABS	5,212	8.5 %	5,887	10.1 %
CMBS	2,374	3.8 %	2,317	4.0 %
RMBS	2,270	3.7 %	2,077	3.5 %
Total fixed maturity securities	50,639	82.1 %	47,306	80.8 %
Equity securities	119	0.2 %	142	0.2 %
Mortgage loans	8,201	13.3 %	9,068	15.5 %
Investment funds	1,155	1.9 %	1,522	2.6 %
Derivative assets	200	0.3 %	222	0.4 %
Short-term investments	608	1.0 %	226	0.4 %
Other investments	15	— %	15	— %
Cash and cash equivalents	906	1.5 %	594	1.0 %
Other assets and liabilities	(201)	(0.3)%	(499)	(0.9)%
Total funds withheld at interest including related parties ¹	\$ 61,642	100.0 %	\$ 58,596	100.0 %

¹ Funds withheld at interest represents a receivable for amounts contractually withheld by ceding companies in accordance with modco and funds withheld reinsurance agreements in which we act as the reinsurer. In managing our business we utilize invested assets, where we adjust the presentation for funds withheld and modco transactions to include or exclude the underlying investments based upon the contractual transfer of economic exposure to such underlying investments.

Segment Net Investment Earned Rates (NIER)

Unaudited (In millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NIER – CONSOLIDATED										
Fixed income and other investments	4.20 %	3.78 %	3.70 %	3.70 %	3.57 %	(13)bps	(63)bps	4.20 %	3.57 %	(63)bps
Alternative investments	(2.58)%	(6.75)%	19.44 %	19.56 %	38.51 %	NM	NM	(2.58)%	38.51 %	NM
Total net investment earned rate	<u>3.87 %</u>	<u>3.29 %</u>	<u>4.41 %</u>	<u>4.43 %</u>	<u>5.27 %</u>	84bps	140bps	<u>3.87 %</u>	<u>5.27 %</u>	140bps
NIER SUMMARY – RETIREMENT SERVICES										
Fixed income and other investments	4.20 %	3.78 %	3.70 %	3.70 %	3.57 %	(13)bps	(63)bps	4.20 %	3.57 %	(63)bps
Alternative investments	0.56 %	(4.38)%	17.24 %	22.59 %	42.33 %	NM	NM	0.56 %	42.33 %	NM
Total net investment earned rate	<u>4.04 %</u>	<u>3.44 %</u>	<u>4.22 %</u>	<u>4.43 %</u>	<u>5.18 %</u>	75bps	114bps	<u>4.04 %</u>	<u>5.18 %</u>	114bps
Fixed income and other investment income	\$ 1,177	\$ 1,132	\$ 1,216	\$ 1,274	\$ 1,276	— %	8 %	\$ 1,177	\$ 1,276	8 %
Alternatives investment income (loss)	7	(57)	228	310	659	113 %	NM	7	659	NM
Total net investment earnings	<u>\$ 1,184</u>	<u>\$ 1,075</u>	<u>\$ 1,444</u>	<u>\$ 1,584</u>	<u>\$ 1,935</u>	22 %	63 %	<u>\$ 1,184</u>	<u>\$ 1,935</u>	63 %
Fixed income and other investments	\$ 112,205	\$ 119,720	\$ 131,565	\$ 137,678	\$ 143,173	4 %	28 %	\$ 112,205	\$ 143,173	28 %
Alternatives investments	5,090	5,223	5,287	5,484	6,224	13 %	22 %	5,090	6,224	22 %
Total average net invested assets	<u>\$ 117,295</u>	<u>\$ 124,943</u>	<u>\$ 136,852</u>	<u>\$ 143,162</u>	<u>\$ 149,397</u>	4 %	27 %	<u>\$ 117,295</u>	<u>\$ 149,397</u>	27 %
NIER SUMMARY – CORPORATE & OTHER										
Fixed income and other investments	4.18 %	3.78 %	3.68 %	3.70 %	3.57 %	(13)bps	(61)bps	4.18 %	3.57 %	(61)bps
Alternative investments	(29.33)%	(24.20)%	31.35 %	4.94 %	18.24 %	NM	NM	(29.33)%	18.24 %	NM
Total net investment earned rate	<u>(8.14)%</u>	<u>(8.91)%</u>	<u>17.59 %</u>	<u>4.38 %</u>	<u>11.22 %</u>	NM	NM	<u>(8.14)%</u>	<u>11.22 %</u>	NM
Fixed income and other investment income	\$ 11	\$ 8	\$ 9	\$ 9	\$ 10	11 %	(9)%	\$ 11	\$ 10	(9)%
Alternatives investment income (loss)	(44)	(43)	77	14	53	279 %	NM	(44)	53	NM
Total net investment earnings (loss)	<u>\$ (33)</u>	<u>\$ (35)</u>	<u>\$ 86</u>	<u>\$ 23</u>	<u>\$ 63</u>	174 %	NM	<u>\$ (33)</u>	<u>\$ 63</u>	NM
Fixed income and other investments	\$ 1,027	\$ 856	\$ 967	\$ 953	\$ 1,075	13 %	5 %	\$ 1,027	\$ 1,075	5 %
Alternatives investments	597	711	978	1,136	1,172	3 %	96 %	597	1,172	96 %
Total average net invested assets ex. Apollo investment	<u>\$ 1,624</u>	<u>\$ 1,567</u>	<u>\$ 1,945</u>	<u>\$ 2,089</u>	<u>\$ 2,247</u>	8 %	38 %	<u>\$ 1,624</u>	<u>\$ 2,247</u>	38 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net investment earned rate and net invested assets. The investment results above are presented net of investment management fees as well as the proportionate share of income/(loss) and investments associated with the ACRA noncontrolling interest. Consolidated and Corporate & Other average net invested assets exclude the assets related to our investment in Apollo when used in the calculation of our net investment earned rate.

NIERs by Asset Class and Apollo Investment

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NIER BY ASSET CLASS										
Corporate securities	4.02 %	3.80 %	3.77 %	3.70 %	3.54 %	(16)bps	(48)bps	4.02 %	3.54 %	(48)bps
Structured securities										
RMBS	5.53 %	4.61 %	4.72 %	5.08 %	5.19 %	11bps	(34)bps	5.53 %	5.19 %	(34)bps
CLO	4.38 %	3.74 %	2.88 %	3.12 %	3.03 %	(9)bps	NM	4.38 %	3.03 %	NM
ABS	4.48 %	3.85 %	3.78 %	3.91 %	3.72 %	(19)bps	(76)bps	4.48 %	3.72 %	(76)bps
CMBS	4.23 %	4.39 %	4.23 %	4.26 %	3.93 %	(33)bps	(30)bps	4.23 %	3.93 %	(30)bps
Total structured securities	4.69 %	4.05 %	3.73 %	3.91 %	3.77 %	(14)bps	(92)bps	4.69 %	3.77 %	(92)bps
State, municipal, political subdivisions and U.S. and foreign government	4.80 %	3.38 %	3.56 %	3.35 %	3.20 %	(15)bps	NM	4.80 %	3.20 %	NM
Mortgage loans	4.36 %	4.29 %	4.17 %	4.37 %	3.97 %	(40)bps	(39)bps	4.36 %	3.97 %	(39)bps
Alternative investments	(2.58)%	(6.75)%	19.44 %	19.56 %	38.51 %	NM	NM	(2.58)%	38.51 %	NM
Other U.S. and Bermuda net invested assets	2.32 %	1.17 %	2.13 %	1.28 %	1.29 %	1bps	NM	2.32 %	1.29 %	NM
Consolidated net investment earned rate	<u>3.87 %</u>	<u>3.29 %</u>	<u>4.41 %</u>	<u>4.43 %</u>	<u>5.27 %</u>	84bps	140bps	<u>3.87 %</u>	<u>5.27 %</u>	140bps
APOLLO INVESTMENT DETAILS										
Change in fair value of Apollo investment	\$ (297)	\$ 481	\$ (101)	\$ 142	\$ (25)	NM	NM	\$ (297)	\$ (25)	NM
Income tax (expense) benefit on Apollo investment	58	(109)	20	(29)	6	NM	NM	58	6	NM
Change in fair value of Apollo investment, net of tax	<u>\$ (239)</u>	<u>\$ 372</u>	<u>\$ (81)</u>	<u>\$ 113</u>	<u>\$ (19)</u>	NM	NM	<u>\$ (239)</u>	<u>\$ (19)</u>	NM
Annualized return on Apollo investment, net of tax	(224.9)%	137.7 %	(25.8)%	35.8 %	(6.0)%	NM	NM	(224.9)%	(6.0)%	NM
Change in fair value of Apollo investment impact on adjusted operating EPS ¹	\$ (1.32)	\$ 1.89	\$ (0.41)	\$ 0.58	\$ (0.10)	NM	NM	\$ (1.32)	\$ (0.10)	NM
Adjusted operating EPS, excluding AOG ¹	\$ 0.72	\$ 0.60	\$ 1.94	\$ 2.27	\$ 3.90	NM	NM	\$ 0.72	\$ 3.90	NM

