



Athene Holding Ltd.  
1Q'21 Earnings Presentation

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Certain information contained herein and certain oral statements made in reference thereto may be "forward-looking" in nature. These statements include, but are not limited to, discussions related to the benefits to be derived from the Athene Co-Invest Reinsurance Affiliate ("ACRA") capital raise; benefits to be derived from Athene's capital allocation decisions, including the repurchase of its common shares; the benefits to be derived from the redeployment of excess cash holdings and the assets backing the obligations reinsured from Jackson National Life Insurance Company ("Jackson"); the magnitude of potential future growth in invested assets; expected future operating results; Athene's liquidity and capital resources and the other non-historical statements. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. When used in this presentation, the words "believe," "anticipate," "estimate," "expect," "intend," "will," "should," and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. These statements are subject to certain risks, uncertainties and assumptions, including Athene's failure to recognize the benefits expected to be derived from the transactions with Jackson; the delay or failure to complete or realize the expected benefits from the proposed merger with Apollo Global Management, Inc.; and the failure to achieve the economic benefits expected to be derived from the ACRA capital raise. For a discussion of the other risks and uncertainties related to Athene's forward-looking statements, see its annual report on Form 10-K for the year ended December 31, 2020, and its other SEC filings, which can be found at the SEC's website [www.sec.gov](http://www.sec.gov). Due to these various risks, uncertainties and assumptions, actual events or results or Athene's actual performance may differ materially from that reflected or contemplated in such forward-looking statements. Athene undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

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All information is as of the dates indicated herein.

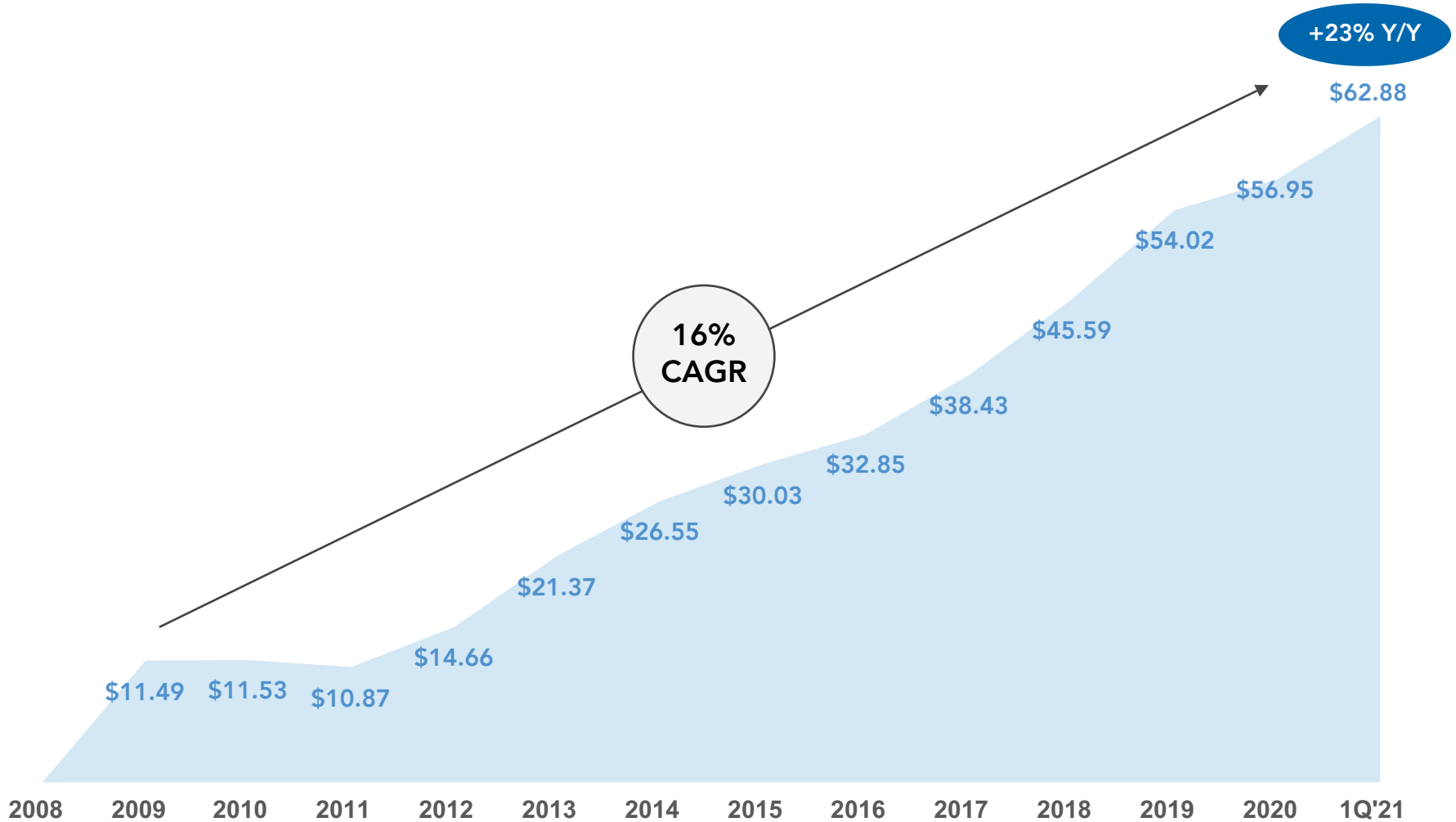
# Business Continues to Demonstrate Strong Momentum

- ✓ Athene's **spread-based business model continuing to scale and grow profitably**
  - Record quarterly adjusted operating income of \$748 million driving compelling adj. operating ROA of 1.96% and adj. operating ROE of 25% in 1Q'21
  - Robust organic growth activity underwritten to target returns with more than \$8 billion in 1Q'21
  - Strong growth in net invested assets of 28% year-over-year to \$156 billion
- ✓ Athene remains **extremely well-capitalized**
  - \$3.6 billion of on-balance sheet excess equity capital
  - "A" ratings at AM Best, S&P and Fitch
  - Strong credit quality within investment portfolio
- ✓ Athene is **well-positioned for continued strength in 2021**
  - Third consecutive quarter of above average alternative investment performance in 1Q'21, demonstrating repeatable power of the model
  - Jackson portfolio re-positioning and drawdown of excess cash lifting investment earnings
  - Strong organic and inorganic growth tailwinds
  - Substantial \$8.1 billion total deployable capital<sup>1</sup>, including \$1.6 billion of available undrawn third-party capital in strategic sidecar

<sup>1</sup> Includes excess equity capital of \$3.6 billion, untapped debt capacity of \$2.9 billion, and \$1.6 billion of available undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions.

# Consistently Delivering Strong Compound Growth

Adjusted book value per share has grown at a 16% CAGR since inception



# Platform Diversification Driving Robust Organic Inflows

Diversified and growing organic liability origination = differentiated funding model

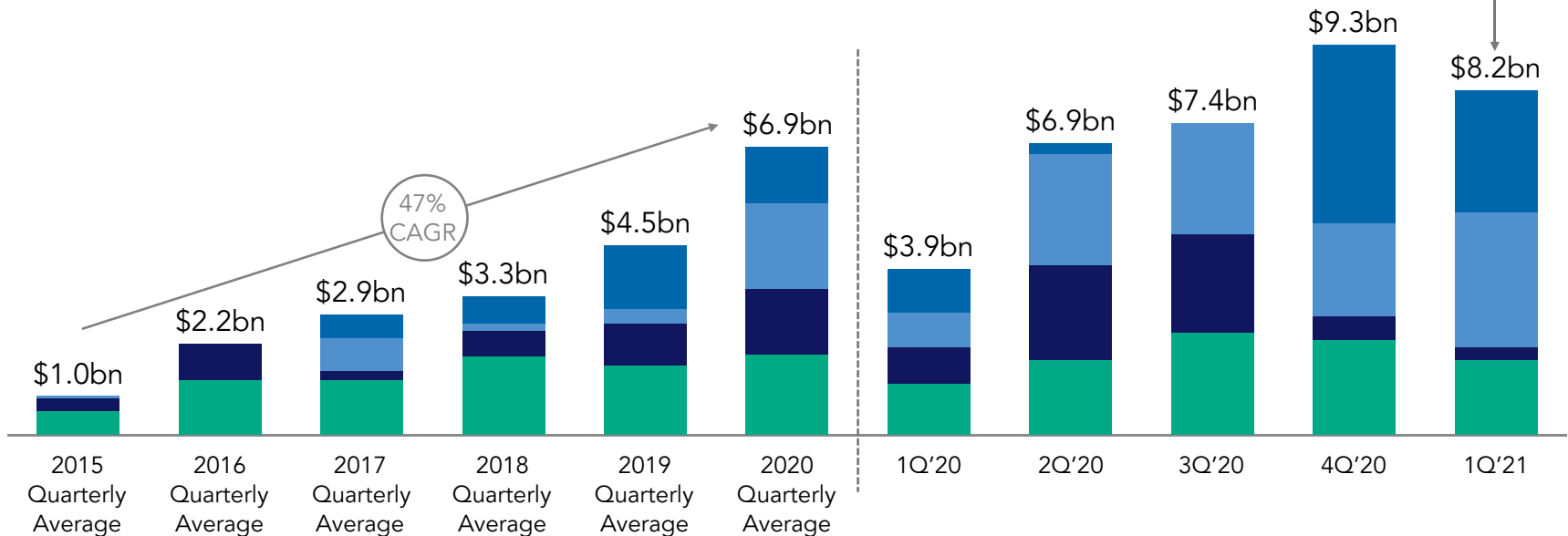
**Robust gross organic inflows underwritten to target returns or better**