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net investment earned rate. The investment results above are presented net of investment management fees as well as the proportionate share of income/(loss) and investments associated with the ACRA noncontrolling interest. 1 The impact of the Apollo investment on adjusted operating EPS includes removing the income/(loss) on the investment, net of tax.

Credit Quality of Securities

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Fair Value	Percent of Total	Fair Value	Percent of Total
CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)				
NAIC designation				
1	\$ 41,532	46.5 %	\$ 42,552	46.0 %
2	41,704	46.7 %	43,557	47.1 %
Total investment grade	83,236	93.2 %	86,109	93.1 %
3	4,853	5.4 %	5,025	5.4 %
4	1,145	1.3 %	1,069	1.2 %
5	114	0.1 %	154	0.2 %
6	25	— %	72	0.1 %
Total below investment grade	6,137	6.8 %	6,320	6.9 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 92,429	100.0 %
NRSRO designation				
AAA/AA/A	\$ 33,553	37.5 %	\$ 34,931	37.8 %
BBB	34,404	38.5 %	37,032	40.1 %
Non-rated ¹	12,732	14.3 %	11,695	12.7 %
Total investment grade ²	80,689	90.3 %	83,658	90.6 %
BB	4,020	4.5 %	4,273	4.6 %
B	1,030	1.2 %	1,061	1.1 %
CCC	1,557	1.7 %	1,564	1.7 %
CC and lower	973	1.1 %	847	0.9 %
Non-rated ¹	1,104	1.2 %	1,026	1.1 %
Total below investment grade	8,684	9.7 %	8,771	9.4 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 92,429	100.0 %
	Invested Asset Value³	% NAIC 1 or 2	Invested Asset Value³	% NAIC 1 or 2
SUMMARY OF NAIC 1 & 2 DESIGNATIONS BY ASSET CLASS (MANAGEMENT VIEW)				
Corporate securities	\$ 65,887	92.7 %	\$ 69,430	93.1 %
RMBS	7,721	92.6 %	7,362	92.3 %
CLO	14,139	96.8 %	15,409	97.3 %
ABS	11,722	89.2 %	12,368	88.0 %
CMBS	2,459	76.2 %	2,503	76.5 %
Total structured securities	36,041	91.7 %	37,642	91.5 %
State, municipal, political subdivisions and U.S. and foreign government	2,221	94.9 %	2,325	97.1 %
Short-term investments	429	89.4 %	194	86.5 %
Total NAIC 1 & 2 Designations	\$ 104,578		\$ 109,591	

¹ Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. ² We view the NAIC designation methodology as the most appropriate way to view our AFS portfolio when evaluating credit risk since a large portion of our holdings were purchased at a significant discount to par. With respect to loan-backed and structured securities, the NAIC designation methodology differs in significant respects from the NRSRO rating methodology. NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par regardless of entry price, while the NAIC designation methodology considers our investment at amortized cost, and the likelihood of recovery of that book value as opposed to the likelihood of the recovery of all contractual payments. ³ Please refer to Notes to the Financial Supplement section for discussion on net invested assets and the Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets.

Credit Quality of Net Invested Assets (Management view)

Unaudited (In millions, except percentages)



	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NAIC designation				
1	\$ 52,883	46.7 %	\$ 55,276	46.7 %
2	51,695	45.7 %	54,315	45.9 %
Non-rated ²	—	— %	—	— %
Total investment grade	104,578	92.4 %	109,591	92.6 %
3	6,256	5.5 %	6,412	5.4 %
4	1,957	1.7 %	1,837	1.6 %
5	335	0.4 %	377	0.3 %
6	45	— %	89	0.1 %
Non-rated ²	—	— %	—	— %
Total below investment grade	8,593	7.6 %	8,715	7.4 %
Total NAIC designated assets ³	113,171	100.0 %	118,306	100.0 %
Assets without NAIC designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,888	27.0 %
CM2	7,794	46.5 %	8,548	47.2 %
CM3	3,906	23.3 %	4,310	23.8 %
CM4	366	2.2 %	367	2.0 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,113	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	5,042	96.4 %
90 days late	65	1.4 %	140	2.7 %
In foreclosure	43	0.9 %	47	0.9 %
Total RMLs	4,774	100.0 %	5,229	100.0 %
Alternative investments				
Investment in Apollo	1,324		1,281	
Cash and equivalents	5,417		2,844	
Equity securities	478		494	
Other ⁴	1,455		1,432	
Net invested assets	\$ 150,190		\$ 155,703	

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NRSRO designation				
AAA/AA/A	\$ 42,492	37.6 %	\$ 44,084	37.3 %
BBB	42,478	37.5 %	45,502	38.4 %
Non-rated ²	16,494	14.6 %	17,058	14.4 %
Total investment grade	101,464	89.7 %	106,644	90.1 %
BB	5,317	4.7 %	5,504	4.7 %
B	1,784	1.5 %	1,798	1.5 %
CCC	1,899	1.7 %	1,877	1.6 %
CC and lower	1,145	1.0 %	1,004	0.8 %
Non-rated ²	1,562	1.4 %	1,479	1.3 %
Total below investment grade	11,707	10.3 %	11,662	9.9 %
Total NRSRO designated assets ³	113,171	100.0 %	118,306	100.0 %
Assets without NRSRO designation				
Commercial mortgage loans				
CM1	4,712	28.0 %	4,888	27.0 %
CM2	7,794	46.5 %	8,548	47.2 %
CM3	3,906	23.3 %	4,310	23.8 %
CM4	366	2.2 %	367	2.0 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,113	100.0 %
Residential mortgage loans				
In good standing	4,666	97.7 %	5,042	96.4 %
90 days late	65	1.4 %	140	2.7 %
In foreclosure	43	0.9 %	47	0.9 %
Total RMLs	4,774	100.0 %	5,229	100.0 %
Alternative investments				
Investment in Apollo	1,324		1,281	
Cash and equivalents	5,417		2,844	
Equity securities	478		494	
Other ⁴	1,455		1,432	
Net invested assets	\$ 150,190		\$ 155,703	

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

Credit Quality of Net Invested Assets – RMBS, CLOs, ABS (Management view)

Unaudited (In millions, except percentages)



	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF RMBS – NAIC DESIGNATION				
1	\$ 7,449	89.3 %	\$ 7,047	88.3 %
2	272	3.3 %	315	4.0 %
Non-rated ²	—	— %	—	— %
Total investment grade	7,721	92.6 %	7,362	92.3 %
3	378	4.5 %	348	4.4 %
4	171	2.1 %	141	1.8 %
5	49	0.6 %	54	0.7 %
6	18	0.2 %	63	0.8 %
Non-rated ²	—	— %	—	— %
Total below investment grade	616	7.4 %	606	7.7 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,968	100.0 %

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF CLOs – NAIC DESIGNATION				
1	\$ 9,130	62.5 %	\$ 10,194	64.4 %
2	5,009	34.3 %	5,215	32.9 %
Non-rated ²	—	— %	—	— %
Total investment grade	14,139	96.8 %	15,409	97.3 %
3	457	3.1 %	415	2.7 %
4	9	0.1 %	7	— %
5	4	— %	4	— %
6	—	— %	—	— %
Total below investment grade	470	3.2 %	426	2.7 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 15,835	100.0 %

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF ABS – NAIC DESIGNATION				
1	\$ 6,789	51.6 %	\$ 7,015	49.9 %
2	4,933	37.6 %	5,353	38.1 %
Non-rated ²	—	— %	—	— %
Total investment grade	11,722	89.2 %	12,368	88.0 %
3	862	6.6 %	1,139	8.1 %
4	389	3.0 %	397	2.8 %
5	164	1.2 %	157	1.1 %
6	—	— %	—	— %
Non-rated ²	—	— %	—	— %
Total below investment grade	1,415	10.8 %	1,693	12.0 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,061	100.0 %

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF RMBS – NRSRO DESIGNATION				
AAA/AA/A	\$ 1,286	15.4 %	\$ 1,219	15.3 %
BBB	670	8.0 %	655	8.2 %
Non-rated ²	2,548	30.6 %	2,482	31.1 %
Total investment grade	4,504	54.0 %	4,356	54.6 %
BB	276	3.3 %	248	3.1 %
B	309	3.7 %	287	3.6 %
CCC	1,795	21.6 %	1,734	21.8 %
CC and lower	1,141	13.7 %	1,004	12.6 %
Non-rated ²	312	3.7 %	339	4.3 %
Total below investment grade	3,833	46.0 %	3,612	45.4 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,968	100.0 %

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF CLOs – NRSRO DESIGNATION				
AAA/AA/A	\$ 9,113	62.4 %	\$ 9,993	63.1 %
BBB	4,995	34.2 %	5,148	32.5 %
Non-rated ²	31	0.2 %	264	1.7 %
Total investment grade	14,139	96.8 %	15,405	97.3 %
BB	457	3.1 %	419	2.7 %
B	9	0.1 %	7	— %
CCC	4	— %	4	— %
CC and lower	—	— %	—	— %
Total below investment grade	470	3.2 %	430	2.7 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 15,835	100.0 %

	December 31, 2020		March 31, 2021	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF ABS – NRSRO DESIGNATION				
AAA/AA/A	\$ 5,691	43.3 %	\$ 6,105	43.4 %
BBB	2,156	16.4 %	3,197	22.7 %
Non-rated ²	3,794	28.9 %	2,974	21.2 %
Total investment grade	11,641	88.6 %	12,276	87.3 %
BB	545	4.2 %	899	6.4 %
B	281	2.1 %	421	3.0 %
CCC	13	0.1 %	10	0.1 %
CC and lower	—	— %	—	— %
Non-rated ²	657	5.0 %	455	3.2 %
Total below investment grade	1,496	11.4 %	1,785	12.7 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,061	100.0 %

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

Net Reserve Liabilities & Rollforwards

Unaudited (in millions, except percentages)



	December 31, 2020		March 31, 2021	
	Dollars	Percent of Total	Dollars	Percent of Total
NET RESERVE LIABILITIES				
Indexed annuities	\$ 81,084	55.9 %	\$ 80,687	54.5 %
Fixed rate annuities	30,315	20.9 %	29,737	20.0 %
Total deferred annuities	111,399	76.8 %	110,424	74.5 %
Pension risk transfer annuities	12,262	8.5 %	13,532	9.1 %
Payout annuities	6,859	4.7 %	6,985	4.7 %
Funding agreements ¹	12,591	8.7 %	15,715	10.6 %
Life and other	1,878	1.3 %	1,683	1.1 %
Total net reserve liabilities	<u>\$ 144,989</u>	<u>100.0 %</u>	<u>\$ 148,339</u>	<u>100.0 %</u>

	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET RESERVE LIABILITY ROLLFORWARD										
Net reserve liabilities – beginning	\$ 114,652	\$ 114,273	\$ 131,333	\$ 137,767	\$ 144,989	5 %	26 %	\$ 114,652	\$ 144,989	26 %
Gross inflows ²	4,084	7,031	7,487	9,471	8,360	(12)%	105 %	4,084	8,360	105 %
Acquisition and block reinsurance ³	—	28,792	—	—	—	NM	NM	—	—	NM
Inflows attributable to ACRA noncontrolling interest	—	(18,288)	(53)	(1,230)	(1,507)	(23)%	NM	—	(1,507)	NM
Net inflows	4,084	17,535	7,434	8,241	6,853	(17)%	68 %	4,084	6,853	68 %
Net withdrawals	(2,740)	(3,282)	(2,695)	(3,232)	(3,481)	(8)%	(27)%	(2,740)	(3,481)	(27)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	335	—	—	—	NM	NM	—	—	NM
Other reserve changes	(1,723)	2,472	1,695	2,213	(22)	NM	99 %	(1,723)	(22)	99 %
Net reserve liabilities – ending	<u>\$ 114,273</u>	<u>\$ 131,333</u>	<u>\$ 137,767</u>	<u>\$ 144,989</u>	<u>\$ 148,339</u>	2 %	30 %	<u>\$ 114,273</u>	<u>\$ 148,339</u>	30 %

ACRA NONCONTROLLING INTEREST RESERVE LIABILITY ROLLFORWARD⁵

Reserve liabilities – beginning	\$ 6,574	\$ 6,322	\$ 24,094	\$ 23,762	\$ 24,618	4 %	274 %	\$ 6,574	\$ 24,618	274 %
Inflows	—	20	53	1,230	1,507	23 %	NM	—	1,507	NM
Acquisition and block reinsurance ³	—	18,268	—	—	—	NM	NM	—	—	NM
Withdrawals	(197)	(317)	(574)	(619)	(641)	(4)%	NM	(197)	(641)	NM
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	(335)	—	—	—	NM	NM	—	—	NM
Other reserve changes	(55)	136	189	245	141	(42)%	NM	(55)	141	NM
Reserve liabilities – ending	<u>\$ 6,322</u>	<u>\$ 24,094</u>	<u>\$ 23,762</u>	<u>\$ 24,618</u>	<u>\$ 25,625</u>	4 %	NM	<u>\$ 6,322</u>	<u>\$ 25,625</u>	NM

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net reserve liabilities. Net reserve liabilities include our economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interest. ¹ Funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements. ² Gross inflows equal inflows from our retail, flow reinsurance and institutional channels as well as inflows for life and products other than deferred annuities or our institutional products, renewal inflows on older blocks of business, annuitizations and foreign currency translation adjustments on large transactions between the transaction date and the translation period. Gross inflows include all inflows sourced by Athene, including all of the inflows reinsured to ACRA. ³ Acquisition and block reinsurance transactions include the reserve liabilities acquired in our inorganic channel at inception. On June 1, 2020, we entered into an agreement with Jackson National Life pursuant to which we agreed to reinsure a block of fixed and fixed indexed annuities on a funds withheld coinsurance basis providing \$28.8 billion of gross inflows. ⁴ Effective April 1, 2020, ALRe purchased 14,000 newly issued shares in ACRA increasing our ownership from 33% to 36.55% of the economic interests. ⁵ The ACRA reserve liability rollforward is a rollforward of the GAAP reserve liabilities associated with the noncontrolling interest.