**Retail:** strong growth in y/y inflows despite seasonally lighter first quarter; maintaining pricing discipline

**Flow Reinsurance:** activity moderated from discipline in MYGA pricing, with pipeline focused on FIA

**Funding Agreements<sup>1</sup>:** robust issuance at attractive returns driven by seven transactions across four different currencies

**Pension Risk Transfer:** executed a signature transaction with JCPenney totaling \$2.9bn, Athene's largest to date

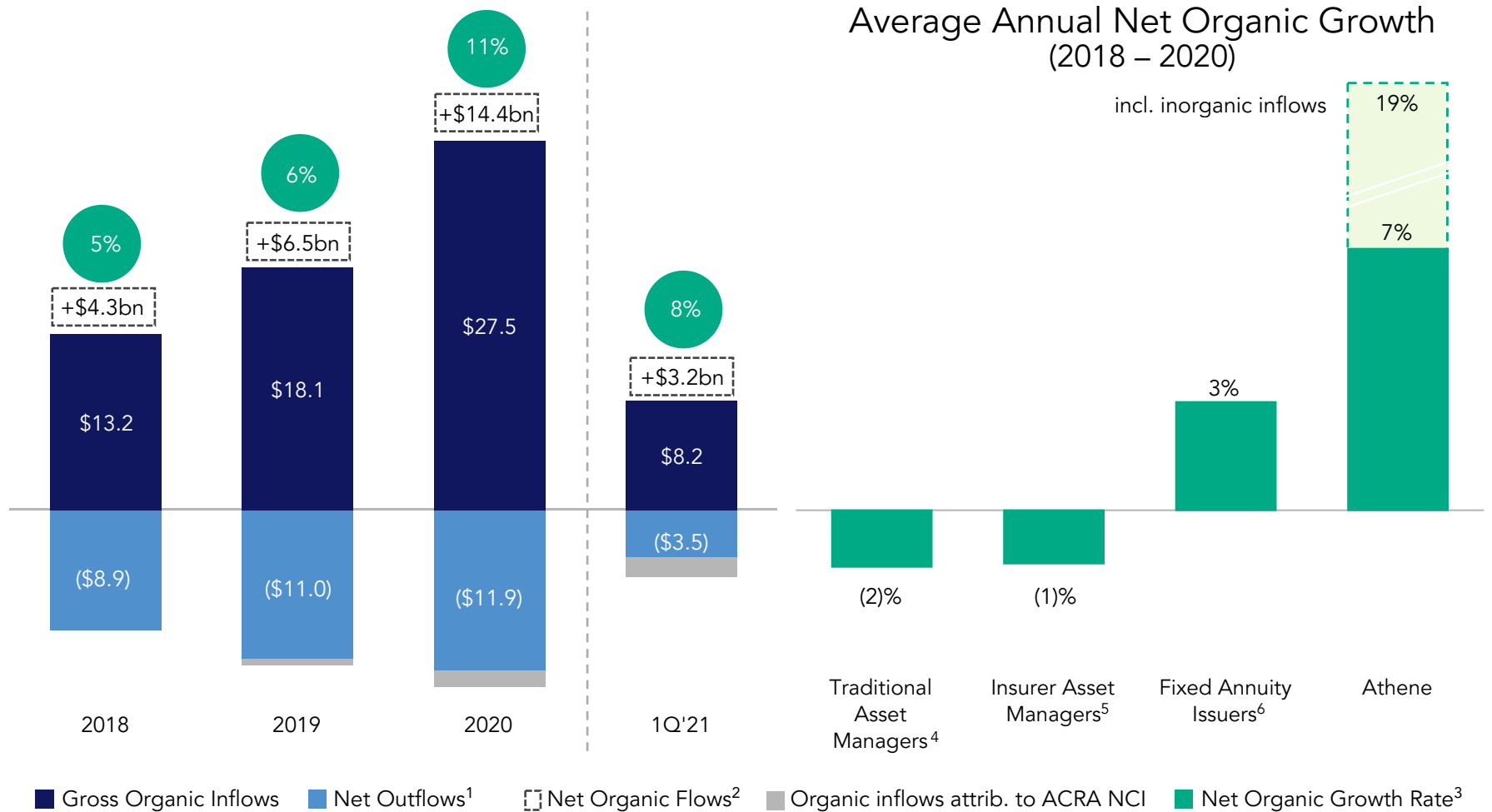


● Retail ● Flow Reinsurance ● Funding Agreements ● Pension Risk Transfer

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

# Athene's Net Organic Growth Profile is Best-in-Class

Net organic growth momentum continues into 2021



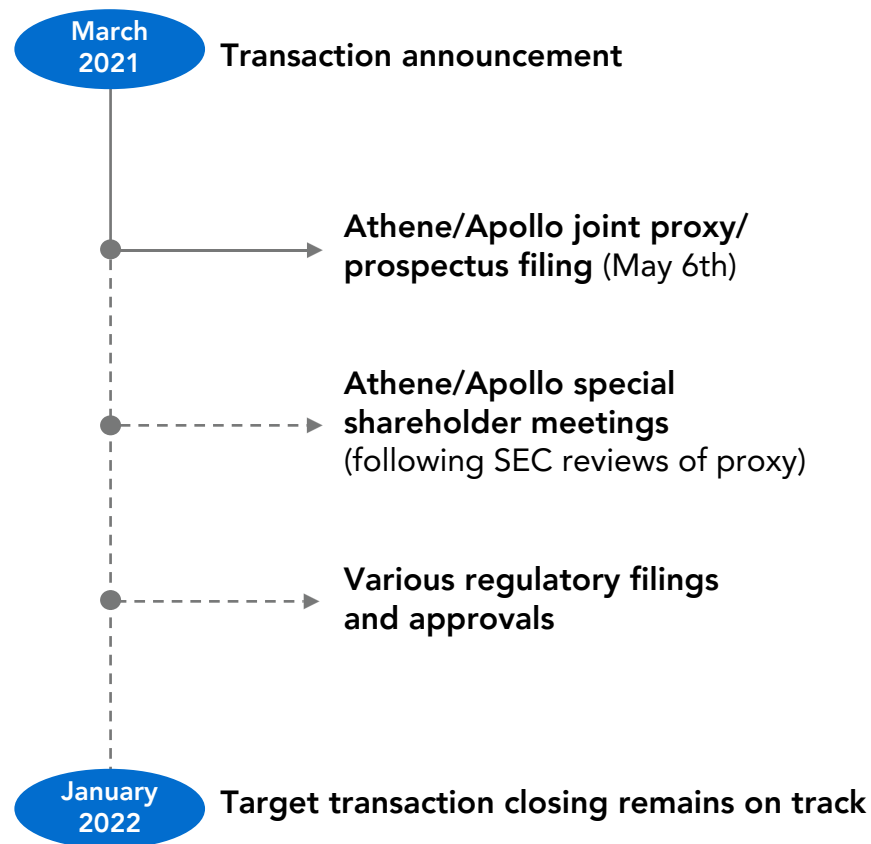
1 Net outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension risk transfer benefit payments, payments on payout annuities and funding agreement maturities, net of the ACRA NCI. In Q1'21, we revised the net outflows metric, for all periods presented, to include all outflows while previously this metric excluded inorganic business. 2 Net organic flows are calculated as organic inflows less total outflows, net of the ACRA NCI. 3 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 asset metrics, for all periods presented, to include all outflows and net invested assets while previously these metrics excluded inorganic business. 4 2018-2020 average of as-reported net flows divided by average AUM for selected traditional asset managers (AMG, BEN, BLK, IVZ, FHI & TROW). 5 2018-2020 average of as-reported net flows divided by average AUM for selected asset management units within insurers (AMP, PFG & VOYA). 6 2018-2020 average of as-reported net flows, or where not disclosed, net deposits less surrenders, withdrawals, deaths, etc. divided by average annuity assets for selected fixed annuity issuers (AEL, FG & LNC).