Net Reserve Liabilities & Rollforwards, continued

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
NET DEFERRED ANNUITY ACCOUNT VALUE ROLLFORWARD¹										
Net account value – beginning	\$ 88,000	\$ 88,238	\$ 100,694	\$ 103,594	\$ 104,385	1 %	19 %	\$ 88,000	\$ 104,385	19 %
Gross inflows ²	2,013	3,913	4,604	2,756	1,965	(29)%	(2)%	2,013	1,965	(2)%
Acquisition and block reinsurance ³	—	27,404	—	—	—	NM	NM	—	—	NM
Inflows attributable to ACRA noncontrolling interest	—	(17,398)	(30)	(29)	(25)	14 %	NM	—	(25)	NM
Net inflows	2,013	13,919	4,574	2,727	1,940	(29)%	(4)%	2,013	1,940	(4)%
Premium and interest bonuses	37	45	40	53	52	(2)%	41 %	37	52	41 %
Fixed and index credits to policyholders	589	443	656	821	929	13 %	58 %	589	929	58 %
Surrenders and benefits paid	(2,288)	(2,054)	(2,248)	(2,688)	(2,947)	(10)%	(29)%	(2,288)	(2,947)	(29)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	221	—	—	—	NM	NM	—	—	NM
Fee and product charges	(113)	(118)	(122)	(122)	(125)	(2)%	(11)%	(113)	(125)	(11)%
Net account value – ending	<u>\$ 88,238</u>	<u>\$ 100,694</u>	<u>\$ 103,594</u>	<u>\$ 104,385</u>	<u>\$ 104,234</u>	— %	18 %	<u>\$ 88,238</u>	<u>\$ 104,234</u>	18 %
NET INSTITUTIONAL RESERVE LIABILITY ROLLFORWARD (PENSION RISK TRANSFER AND FUNDING AGREEMENTS)										
Net reserve liabilities – beginning	\$ 13,337	\$ 15,036	\$ 17,103	\$ 19,647	\$ 24,853	26 %	86 %	\$ 13,337	\$ 24,853	86 %
Gross inflows ²	1,840	2,865	2,619	6,420	6,119	(5)%	233 %	1,840	6,119	233 %
Inflows attributable to ACRA noncontrolling interest	—	—	—	(1,177)	(1,465)	(24)%	NM	—	(1,465)	NM
Net inflows	1,840	2,865	2,619	5,243	4,654	(11)%	153 %	1,840	4,654	153 %
Net withdrawals	(240)	(1,024)	(239)	(337)	(316)	6 %	(32)%	(240)	(316)	(32)%
Sale of ACRA noncontrolling interest to ADIP and ownership changes ⁴	—	117	—	—	—	NM	NM	—	—	NM
Other reserve changes	99	109	164	300	56	(81)%	(43)%	99	56	(43)%
Net reserve liabilities – ending	<u>\$ 15,036</u>	<u>\$ 17,103</u>	<u>\$ 19,647</u>	<u>\$ 24,853</u>	<u>\$ 29,247</u>	18 %	95 %	<u>\$ 15,036</u>	<u>\$ 29,247</u>	95 %

Note: Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on net reserve liabilities. Net reserve liabilities include our economic ownership of ACRA reserve liabilities but do not include the reserve liabilities associated with the noncontrolling interest. 1 The account value rollforward on deferred annuities includes our fixed rate and indexed annuities and are net of ceded reinsurance activity. 2 Gross inflows equal inflows from our retail, flow reinsurance and institutional channels as well as inflows for life and products other than deferred annuities or our institutional products, renewal inflows on older blocks of business, annuitizations and foreign currency translation adjustments on large transactions between the transaction date and the translation period. Gross inflows include all inflows sourced by Athene, including all of the inflows reinsured to ACRA. 3 Acquisition and block reinsurance transactions include the reserve liabilities acquired in our inorganic channel at inception. On June 1, 2020, we entered into an agreement with Jackson National Life pursuant to which we agreed to reinsure a block of fixed and fixed indexed annuities on a funds withheld coinsurance basis providing \$28.8 billion of gross inflows. 4 Effective April 1, 2020, ALRe purchased 14,000 newly issued shares in ACRA increasing our ownership from 33% to 36.55% of the economic interests.

Deferred Annuity Liability Characteristics

Unaudited (in millions, except percentages)



	Surrender charge (gross)	Percent of total	Surrender charge (net of MVA)	Percent of total
SURRENDER CHARGE PERCENTAGES ON DEFERRED ANNUITIES NET ACCOUNT VALUE				
No Surrender Charge	\$ 26,303	25.2 %	\$ 26,303	25.2 %
0.0% < 2.0%	1,093	1.1 %	4,046	3.9 %
2.0% < 4.0%	4,520	4.3 %	9,181	8.8 %
4.0% < 6.0%	11,754	11.3 %	16,257	15.6 %
6.0% or greater	60,564	58.1 %	48,447	46.5 %
	<u>\$ 104,234</u>	<u>100.0 %</u>	<u>\$ 104,234</u>	<u>100.0 %</u>

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	5.7 %	(0.4)%	5.3 %

	Deferred annuities	Percent of total	Average surrender charge (gross)
YEARS OF SURRENDER CHARGE REMAINING ON DEFERRED ANNUITIES NET ACCOUNT VALUE			
No Surrender Charge	\$ 26,303	25.2 %	— %
Less than 2	18,575	17.8 %	5.2 %
2 to less than 4	19,654	18.9 %	6.5 %
4 to less than 6	14,789	14.2 %	7.8 %
6 to less than 8	12,196	11.7 %	9.1 %
8 to less than 10	9,517	9.1 %	10.4 %
10 or greater	3,200	3.1 %	14.1 %
	<u>\$ 104,234</u>	<u>100.0 %</u>	

	At minimum guarantees	Total account value	Percent of total account value at minimum guarantees
MINIMUM GUARANTEES ON DEFERRED ANNUITIES			
Fixed indexed annuities	\$ 16,829	\$ 75,326	22 %
Fixed rate annuities	10,751	28,908	37 %
Total net deferred annuities	<u>\$ 27,580</u>	<u>\$ 104,234</u>	<u>26 %</u>

	March 31, 2021
Distance to guarantees ¹	> 100

¹ The distance to guarantee reflects the average distance in option costs between the current and guaranteed rates for indexed strategies and between current and guaranteed fixed rates for fixed strategies. The option costs used reflect an estimate of option cost in the market.