# Pending Merger with Apollo Provides Long-Term Strategic Benefits and Helps Unlock Athene's Value

## Key Strategic Benefits for Athene

- 1 **Solidifies value-generative strategic alignment** with Apollo and preserves Athene's profitable business operations led by experienced management team
- 2 **Drives attractive premium** relative to prior ATH trading levels
- 3 **All-stock merger structure** allows ATH shareholders to participate in upside re-rating of both franchises as a combined entity
- 4 **Unifies complementary shareholder bases**, driving greater float and liquidity
- 5 **Regular capital return via dividends** to be paid to shareholders of combined business
- 6 **Meaningfully increases likelihood of S&P 500 index inclusion** by tripling market capitalization

## Milestones to Closing



# Full Alignment with Apollo Will Accelerate Growth

## Two Separate Public Companies

Aligned but not identical objectives



- Fiduciaries to separate shareholder constituencies
- Meaningful time expended to navigate possible conflicts of interest
- Employee incentives heavily tied to one franchise or the other

## One Company, Fully-Aligned Model

Aligned with shared objectives



***Faster speed-to-market for new products***

- Profitable growth for single, aligned shareholder base
- Focus all effort on executing aligned strategy
- Employee incentives aligned

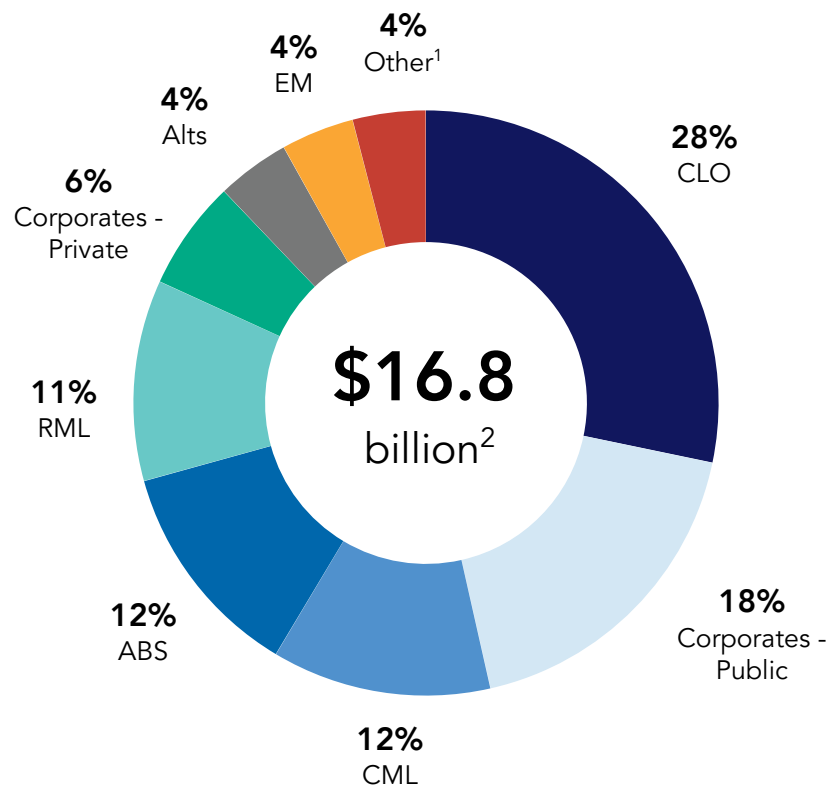
# Active Management Driving Record Investment Activity

Athene purchased \$17 billion of assets during the quarter at attractive spreads

## Summary of Activity

- Record quarterly total asset purchases of \$16.8 billion, up more than 20% sequentially and more than 1.5x from prior year period
- Fixed income and other purchases (ex Alts) totaling \$16.2 billion<sup>2</sup> were executed at ~75bps premium to the BBB corporate bond index<sup>3</sup>, net of fees
- Relative value found in structured credit and real estate asset classes during the quarter; elevated CLO purchases driven by ongoing redeployment of Jackson and reflect "A" credit rating on average
- Assets sourced through Apollo's direct origination platforms remain a strategic differentiator and key growth area
- Jackson National portfolio redeployment is ongoing, with yield enhancement expected to be substantially complete by mid year

## 1Q'21 Purchases by Asset Class



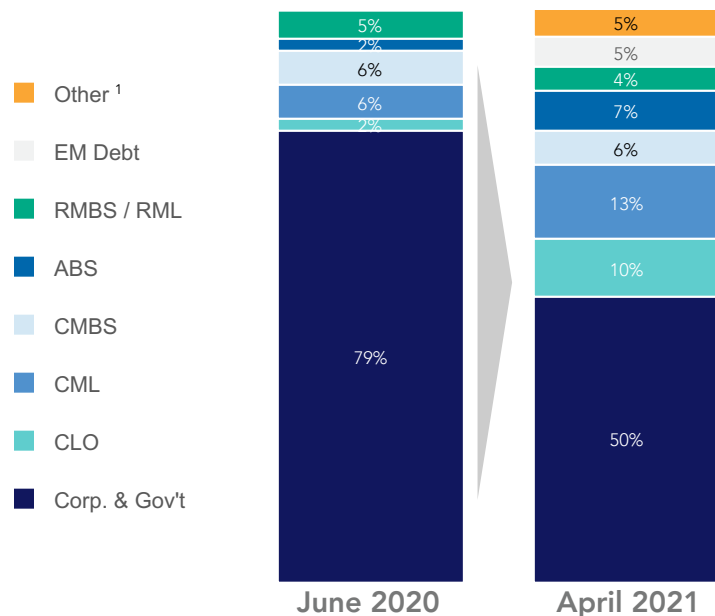
<sup>1</sup> Other includes preferred stock and bank loans

<sup>2</sup> Includes asset purchases associated with share of investments attributable to ACRA noncontrolling interest

<sup>3</sup> BBB benchmark: ICE BofA BBB US Corporate Bond index

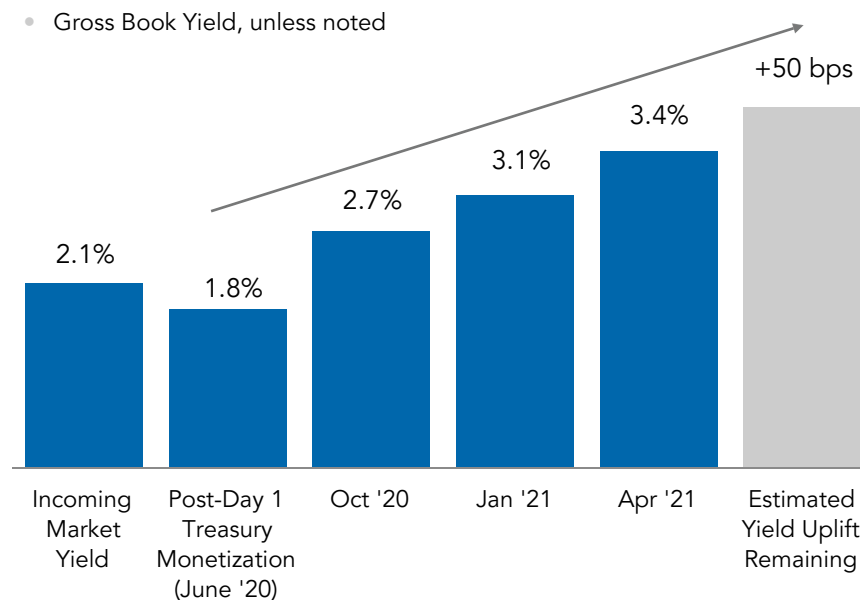
# Jackson: Impactful Asset Portfolio Redeployment Opportunity Remains On Track

## Jackson Invested Asset Portfolio Redeployment



- Through April, approximately \$20 billion has been redeployed
  - ~85% of total expected redeployment executed
  - Total portfolio yield pick-up to date of ~160bps
  - Increased allocation to alpha-generating structured credit (CLO and ABS), as well as high-grade alpha direct originations
  - Increased diversification by entering four new asset classes

## Jackson Portfolio Yield Trajectory



- Upside in portfolio yield being generated through asset allocation optimization
  - Remaining deployment will capture allocations to alpha-generating investments
  - Re-deployment phase expected to be completed by mid-year

<sup>1</sup> Other includes alternatives, preferred stock, and bank loans

# Athene's Model Drives "All-Weather" Spread Generation

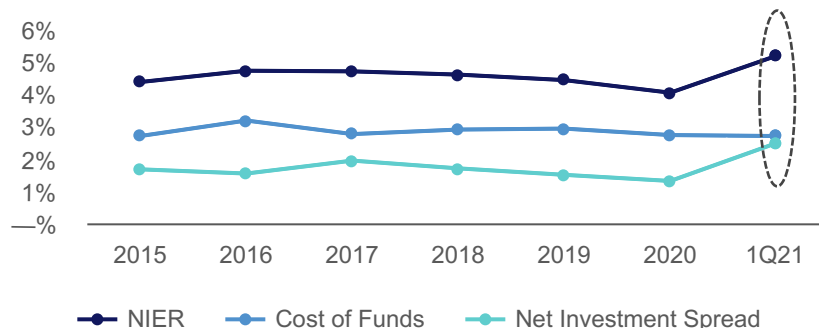
Strong track record of profitability in various interest rate environments

## Commentary

- Simple and profitable spread-based business model means Athene can adjust pricing to maintain or increase profitability
- Athene generates attractive net investment spreads through a combination of asset outperformance and disciplined liability underwriting
  - While the low interest rate environment has put pressure on Net Investment Earned Rate (NIER), net spread remains largely stable due to lower cost of funds (CoF)
  - Rising nominal yields presents upside opportunity for floating rate investment income and increasing product demand industry wide
- Attractive investment spread is enhanced by Athene's efficient and scalable structure, which augments total profitability

## Attractive Net Investment Spread<sup>1</sup>

Net investment spread increased in 1Q'21 due to strong alts & stable CoF



## Organic Growth Profitability In Different Interest Rate Environments

	2018 "Higher Rate Environment"	2020 "Lower Rate Environment"	△
Average 10-Year US Treasury Yield	2.91%	0.89%	-202 bps
Gross Org. Inflows	\$13.2 bn	\$27.5 bn	+108%
<b>Underwritten Net Spread on Org. Inflows (ROA)</b>	<b>0.98%</b>	<b>1.04%</b>	<b>+6 bps</b>
<b>Underwritten Return (IRR)<sup>2</sup></b>	<b>14.6%</b>	<b>19.4%</b>	<b>+480 bps</b>

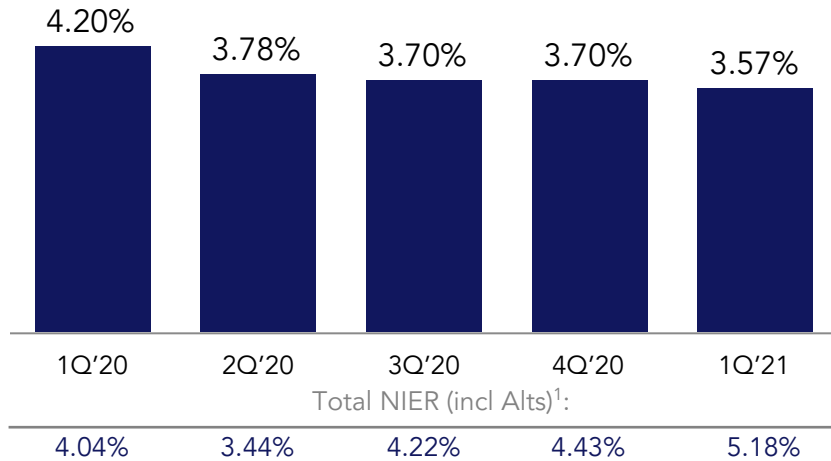
<sup>1</sup> Data represents Athene's Retirement Services segment only. <sup>2</sup> The determination of underwritten returns entails numerous assumptions, including but not limited to, those regarding policyholder behavior and investment returns. To the extent that actual experience differs from these underlying assumptions, actual returns may differ from underwritten returns, perhaps significantly.

# Fixed Income Yield Dynamics

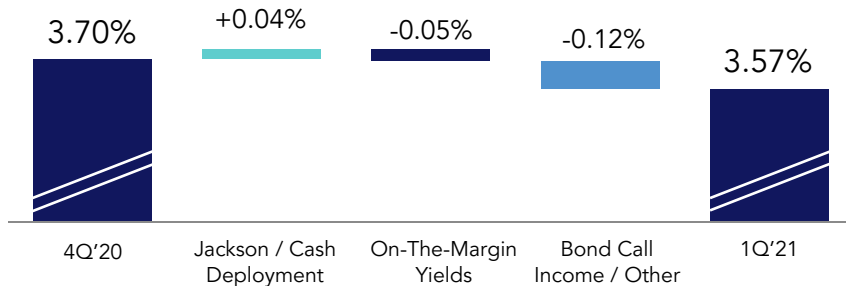
Large fixed income portfolio produces mostly consistent and predictable yield

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

### Retirement Services



### Fixed Income NIER Bridge: 4Q'20 to 1Q'21



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

Driver	Commentary
Jackson Portfolio Redeployment and Cash Position	<ul style="list-style-type: none"> <li>• 1Q uplift driven by asset redeployment progress</li> <li>• Ongoing Jackson redeployment will lift yield to be more in line with Athene's alpha-generating asset allocation strategy</li> <li>• Cash balance decreased \$2.5 billion quarter-over-quarter to normalized target of \$2.7 billion (ex-Jackson)<sup>2</sup> and yield uplift continuing as average cash balance declines in tandem</li> </ul>
On-The-Margin Deployment	<ul style="list-style-type: none"> <li>• Deployment into lower nominal rate environment causing yield drag, though profitability maintained via offsetting lower cost of funds</li> </ul>
Bond Call Income / Other	<ul style="list-style-type: none"> <li>• Bond call income moderated significantly from 4Q level; can vary on quarterly basis</li> <li>• Includes transaction related expenses and absence of some non-recurring income earned in prior quarter</li> </ul>

Note: Quarterly periods are annualized. 1 Net investment earned rate is calculated by dividing net investment earnings by average net invested assets for the relevant period. 2 Cash balance includes restricted cash and cash attributable to third party cedents, while excluding payables for derivative collateral and cash attributable to ACRA NCI.

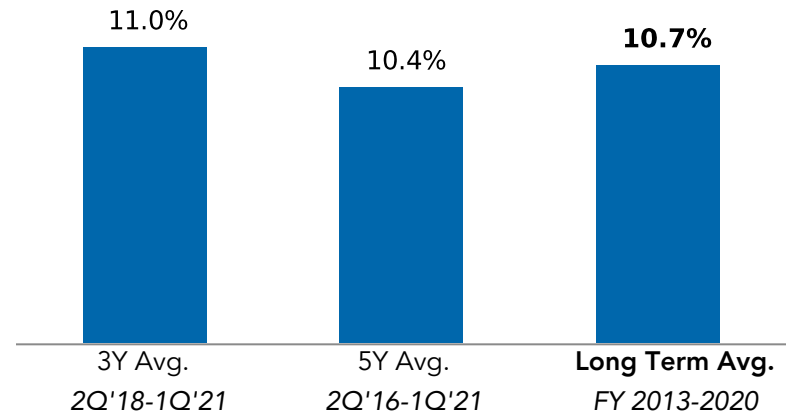
# Alternative Investment Strategy is Differentiated

Alternatives provide high performance driven by origination capabilities and diversification

## Alternatives Investment Strategy

- Alternative investments currently account for ~5%<sup>1</sup> of net invested assets and many of Athene's alternatives are mark-to-model
- Athene makes strategic investments in platforms that provide attractive financial returns in addition to their strategic benefits
  - Direct asset origination platforms that allow greater control over and alignment with the origination process, as well as proprietary access to attractive credit investments
  - Insurance platforms that provide strategic access to liability expertise and flow reinsurance arrangements
- Diversification by geography and vintage that seek to avoid binary outcomes; investments that are "pull to par" or have reduced volatility vs pure equity
  - Differentiated alternative investments at varying stages of maturity have the potential to create significant value upon exit, while providing strong current income over time
- Some element of downside protection or "hedge" vs pure directional bet
  - Alternatives annual performance has been positive every year over the past 10+ years

## Historical Alts Performance<sup>2</sup>



## Drivers of Strong 1Q'21 Performance

**VENERABLE**

**+\$193 million**

*Transformative business transaction*



**+\$174 million**

*Monetization / sale to strategic buyer*



**+\$58 million**

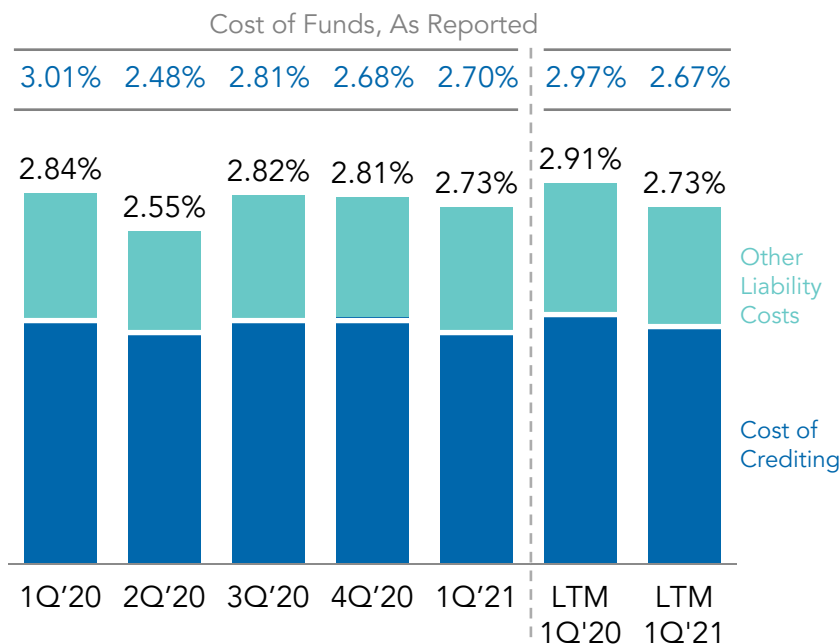
*Equity raise at higher valuation*

<sup>1</sup> As of 3/31/21. <sup>2</sup> Alternatives performance is presented net of investment management fees.