	December 31, 2020	March 31, 2021	Δ
DEFERRED ANNUITY RIDER RESERVE SUMMARY			
Net rider reserve	\$ 4,747	\$ 4,677	(1)%
Net account value with rider reserves	37,721	37,683	— %
Rider reserve as a percentage of account value with rider reserves	12.6 %	12.4 %	(20)bps

Capitalization & Regulatory Capital Ratios

Unaudited (in millions, except percentages)



	Quarterly Trends					Δ	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y
CAPITALIZATION							
Total debt	\$ 1,386	\$ 1,486	\$ 1,487	\$ 1,976	\$ 1,977	— %	43 %
Total AHL shareholders' equity	9,940	14,711	15,943	18,657	17,291	(7)%	74 %
Total capitalization	11,326	16,197	17,430	20,633	19,268	(7)%	70 %
Less: Accumulated other comprehensive income (loss) (AOCI)	(1,174)	2,184	2,888	3,971	2,021	(49)%	NM
Less: Accumulated change in fair value of reinsurance assets	(155)	615	778	1,142	488	(57)%	NM
Total adjusted capitalization	<u>\$ 12,655</u>	<u>\$ 13,398</u>	<u>\$ 13,764</u>	<u>\$ 15,520</u>	<u>\$ 16,759</u>	8 %	32 %
EQUITY							
Total AHL shareholders' equity	\$ 9,940	\$ 14,711	\$ 15,943	\$ 18,657	\$ 17,291	(7)%	74 %
Less: Preferred stock	1,172	1,755	1,755	2,312	2,312	— %	97 %
Total AHL common shareholders' equity	8,768	12,956	14,188	16,345	14,979	(8)%	71 %
Less: AOCI	(1,174)	2,184	2,888	3,971	2,021	(49)%	NM
Less: Accumulated change in fair value of reinsurance assets	(155)	615	778	1,142	488	(57)%	NM
Total adjusted AHL common shareholders' equity	<u>\$ 10,097</u>	<u>\$ 10,157</u>	<u>\$ 10,522</u>	<u>\$ 11,232</u>	<u>\$ 12,470</u>	11 %	24 %
EQUITY BY SEGMENT							
Retirement Services	\$ 8,002	\$ 6,957	\$ 7,321	\$ 7,732	\$ 8,870	15 %	11 %
Corporate and Other	2,095	3,200	3,201	3,500	3,600	3 %	72 %
Total adjusted AHL common shareholders' equity	<u>\$ 10,097</u>	<u>\$ 10,157</u>	<u>\$ 10,522</u>	<u>\$ 11,232</u>	<u>\$ 12,470</u>	11 %	24 %
FINANCIAL LEVERAGE							
Debt to capital ratio	12.2 %	9.2 %	8.5 %	9.6 %	10.3 %	70bps	NM
AOCI	(1.1)%	1.5 %	1.8 %	2.4 %	1.2 %	NM	NM
Accumulated change in fair value of reinsurance assets	(0.1)%	0.4 %	0.5 %	0.7 %	0.3 %	(40)bps	NM
Adjusted debt to capital ratio	<u>11.0 %</u>	<u>11.1 %</u>	<u>10.8 %</u>	<u>12.7 %</u>	<u>11.8 %</u>	(90)bps	80bps
REGULATORY CAPITAL RATIOS							
	December 31, 2019		December 31, 2020		Δ		
U.S. RBC ratio – Athene Annuity & Life Assurance Company	429 %		425 %		NM		
BSCR – Athene Life Re Ltd.	310 %		254 %		NM		
Athene Life Re Ltd. RBC ratio ¹	443 %		460 %		NM		

¹ ALRe RBC ratio is calculated by applying the NAIC RBC factors to the statutory financial statements of ALRe and ALRe's non-U.S.reinsurance subsidiaries on an aggregate basis with certain adjustments made by management.

Financial Strength, Credit Ratings & Share Data

Unaudited (in millions, except percentages)



	A.M. Best	Standard & Poor's	Fitch
FINANCIAL STRENGTH RATINGS			
Athene Annuity & Life Assurance Company	A	A	A
Athene Annuity and Life Company	A	A	A
Athene Annuity & Life Assurance Company of New York	A	A	A
Athene Life Insurance Company of New York	A	Not Rated	Not Rated
Athene Life Re Ltd.	A	A	A
Athene Life Re International Ltd.	A	A	A
Athene Co-Invest Reinsurance Affiliate 1A Ltd. and Athene Co-Invest Reinsurance Affiliate 1B Ltd.	A	A	A
Athene Co-Invest Reinsurance Affiliate International Ltd.	A	A	A

CREDIT RATINGS

Athene Holding Ltd.	bbb+	BBB+	BBB+
Senior notes	bbb+	BBB+	BBB

	Quarterly Trends					Δ		Year-to-Date		Δ
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	Q/Q	Y/Y	2020	2021	Y/Y
	SHARE DATA									
Weighted average common shares outstanding – basic – Class A	161.4	193.9	193.1	191.1	191.3	— %	19 %	161.4	191.3	19 %
Weighted average common shares outstanding – diluted – Class A ¹	161.4	196.9	197.1	195.9	196.8	— %	22 %	161.4	196.8	22 %
Weighted average common shares outstanding – adjusted operating ²	181.5	196.9	197.1	195.9	196.8	— %	8 %	181.5	196.8	8 %
Common shares outstanding ³	193.9	193.9	191.2	191.2	191.4	— %	(1)%	193.9	191.4	(1)%
Adjusted operating common shares outstanding ²	197.7	198.6	196.3	197.2	198.3	1 %	— %	197.7	198.3	— %

¹ Diluted earnings per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, of Class B common shares, Class M common shares and any other stock-based awards. ² Represents Class A common shares outstanding or weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares, Class M common shares and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. ³ Represents common shares vested and outstanding for all classes eligible to participate in dividends for each period presented.

KEY OPERATING AND NON-GAAP MEASURES

In addition to our results presented in accordance with GAAP, we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides information that may enhance an investor's understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers, as such items fluctuate from period to period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the corresponding GAAP measures.

ADJUSTED OPERATING INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS AND ADJUSTED OPERATING RETURN ON ASSETS (ROA)

Adjusted operating income (loss) available to common shareholders is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our adjusted operating income (loss) available to common shareholders equals net income (loss) available to AHL common shareholders adjusted to eliminate the impact of the following (collectively, the non-operating adjustments):

- **Investment Gains (Losses), Net of Offsets**—Consists of the realized gains and losses on the sale of AFS securities, the change in fair value of reinsurance assets, unrealized gains and losses, changes in the credit loss allowance, and other investment gains and losses. Unrealized, allowances and other investment gains and losses are comprised of the fair value adjustments of trading securities (other than CLOs) and investments held under the fair value option, derivative gains and losses not hedging FIA index credits, and the change in credit loss allowances recognized in operations net of the change in AmerUs Closed Block fair value reserve related to the corresponding change in fair value of investments and the change in unit-linked reserves related to the corresponding trading securities. Investment gains and losses are net of offsets related to DAC, DSI, and VOBA amortization and changes to guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) reserves (together, GLWB and GMDB reserves represent rider reserves) as well as the MVAs associated with surrenders or terminations of contracts.
- **Change in Fair Values of Derivatives and Embedded Derivatives – FIAs, Net of Offsets**—Consists of impacts related to the fair value accounting for derivatives hedging the FIA index credits and the related embedded derivative liability fluctuations from period to period. The index reserve is measured at fair value for the current period and all periods beyond the current policyholder index term. However, the FIA hedging derivatives are purchased to hedge only the current index period. Upon policyholder renewal at the end of the period, new FIA hedging derivatives are purchased to align with the new term. The difference in duration between the FIA hedging derivatives and the index credit reserves creates a timing difference in earnings. This timing difference of the FIA hedging derivatives and index credit reserves is included as a non-operating adjustment, net of offsets related to DAC, DSI, and VOBA amortization and changes to rider reserves. We primarily hedge with options that align with the index terms of our FIA products (typically 1–2 years). On an economic basis, we believe this is suitable because policyholder accounts are credited with index performance at the end of each index term. However, because the term of an embedded derivative in an FIA contract is longer-dated, there is a duration mismatch which may lead to mismatches for accounting purposes.
- **Integration, Restructuring, and Other Non-operating Expenses**—Consists of restructuring and integration expenses related to acquisitions and block reinsurance costs as well as certain other expenses, which are not predictable or related to our underlying profitability drivers.
- **Stock Compensation Expense**—Consists of stock compensation expenses associated with our share incentive plans, excluding our long-term incentive plan, which are not related to our underlying profitability drivers and fluctuate from time to time due to the structure of our plans.
- **Bargain Purchase Gain**—Consists of adjustments to net income (loss) available to AHL common shareholders as they are not related to our underlying profitability drivers.
- **Income Tax (Expense) Benefit – Non-operating**—Consists of the income tax effect of non-operating adjustments and is computed by applying the appropriate jurisdiction's tax rate to the non-operating adjustments that are subject to income tax.

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

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

ADJUSTED OPERATING ROE

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

ADJUSTED OPERATING EARNINGS (LOSS) PER COMMON SHARE, WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – ADJUSTED OPERATING, AND ADJUSTED BOOK VALUE PER COMMON SHARE

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

ADJUSTED DEBT TO CAPITAL RATIO

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

RETIREMENT SERVICES NET INVESTMENT SPREAD, INVESTMENT MARGIN ON DEFERRED ANNUITIES, AND OPERATING EXPENSES

Net investment spread is a key measure of the profitability of our Retirement Services segment. Net investment spread measures our investment performance less the total cost of our liabilities. Net investment earned rate is a key measure of our investment performance, while cost of funds is a key measure of the cost of our policyholder benefits and liabilities. Investment margin on our deferred annuities measures our investment performance less the cost of crediting for our deferred annuities, which make up a significant portion of our net reserve liabilities.

- Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our net invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our net invested assets divided by the average net invested assets, excluding the impacts of our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to net investment income to arrive at our net investment earned rate add (a) alternative investment gains and losses, (b) gains and losses related to trading securities for CLOs, (c) net VIE impacts (revenues, expenses and noncontrolling interest), (d) forward points gains and losses on foreign exchange derivative hedges and (e) the change in fair value of reinsurance assets, and removes the proportionate share of the ACRA net investment income associated with the ACRA noncontrolling interest as well as the gain or loss on our investment in Apollo. We include the income and assets supporting our change in fair value of reinsurance assets by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of change in fair value of reinsurance assets. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.
- Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products as well as other liability costs, but does not include the proportionate share of the ACRA cost of funds associated with the noncontrolling interest. Cost of funds is computed as the total liability costs divided by the average net invested assets, excluding our investment in Apollo, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
 - Cost of crediting includes the costs for both deferred annuities and institutional products. Cost of crediting on deferred annuities is the interest credited to the policyholders on our fixed strategies as well as the option costs on the indexed annuity strategies. With respect to FIAs, the cost of providing index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. Cost of crediting on institutional products is comprised of (i) PRT costs, including interest credited, benefit payments and other reserve changes, net of premiums received when issued, and (ii) funding agreement costs, including the interest payments and other reserve changes. Cost of crediting is computed as the cost of crediting for deferred annuities and institutional products divided by the average net invested assets, excluding the investment in Apollo, for the relevant periods. Cost of crediting on deferred annuities is computed as the net interest credited on fixed strategies and option costs on indexed annuity strategies divided by the average net account value of our deferred annuities. Cost of crediting on institutional products is computed as the PRT and funding agreement costs divided by the average net institutional reserve liabilities. Our average net invested assets, excluding our investment in Apollo, net account values and net institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
 - Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.
- Net investment earned rate, cost of funds, net investment spread and investment margin on deferred annuities are non-GAAP measures we use to evaluate the profitability of our business. We believe these metrics are useful in analyzing the trends of our business operations, profitability and pricing discipline. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for net investment income, interest sensitive contract benefits or total benefits and expenses presented under GAAP.
- Operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation expense, interest expense and policy acquisition expenses. We believe a measure like operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe operating expenses is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for policy and other operating expenses presented under GAAP.

NET INVESTED ASSETS

In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.

NET RESERVE LIABILITIES

In managing our business, we also analyze net reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. Net reserve liabilities represent our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Net reserve liabilities include (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities include our proportionate share of ACRA reserve liabilities, based on our economic ownership, but does not include the proportionate share of reserve liabilities associated with the noncontrolling interest. Net reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and, therefore, we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction. While we believe net reserve liabilities is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total liabilities presented under GAAP.

SALES

Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to inflows generated during a specific period of time. Our sales statistics include inflows for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers). While we believe sales is a meaningful metric and enhances our understanding of our business performance, it should not be used as a substitute for premiums presented under GAAP.

NET ORGANIC GROWTH RATE

Net organic growth rate is calculated as the net organic flows divided by average net invested assets. Net organic flows are comprised of net organic inflows less net outflows. Organic inflows are the deposits generated from our organic channels, which include retail, flow reinsurance and institutional. Net outflows are total liability outflows, including full and partial withdrawals on our deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and maturities of our funding agreements, net of outflows attributable to the ACRA noncontrolling interest. To enhance the ability to analyze these measures across periods, interim periods are annualized. We believe net organic growth rate provides a meaningful financial metric that enables investors to assess our growth from the channels that provide recurring inflows. Management uses net organic growth rate to monitor our business performance and the underlying profitability drivers of our business.

Non-GAAP Reconciliations

Unaudited (in millions, except per share data)



	Quarterly Trends					Year-to-Date	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2020	2021
RECONCILIATION OF BOOK VALUE PER COMMON SHARE TO ADJUSTED BOOK VALUE PER COMMON SHARE							
Book value per common share	\$ 45.23	\$ 66.82	\$ 74.21	\$ 85.51	\$ 78.25		
AOCI	6.06	(11.26)	(15.10)	(20.77)	(10.56)		
Accumulated change in fair value of reinsurance assets	0.80	(3.17)	(4.07)	(5.98)	(2.55)		
Effect of items convertible to or settled in Class A common shares	(1.02)	(1.24)	(1.43)	(1.81)	(2.26)		
Adjusted book value per common share	<u>\$ 51.07</u>	<u>\$ 51.15</u>	<u>\$ 53.61</u>	<u>\$ 56.95</u>	<u>\$ 62.88</u>		
RECONCILIATION OF AVERAGE AHL SHAREHOLDERS' EQUITY TO AVERAGE ADJUSTED AHL COMMON SHAREHOLDERS' EQUITY							
Average AHL shareholders' equity	\$ 11,666	\$ 12,326	\$ 15,327	\$ 17,300	\$ 17,974	\$ 11,666	\$ 17,974
Less: Average preferred stock	1,172	1,464	1,755	2,034	2,312	1,172	2,312
Less: Average AOCI	554	505	2,536	3,430	2,996	554	2,996
Less: Average accumulated change in fair value of reinsurance assets	169	230	697	960	815	169	815
Average adjusted AHL common shareholders' equity	<u>\$ 9,771</u>	<u>\$ 10,127</u>	<u>\$ 10,339</u>	<u>\$ 10,876</u>	<u>\$ 11,851</u>	<u>\$ 9,771</u>	<u>\$ 11,851</u>
Retirement Services	\$ 7,722	\$ 7,480	\$ 7,139	\$ 7,526	\$ 8,301	\$ 7,722	\$ 8,301
Corporate and Other	2,049	2,647	3,200	3,350	3,550	2,049	3,550
Average adjusted AHL common shareholders' equity	<u>\$ 9,771</u>	<u>\$ 10,127</u>	<u>\$ 10,339</u>	<u>\$ 10,876</u>	<u>\$ 11,851</u>	<u>\$ 9,771</u>	<u>\$ 11,851</u>
RECONCILIATION OF BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – CLASS A TO WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – ADJUSTED OPERATING							
Basic weighted average common shares outstanding – Class A	161.4	193.9	193.1	191.1	191.3	161.4	191.3
Conversion of Class B common shares to Class A common shares	16.9	—	—	—	—	16.9	—
Conversion of Class M common shares to Class A common shares	3.2	—	—	—	—	3.2	—
Effect of other stock compensation plans	—	3.0	4.0	4.8	5.5	—	5.5
Weighted average common shares outstanding – adjusted operating	<u>181.5</u>	<u>196.9</u>	<u>197.1</u>	<u>195.9</u>	<u>196.8</u>	<u>181.5</u>	<u>196.8</u>
RECONCILIATION OF CLASS A COMMON SHARES OUTSTANDING TO ADJUSTED OPERATING COMMON SHARES OUTSTANDING							
Class A common shares outstanding	193.9	193.9	191.2	191.2	191.4		
Effect of other stock compensation plans	3.8	4.7	5.1	6.0	6.9		
Adjusted operating common shares outstanding	<u>197.7</u>	<u>198.6</u>	<u>196.3</u>	<u>197.2</u>	<u>198.3</u>		