# Predictable Cost of Funds and Operating Expenses

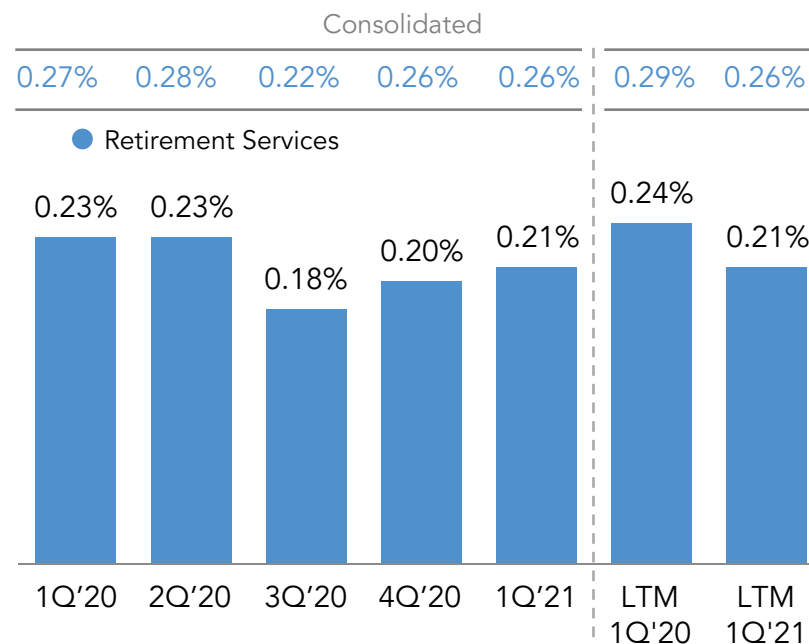
Athene benefits from its base of persistent liabilities, and a highly scalable platform

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



- Downward trending Cost of Crediting for deferred annuities, with quarterly result partially determined by mix of business between deferred annuities and institutional business, additional institutional business drives mix toward Cost of Crediting
- Other Liability Cost is impacted by various factors including: overall gross profitability levels (which can fluctuate with alternative investment performance), equity market performance, and annual assumption unlocking

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



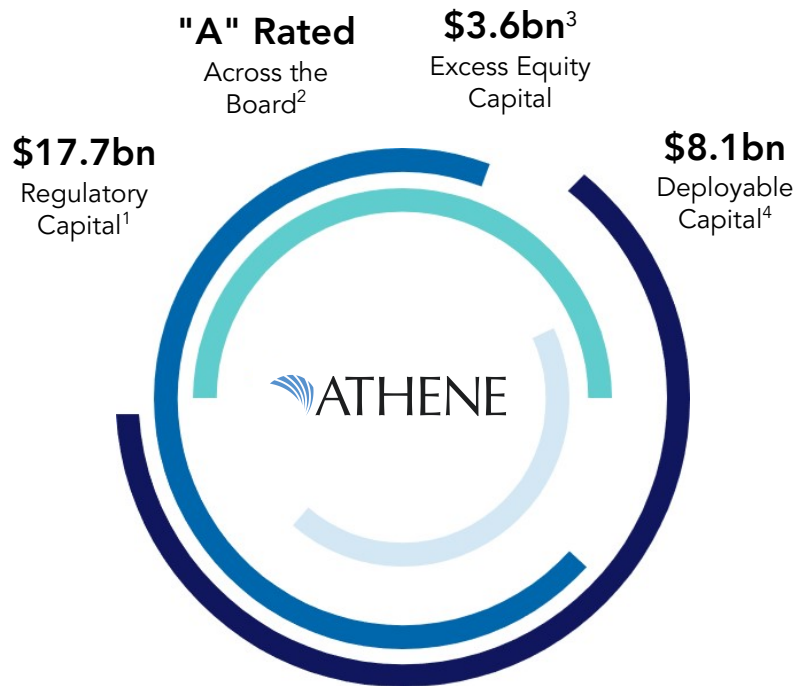
- Highly scalable operating platform with efficient structure
- Strong growth and disciplined approach to expense management driving downward trending expense ratio year-over-year
- As expected, 1Q'21 result reflects seasonal compensation-related costs
- Continuing to onboard new business at low marginal overhead costs, with most of incremental profitability flowing to bottom line

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

<sup>1</sup> Cost of funds is calculated by dividing total liability costs, which includes cost of crediting on both deferred annuities and institutional products as well as other liability costs, by average net invested assets for the relevant period, excluding the impact of AOG. The rates in the chart are calculated by excluding the notable items related to actuarial experience and market impacts and unlocking included in our reconciliation of net income (loss) available to common shareholders to adjusted operating income available to common shareholders ex. notables and AOG on slide 31. <sup>2</sup> Operating expenses are calculated by dividing operating expenses by average net invested assets for the relevant period, excluding the impact of AOG.

# Significant Capital Resources and Low Leverage

## Overview of Financial Strength



## Strong Capitalization

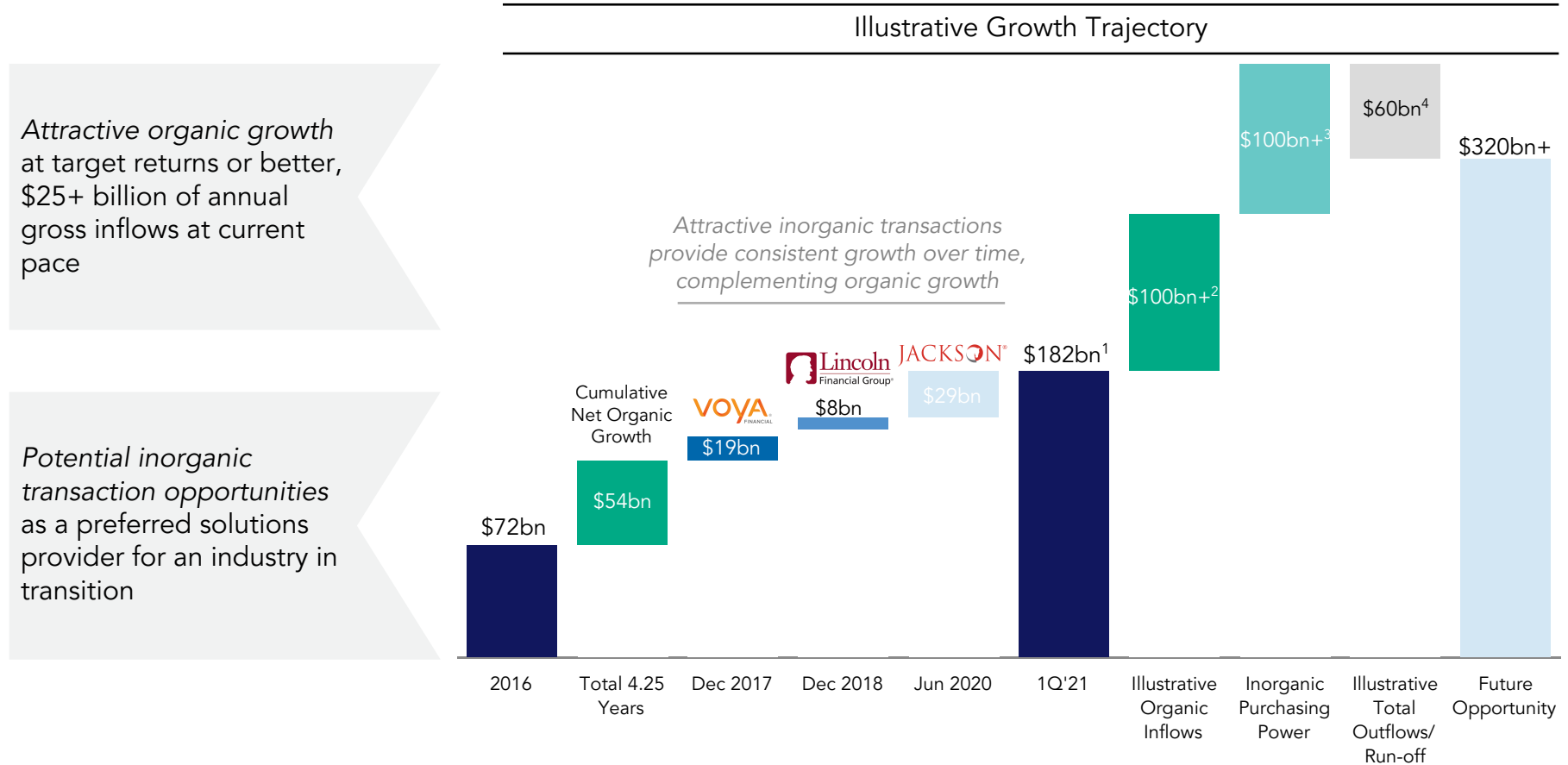
- Athene runs with significant capital:
  - \$17.7 billion of regulatory capital<sup>1</sup>
  - \$3.6 billion of excess equity capital
- Athene has significant financial flexibility:
  - 11.8% adjusted debt-to-capital at Athene vs 25% debt-to-cap at AA/A- rated insurers
  - Moving to industry standard leverage implies \$2.9 billion of untapped debt capacity
- Access to strategic sidecar with \$1.6 billion in available undrawn third-party capital following reinsurance transaction with Jackson National
- Total deployable capital of \$8.1 billion can be used to support \$100 billion of additional inorganic growth<sup>5</sup>

Note: All figures as of March 31, 2021. 1 Represents the aggregate capital of Athene's US and Bermuda insurance entities, determined with respect to each insurance entity by applying the statutory accounting principles applicable to each such entity. Adjustments are made to, among other things, include assets held by Athene's holding companies. 2 Relates to Athene's primary insurance subsidiaries; represents ratings from AM Best, S&P, and Fitch. 3 Excess capital is presented net of future expected deployment to fund Jackson transaction announced in June 2020. Computed as the capital in excess of the capital required to support our retirement services segment as determined by our internal capital model. We implemented our internal capital model during the fourth quarter 2020. We previously used NAIC RBC to determine the capital required to support our retirement services segment. 4 Includes excess equity capital of \$3.6 billion, untapped debt capacity of \$2.9 billion, and \$1.6 billion of available undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions. 5 Assumes 12x operating leverage on \$8.1 billion of deployable capital, which is calculated as of March 31, 2021, pro forma for asset redeployment plan.

# Athene Remains Well-Positioned for Continued Growth

Potential for over \$320 billion of gross invested assets with continued execution of strategy

## Multiple Avenues of Growth With Significant Runway Ahead



Note: Lincoln and Jackson reserve liabilities ceded to ACRA, the economics of which are shared proportionately with Athene on a standalone basis and third-party investors. 1 Includes organic growth and other drivers of gross invested assets. 2 Implies \$25+ billion of annual gross organic inflows. 3 Assumes 12x operating leverage on \$8.1 billion of deployable capital, which is calculated as of March 31, 2021, pro forma for asset redeployment plan. Untapped debt capacity of \$2.9bn included in deployable capital is as of March 31, 2021. Untapped debt capacity assumes capacity of 25% of debt to capitalization and is subject to general availability and market conditions. 4 Illustrative total outflows assumes 8-9% annual outflow rate over 4 year period.

# Driven to Do More Where We Work and Live

Athene is a responsible corporate citizen committed to making a lasting, positive impact

Our 2020 Corporate Social Responsibility Report can be found [here](#)



Ranked on the **Iowa Top Workplaces** list 6 years running, and consistently recognized as a **Military Friendly Employer**



Athene's 1,300+ employees play a key role in our **philanthropic efforts**, which focus on Education, Human Services and Health & Well-being



Dedicated **diversity, equity & inclusion** resources and programs facilitate a positive and productive workplace



Supporting many charitable organizations, like the United Way of Central Iowa, where Athene received the **Spirit of Central Iowa** award for the third time



US operational HQ in West Des Moines, Iowa is equipped with tools and technology to **promote land, water and energy sustainability**





# Appendix

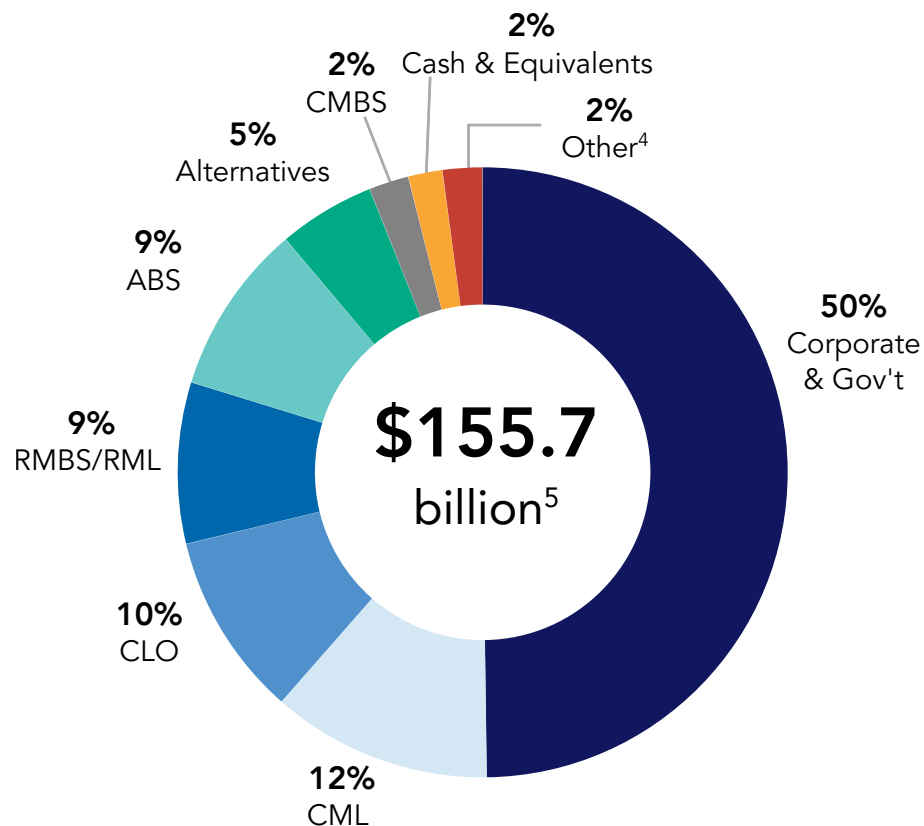
# Differentiated Investment Portfolio Capabilities Drive Returns

Target superior long-term returns without assuming incremental credit risk

## Overview

- \$156 billion of net invested assets as of 1Q'21 (\$182 billion of gross invested assets<sup>1</sup>)
- 50% of portfolio in corporate and government bonds
- \$55 billion<sup>2</sup> of assets with a high degree of liquidity
  - \$53 billion public corporate bonds
  - \$2 billion municipal, political subdivisions, and US and foreign government bonds
- Strong credit risk profile across portfolio
  - 93% of AFS fixed maturity securities<sup>3</sup> rated NAIC 1/2
  - Diversified commercial and residential mortgages with low LTVs
  - Significant credit enhancement in structured products
  - Differentiated alternative investments that seek to avoid binary outcomes

## Investment Portfolio Composition



Note: Net invested assets includes Athene's proportionate share of ACRA investments, based on Athene's economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. 1 Gross invested assets includes investments associated with the ACRA noncontrolling interest. 2 As of March 31, 2021, includes \$18 billion of private corporate bonds held in modified coinsurance and funds withheld portfolios which are available to fund the benefits for the associated obligations but are restricted from other uses. 3 As of March 31, 2021, including related parties and ACRA noncontrolling interest. 4 Other includes short-term investments and equity securities including Athene's AOG investment. 5 Net invested assets as of March 31, 2021.

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

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

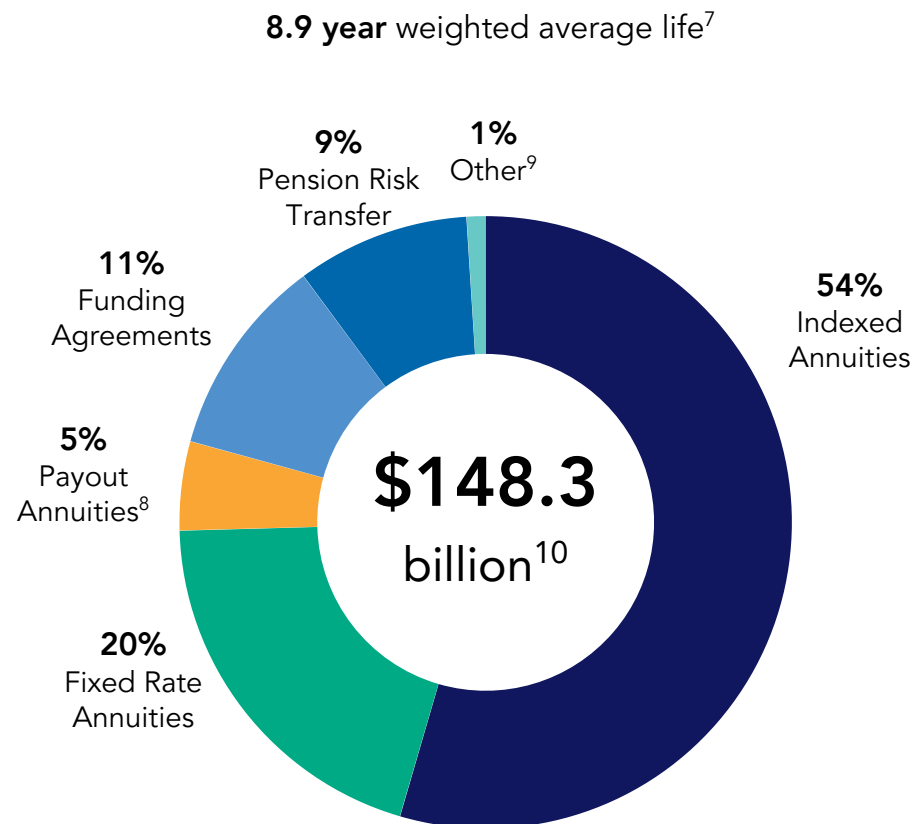
## Commentary

- \$148.3 billion of net reserve liabilities as of 1Q'21 (\$174.0 billion of gross reserve liabilities<sup>1</sup>)
- Continue to underwrite all liability growth to the same high return thresholds and profitability standards
  - Underwritten returns for 1Q'21 were attractive at target levels
- 1Q'21 growth driven by flexibility and strength of multi-channel distribution model
- Lapse and surrender behavior continues to remain consistent with expectations
- ~23% of liabilities are non-surrenderable