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2020	2021
RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO AHL COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS EXCLUDING NOTABLES AND AOG							
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ (1,065)	\$ 824	\$ 622	\$ 1,065	\$ 578	\$ (1,065)	\$ 578
Less: Total non-operating adjustments	(957)	334	320	507	(170)	(957)	(170)
Adjusted operating income (loss) available to common shareholders	(108)	490	302	558	748	(108)	748
Notable items	43	(20)	(27)	(41)	(8)	43	(8)
Adjusted operating income (loss) available to common shareholders excluding notable items	\$ (65)	\$ 470	\$ 275	\$ 517	\$ 740	\$ (65)	\$ 740
Retirement Services adjusted operating income available to common shareholders	\$ 204	\$ 208	\$ 361	\$ 493	\$ 784	\$ 204	\$ 784
Non-recurring adjustment on derivative collateral	—	—	(25)	—	—	—	—
Actuarial experience and market impacts	50	(22)	—	(46)	(9)	50	(9)
Unlocking	—	—	(6)	—	—	—	—
Tax impact of notable items	(7)	2	4	5	1	(7)	1
Retirement Services notable items	43	(20)	(27)	(41)	(8)	43	(8)
Retirement Services adjusted operating income available to common shareholders excluding notable items	247	188	334	452	776	247	776
Corporate and Other adjusted operating income (loss) available to common shareholders	(312)	282	(59)	65	(36)	(312)	(36)
Adjusted operating income (loss) available to common shareholders excluding notable items	(65)	470	275	517	740	(65)	740
Less: Change in fair value of Apollo investment, net of tax	(239)	372	(81)	113	(19)	(239)	(19)
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 174	\$ 98	\$ 356	\$ 404	\$ 759	\$ 174	\$ 759

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2020	2021
RECONCILIATION OF NET INVESTMENT INCOME TO NET INVESTMENT EARNINGS							
GAAP net investment income	\$ 745	\$ 1,336	\$ 1,209	\$ 1,595	\$ 1,704	\$ 745	\$ 1,704
Change in fair value of reinsurance assets	270	218	444	476	366	270	366
Alternative gains (losses)	(101)	56	23	(80)	69	(101)	69
ACRA noncontrolling interest	(72)	(81)	(196)	(210)	(198)	(72)	(198)
Apollo investment (gain) loss	297	(481)	101	(142)	25	297	25
Held for trading amortization and other	12	(8)	(51)	(32)	32	12	32
Total adjustments to arrive at net investment earnings	406	(296)	321	12	294	406	294
Total net investment earnings	<u>\$ 1,151</u>	<u>\$ 1,040</u>	<u>\$ 1,530</u>	<u>\$ 1,607</u>	<u>\$ 1,998</u>	<u>\$ 1,151</u>	<u>\$ 1,998</u>
Retirement Services	\$ 1,184	\$ 1,075	\$ 1,444	\$ 1,584	\$ 1,935	\$ 1,184	\$ 1,935
Corporate and Other	(33)	(35)	86	23	63	(33)	63
Total net investment earnings	<u>\$ 1,151</u>	<u>\$ 1,040</u>	<u>\$ 1,530</u>	<u>\$ 1,607</u>	<u>\$ 1,998</u>	<u>\$ 1,151</u>	<u>\$ 1,998</u>
RECONCILIATION OF NET INVESTMENT INCOME RATE TO NET INVESTMENT EARNED RATE							
GAAP net investment income rate	2.51 %	4.22 %	3.48 %	4.39 %	4.49 %	2.51 %	4.49 %
Change in fair value of reinsurance assets	0.90 %	0.69 %	1.28 %	1.31 %	0.97 %	0.90 %	0.97 %
Alternative gains (losses)	(0.34)%	0.18 %	0.07 %	(0.22)%	0.18 %	(0.34)%	0.18 %
ACRA noncontrolling interest	(0.24)%	(0.26)%	(0.56)%	(0.58)%	(0.52)%	(0.24)%	(0.52)%
Apollo investment (gain) loss	1.00 %	(1.52)%	0.29 %	(0.38)%	0.07 %	1.00 %	0.07 %
Held for trading amortization and other	0.04 %	(0.02)%	(0.15)%	(0.09)%	0.08 %	0.04 %	0.08 %
Total adjustments to arrive at net investment earned rate	1.36 %	(0.93)%	0.93 %	0.04 %	0.78 %	1.36 %	0.78 %
Consolidated net investment earned rate	<u>3.87 %</u>	<u>3.29 %</u>	<u>4.41 %</u>	<u>4.43 %</u>	<u>5.27 %</u>	<u>3.87 %</u>	<u>5.27 %</u>
Retirement Services	4.04 %	3.44 %	4.22 %	4.43 %	5.18 %	4.04 %	5.18 %
Corporate and Other	(8.14)%	(8.91)%	17.59 %	4.38 %	11.22 %	(8.14)%	11.22 %
Consolidated net investment earned rate	<u>3.87 %</u>	<u>3.29 %</u>	<u>4.41 %</u>	<u>4.43 %</u>	<u>5.27 %</u>	<u>3.87 %</u>	<u>5.27 %</u>
Retirement Services	\$ 117,295	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 117,295	\$ 149,397
Corporate and Other ex. Apollo investment	1,624	1,567	1,945	2,089	2,247	1,624	2,247
Consolidated average net invested assets ex. Apollo investment	<u>\$ 118,919</u>	<u>\$ 126,510</u>	<u>\$ 138,797</u>	<u>\$ 145,251</u>	<u>\$ 151,644</u>	<u>\$ 118,919</u>	<u>\$ 151,644</u>