## Deferred Annuity Metrics<sup>2</sup>

Surrender charge protected <sup>3</sup>	75%
Average surrender charge <sup>4</sup>	5.7%
Subject to MVA <sup>3,5</sup>	56%
Cost of crediting on deferred annuities <sup>6</sup>	1.89%
Distance to guaranteed minimum crediting rates	> 100bps
Rider reserve as a percentage of account value with riders	12.4%

## Diversified Liability Composition



1 Gross reserve liabilities includes reserves associated with the ACRA noncontrolling interest. 2 As of and for the three months ended March 31, 2021, as applicable. 3 Based on deferred annuities only. Refers to the percentage of account value that is in the surrender charge period. 4 Based on deferred annuities only, excluding the impact of MVAs. Including the impact of MVAs, average surrender charge is 5.3%. 5 Refers to the % of account value that is subject to a MVA. 6 For Retirement Services segment deferred annuities for the three months ended March 31, 2021, annualized. 7 Weighted average life of total reserve liabilities; weighted average life on deferred annuities was 8.6 years. 8 Includes Single Premium Immediate Annuities, Supplemental Contracts and Structured Settlements. 9 Other primarily consists of the AmerUs Closed Block liabilities and other life reserves. 10 Net reserve liabilities as of March 31, 2021.

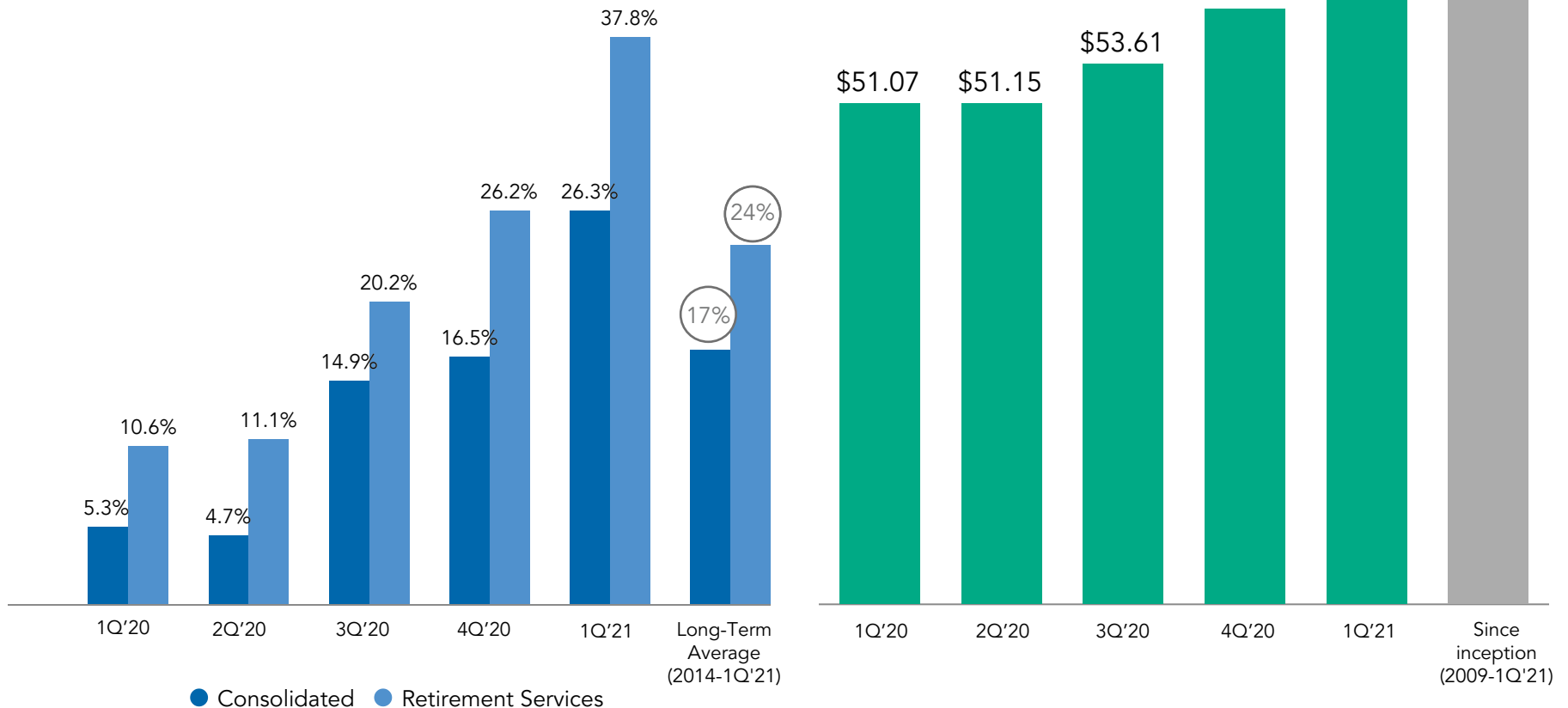
# Strong ROE Production Driving Long-Term Book Value Growth

## Adjusted Operating ROE ex. AOG

## Adjusted Book Value Per Common Share

ex. Notables and AOG

7.0% 12.8% 3.9% 10.1% 13.9% 18.7% 15.0% 24.1% 26.0% 37.4%



# Consolidated Results of Operations

(In millions, except percentages and per share data)

	Three months ended March 31,	
	2020	2021
<b>Net income (loss) available to Athene Holding Ltd. common shareholders</b>	\$ (1,065)	\$ 578
<b>Non-operating adjustments</b>		
Investment losses, net of offsets	(1,139)	(605)
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	65	488
Integration, restructuring and other non-operating expenses	(4)	(45)
Stock compensation expense	(10)	—
Income tax (expense) benefit – non-operating	131	(8)
Less: Total non-operating adjustments	(957)	(170)
<b>Adjusted operating income (loss) available to common shareholders</b>	<u>\$ (108)</u>	<u>\$ 748</u>
<b>Adjusted operating income (loss) available to common shareholders by segment</b>		
Retirement Services	\$ 204	\$ 784
Corporate and Other	(312)	(36)
<b>Adjusted operating income (loss) available to common shareholders</b>	<u>\$ (108)</u>	<u>\$ 748</u>
Notable items	43	(8)
<b>Adjusted operating income (loss) available to common shareholders excluding notable items</b>	<u>\$ (65)</u>	<u>\$ 740</u>
ROE	(36.5)%	12.9%
Adjusted operating ROE	(4.4)%	25.3%
ROA	(2.95)%	1.13%
Adjusted operating ROA	(0.36)%	1.96%
Earnings (loss) per common share - diluted Class A <sup>1</sup>	\$ (5.81)	\$ 2.94
Adjusted operating earnings (loss) per common share <sup>2</sup>	\$ (0.60)	\$ 3.80
Weighted average common shares outstanding - diluted Class A <sup>1</sup>	161.4	196.8
Weighted average common shares outstanding - adjusted operating <sup>2</sup>	181.5	196.8

1 Diluted earnings (loss) per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes for the three months ended March 31, 2020, the dilutive impacts, if any, of Class B common shares and Class M common shares and for both periods any other stock-based awards. Diluted earnings per common share on a GAAP basis for Class A common shares are based on allocated net income (loss) available to AHL common shareholders of \$578 million (100% of net income available to AHL common shareholders) and \$(938) million (88% of net loss available to AHL common shareholders) for the three months ended March 31, 2021 and 2020, respectively. 2 Represents weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B and Class M common shares outstanding and any other stock-based awards outstanding, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. Effective February 28, 2020, all Class B common shares were converted into Class A common shares and all Class M common shares were converted into warrants and Class A common shares.