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2020	2021
RECONCILIATION OF INTEREST SENSITIVE CONTRACT BENEFITS TO COST OF CREDITING							
GAAP interest sensitive contract benefits	\$ (1,319)	\$ 2,076	\$ 1,225	\$ 1,909	\$ 394	\$ (1,319)	\$ 394
Interest credited other than deferred annuities and institutional products	63	75	73	101	97	63	97
FIA option costs	266	271	284	280	279	266	279
Product charges (strategy fees)	(32)	(34)	(34)	(36)	(38)	(32)	(38)
Reinsurance embedded derivative impacts	14	15	14	14	14	14	14
Change in fair values of embedded derivatives – FIAs	1,504	(1,734)	(779)	(1,395)	43	1,504	43
Negative VOBA amortization	7	5	3	6	3	7	3
ACRA noncontrolling interest	38	(113)	(151)	(207)	(128)	38	(128)
Other changes in interest sensitive contract liabilities	(1)	(1)	5	5	4	(1)	4
Total adjustments to arrive at cost of crediting	1,859	(1,516)	(585)	(1,232)	274	1,859	274
Retirement Services cost of crediting	\$ 540	\$ 560	\$ 640	\$ 677	\$ 668	\$ 540	\$ 668
GAAP interest sensitive contract benefits	(4.50)%	6.65 %	3.58 %	5.33 %	1.05 %	(4.50)%	1.05 %
Interest credited other than deferred annuities and institutional products	0.21 %	0.24 %	0.21 %	0.28 %	0.26 %	0.21 %	0.26 %
FIA option costs	0.91 %	0.86 %	0.83 %	0.78 %	0.75 %	0.91 %	0.75 %
Product charges (strategy fees)	(0.11)%	(0.11)%	(0.10)%	(0.10)%	(0.10)%	(0.11)%	(0.10)%
Reinsurance embedded derivative impacts	0.05 %	0.05 %	0.04 %	0.04 %	0.04 %	0.05 %	0.04 %
Change in fair values of embedded derivatives – FIAs	5.13 %	(5.55)%	(2.28)%	(3.90)%	0.11 %	5.13 %	0.11 %
Negative VOBA amortization	0.02 %	0.02 %	0.01 %	0.02 %	0.01 %	0.02 %	0.01 %
ACRA noncontrolling interest	0.13 %	(0.37)%	(0.44)%	(0.58)%	(0.34)%	0.13 %	(0.34)%
Other changes in interest sensitive contract liabilities	— %	— %	0.02 %	0.02 %	0.01 %	— %	0.01 %
Total adjustments to arrive at cost of crediting	6.34 %	(4.86)%	(1.71)%	(3.44)%	0.74 %	6.34 %	0.74 %
Retirement Services cost of crediting	1.84 %	1.79 %	1.87 %	1.89 %	1.79 %	1.84 %	1.79 %
Retirement Services cost of crediting on deferred annuities	1.91 %	1.94 %	1.98 %	1.94 %	1.89 %	1.91 %	1.89 %
Retirement Services cost of crediting on institutional products	3.31 %	2.87 %	2.95 %	3.08 %	2.59 %	3.31 %	2.59 %
Retirement Services cost of crediting	1.84 %	1.79 %	1.87 %	1.89 %	1.79 %	1.84 %	1.79 %
Retirement Services average net invested assets	\$ 117,295	\$ 124,943	\$ 136,852	\$ 143,162	\$ 149,397	\$ 117,295	\$ 149,397
Average net account value on deferred annuities	88,119	92,814	102,144	103,990	104,310	88,119	104,310
Average institutional net reserve liabilities	14,250	15,233	18,162	22,375	27,028	14,250	27,028

Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends					Year-to-Date	
	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2020	2021
RECONCILIATION OF BENEFITS AND EXPENSES TO OTHER LIABILITY COSTS							
GAAP benefits and expenses	\$ (167)	\$ 3,317	\$ 2,251	\$ 7,157	\$ 4,252	\$ (167)	\$ 4,252
Premiums	(1,140)	(355)	(112)	(4,356)	(3,011)	(1,140)	(3,011)
Product charges	(140)	(141)	(144)	(146)	(150)	(140)	(150)
Other revenues	2	(18)	(13)	(7)	(14)	2	(14)
Cost of crediting	(259)	(275)	(342)	(383)	(375)	(259)	(375)
Change in fair value of embedded derivatives - FIA, net of offsets	1,456	(1,445)	(863)	(1,409)	(298)	1,456	(298)
DAC, DSI and VOBA amortization related to investment gains and losses	425	(323)	(86)	(111)	139	425	139
Rider reserves	76	(46)	(21)	(19)	21	76	21
Policy and other operating expenses, excluding policy acquisition expenses	(117)	(145)	(132)	(139)	(201)	(117)	(201)
AmerUs closed block fair value liability	45	(100)	(15)	(34)	93	45	93
ACRA noncontrolling interest	165	(241)	(193)	(258)	(107)	165	(107)
Other changes in benefits and expenses	(4)	(13)	(10)	(14)	(7)	(4)	(7)
Total adjustments to arrive at other liability costs	509	(3,102)	(1,931)	(6,876)	(3,910)	509	(3,910)
Other liability costs	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342	\$ 342	\$ 342
Retirement Services	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342	\$ 342	\$ 342
Corporate and Other	—	—	—	—	—	—	—
Consolidated other liability costs	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342	\$ 342	\$ 342
RECONCILIATION OF POLICY AND OTHER OPERATING EXPENSES TO OPERATING EXPENSES							
Policy and other operating expenses	\$ 188	\$ 218	\$ 231	\$ 218	\$ 283	\$ 188	\$ 283
Interest expense	(20)	(29)	(34)	(31)	(32)	(20)	(32)
Policy acquisition expenses, net of deferrals	(71)	(73)	(99)	(79)	(82)	(71)	(82)
Integration, restructuring and other non-operating expenses	(4)	(9)	—	3	(45)	(4)	(45)
Stock compensation expenses	(10)	—	(1)	—	—	(10)	—
ACRA noncontrolling interest	(4)	(19)	(16)	(19)	(21)	(4)	(21)
Other changes in policy and other operating expenses	—	—	(3)	1	(5)	—	(5)
Total adjustments to arrive at operating expenses	(109)	(130)	(153)	(125)	(185)	(109)	(185)
Operating expenses	\$ 79	\$ 88	\$ 78	\$ 93	\$ 98	\$ 79	\$ 98
Retirement Services	\$ 68	\$ 71	\$ 63	\$ 73	\$ 78	\$ 68	\$ 78
Corporate and Other	11	17	15	20	20	11	20
Consolidated operating expenses	\$ 79	\$ 88	\$ 78	\$ 93	\$ 98	\$ 79	\$ 98

Non-GAAP Reconciliations

Unaudited (in millions)



	December 31, 2020	March 31, 2021
RECONCILIATION OF TOTAL INVESTMENTS INCLUDING RELATED PARTIES TO NET INVESTED ASSETS		
Total investments, including related parties	\$ 182,421	\$ 185,951
Derivative assets	(3,523)	(3,677)
Cash and cash equivalents (including restricted cash)	8,442	6,973
Accrued investment income	905	968
Payables for collateral on derivatives	(3,203)	(3,353)
Reinsurance funds withheld and modified coinsurance	(2,459)	(572)
VIE and VOE assets, liabilities and noncontrolling interest	(136)	(70)
Unrealized (gains) losses	(7,275)	(3,685)
Ceded policy loans	(204)	(199)
Net investment receivables (payables)	99	(402)
Allowance for credit losses	357	362
Total adjustments to arrive at gross invested assets	(6,997)	(3,655)
Gross invested assets	175,424	182,296
ACRA noncontrolling interest	(25,234)	(26,593)
Net invested assets	\$ 150,190	\$ 155,703
RECONCILIATION OF INVESTMENT FUNDS INCLUDING RELATED PARTIES TO NET ALTERNATIVE INVESTMENTS		
Investment funds, including related parties	\$ 6,087	\$ 6,865
Equity securities	165	217
CLO and ABS equities included in trading securities	971	1,042
Investment in Apollo	(1,324)	(1,281)
Investment funds within funds withheld at interest	1,155	1,522
Royalties and other assets included in other investments	66	140
Unrealized (gains) losses and other adjustments	(44)	(24)
ACRA noncontrolling interest	(283)	(477)
Total adjustments to arrive at net alternative investments	706	1,139
Net alternative investments	\$ 6,793	\$ 8,004
RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVE LIABILITIES		
Total liabilities	\$ 182,631	\$ 187,334
Long-term debt	(1,976)	(1,977)
Derivative liabilities	(298)	(288)
Payables for collateral on derivatives	(3,203)	(3,353)
Funds withheld liability	(452)	(422)
Other liabilities	(2,040)	(2,436)
Reinsurance ceded receivables	(4,848)	(4,690)
Policy loans ceded	(204)	(199)
ACRA noncontrolling interest	(24,618)	(25,625)
Other	(3)	(5)
Total adjustments to arrive at net reserve liabilities	(37,642)	(38,995)
Net reserve liabilities	\$ 144,989	\$ 148,339