# Retirement Services Adjusted Operating Results

(In millions, except percentages)

	Three months ended March 31,			
	2020	% <sup>1</sup>	2021	% <sup>1</sup>
Fixed income and other investment income	\$ 1,177	4.20 %	\$ 1,276	3.57 %
Alternative investment income	7	0.56 %	659	42.33 %
Net investment earnings	1,184	4.04 %	1,935	5.18 %
Cost of crediting	(540)	(1.84)%	(668)	(1.79)%
Other liability costs	(342)	(1.17)%	(342)	(0.91)%
Cost of funds	(882)	(3.01)%	(1,010)	(2.70)%
Net investment spread	302	1.03 %	925	2.48 %
Other operating expenses	(68)	(0.23)%	(78)	(0.21)%
Interest expense	(8)	(0.03)%	(2)	(0.01)%
Management fees from ACRA	2	0.01 %	9	0.02 %
Pre-tax adjusted operating income	228	0.78 %	854	2.28 %
Income tax expense – operating	(24)	(0.08)%	(70)	(0.18)%
Adjusted operating income available to common shareholders	\$ 204	0.70 %	\$ 784	2.10 %
Notable items	43	0.14 %	(8)	(0.02)%
Adjusted operating income available to common shareholders excluding notable items	\$ 247	0.84 %	\$ 776	2.08 %
Cost of crediting on deferred annuities	\$ 422	1.91 %	\$ 493	1.89 %
Cost of crediting on institutional products	118	3.31 %	175	2.59 %
Cost of crediting	\$ 540	1.84 %	\$ 668	1.79 %
Net Investment Earned Rate	4.04 %		5.18 %	
Cost of crediting on deferred annuities	1.91 %		1.89 %	
Investment margin on deferred annuities	2.13 %		3.29 %	
Adjusted operating ROE	10.6 %		37.8 %	

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

# Net Reserve Liability Rollforward

(In millions)

	Three months ended March 31,	
	2020	2021
1 Net reserve liabilities – beginning	\$ 114,652	\$ 144,989
2 Gross inflows	4,084	8,360
3 Inflows attributable to ACRA noncontrolling interest	—	(1,507)
Net inflows	4,084	6,853
4 Liability outflows	(2,740)	(3,481)
5 Other reserve changes	(1,723)	(22)
Net reserve liabilities – ending	\$ 114,273	\$ 148,339

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

# Non-GAAP Measures and Definitions

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

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

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

# Non-GAAP Measures and Definitions

- 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.
- In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.
- In managing our business, we also analyze net reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. Net reserve liabilities represent our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Net reserve liabilities include (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities include our proportionate share of ACRA reserve liabilities, based on our economic ownership, but does not include the proportionate share of reserve liabilities associated with the noncontrolling interest. Net reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and, therefore, we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction. While we believe net reserve liabilities is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total liabilities presented under GAAP.
- Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to 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 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 Measure Reconciliations

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

(In millions)	Dec. 31,							
	2009	2010	2011	2012	2013	2014	2015	2016
Total AHL shareholders' equity	\$ 113	\$ 352	\$ 648	\$ 1,863	\$ 2,744	\$ 4,550	\$ 5,367	\$ 6,881
Less: AOCI	1	3	3	219	70	647	(241)	366
Less: Accumulated change in fair value of reinsurance assets	—	—	—	—	103	96	19	63
Total adjusted AHL common shareholders' equity	<u>\$ 112</u>	<u>\$ 349</u>	<u>\$ 645</u>	<u>\$ 1,644</u>	<u>\$ 2,571</u>	<u>\$ 3,807</u>	<u>\$ 5,589</u>	<u>\$ 6,452</u>
Retirement Services					\$ 1,822	\$ 2,703	\$ 3,964	\$ 4,409
Corporate and Other					749	1,104	1,625	2,043
Total adjusted AHL common shareholders' equity					<u>\$ 2,571</u>	<u>\$ 3,807</u>	<u>\$ 5,589</u>	<u>\$ 6,452</u>

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

(In millions)	Dec. 31,			Mar. 31,	June 30,	Sept. 30,	Dec. 31,	Mar. 31,
	2017	2018	2019	2020	2020	2020	2020	2021
Total AHL shareholders' equity	\$ 9,176	\$ 8,276	\$ 13,391	\$ 9,940	14,711	\$ 15,943	\$ 18,657	\$ 17,291
Less: Preferred stock	—	—	1,172	1,172	1,755	1,755	2,312	2,312
Total AHL common shareholders' equity	9,176	8,276	12,219	8,768	12,956	14,188	16,345	14,979
Less: AOCI	1,449	(472)	2,281	(1,174)	2,184	2,888	3,971	2,021
Less: Accumulated change in fair value of reinsurance assets	161	(75)	493	(155)	615	778	1,142	488
Total adjusted AHL common shareholders' equity	<u>\$ 7,566</u>	<u>\$ 8,823</u>	<u>\$ 9,445</u>	<u>\$ 10,097</u>	<u>\$ 10,157</u>	<u>\$ 10,522</u>	<u>\$ 11,232</u>	<u>\$ 12,470</u>
Retirement Services	\$ 5,237	\$ 7,807	\$ 7,443	\$ 8,002	\$ 6,957	\$ 7,321	\$ 7,732	\$ 8,870
Corporate and Other	2,329	1,016	2,002	2,095	3,200	3,201	3,500	3,600
Total adjusted AHL common shareholders' equity	<u>\$ 7,566</u>	<u>\$ 8,823</u>	<u>\$ 9,445</u>	<u>\$ 10,097</u>	<u>\$ 10,157</u>	<u>\$ 10,522</u>	<u>\$ 11,232</u>	<u>\$ 12,470</u>

## Reconciliation of total capitalization to total adjusted capitalization

(In millions)	March 31,	
	2020	2021
Total debt	\$ 1,386	\$ 1,977
Total AHL shareholders' equity	9,940	17,291
Total capitalization	11,326	19,268
Less: AOCI	(1,174)	2,021
Less: Accumulated change in fair value of reinsurance assets	(155)	488
Total adjusted capitalization	<u>\$ 12,655</u>	<u>\$ 16,759</u>

# Non-GAAP Measure Reconciliations

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

(In millions)	Twelve months ended December 31,						
	2014	2015	2016	2017	2018	2019	2020
Average AHL shareholders' equity	\$ 3,648	\$ 4,959	\$ 6,124	\$ 8,029	\$ 8,726	\$ 10,834	\$ 14,528
Less: Average preferred stock	—	—	—	—	—	586	1,633
Less: Average AOCI	359	203	63	908	489	905	2,030
Less: Average accumulated change in fair value of reinsurance assets	100	58	41	112	43	209	575
Average adjusted AHL common shareholders' equity	<u>\$ 3,189</u>	<u>\$ 4,698</u>	<u>\$ 6,020</u>	<u>\$ 7,009</u>	<u>\$ 8,194</u>	<u>\$ 9,134</u>	<u>\$ 10,290</u>
Retirement Services	\$ 2,262	\$ 3,333	\$ 4,186	\$ 4,823	\$ 6,522	\$ 7,625	\$ 7,491
Corporate and Other	927	1,365	1,834	2,186	1,672	1,509	2,799
Average adjusted AHL common shareholders' equity	<u>\$ 3,189</u>	<u>\$ 4,698</u>	<u>\$ 6,020</u>	<u>\$ 7,009</u>	<u>\$ 8,194</u>	<u>\$ 9,134</u>	<u>\$ 10,290</u>

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

(In millions)	Three months ended				
	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021
Average AHL shareholders' equity	\$ 11,666	\$ 12,326	\$ 15,327	\$ 17,300	\$ 17,974
Less: Average preferred stock	1,172	1,464	1,755	2,034	2,312
Less: Average AOCI	554	505	2,536	3,430	2,996
Less: Average accumulated change in fair value of reinsurance assets	169	230	697	960	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>
Retirement Services	\$ 7,722	\$ 7,480	\$ 7,139	\$ 7,526	\$ 8,301
Corporate and Other	2,049	2,647	3,200	3,350	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>

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	December 31,							
	2009	2010	2011	2012	2013	2014	2015	2016
Class A common shares outstanding	0.1	0.2	0.4	0.5	0.5	15.8	50.1	77.0
Conversion of Class B common shares to Class A common shares	9.7	30.0	59.0	111.6	114.6	125.2	136.0	111.8
Conversion of Class M common shares to Class A common shares	—	—	0.5	—	—	—	—	6.8
Effect of other stock compensation plans	—	—	—	—	—	—	—	0.8
Effect of equity swap	—	—	—	—	5.2	2.3	—	—
Adjusted operating common shares outstanding	<u>9.8</u>	<u>30.2</u>	<u>59.9</u>	<u>112.1</u>	<u>120.3</u>	<u>143.3</u>	<u>186.1</u>	<u>196.4</u>

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

<i>(In millions)</i>	December 31,			Mar. 31,	June 30,	Sept. 30,	Dec. 31,	Mar. 31,
	2017	2018	2019	2020	2020	2020	2020	2021
Class A common shares outstanding	142.2	162.2	142.8	193.9	193.9	191.2	191.2	191.4
Conversion of Class B common shares to Class A common shares	47.4	25.4	25.4	—	—	—	—	—
Conversion of Class M common shares to Class A common shares	6.4	4.9	5.5	—	—	—	—	—
Effect of other stock compensation plans	0.9	1.0	1.2	3.8	4.7	5.1	6.0	6.9
Adjusted operating common shares outstanding	<u>196.9</u>	<u>193.5</u>	<u>174.9</u>	<u>197.7</u>	<u>198.6</u>	<u>196.3</u>	<u>197.2</u>	<u>198.3</u>

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

	December 31,							
	2009	2010	2011	2012	2013	2014	2015	2016
Book value per common share	\$ 11.62	\$ 11.64	\$ 10.92	\$ 16.61	\$ 23.84	\$ 32.26	\$ 28.84	\$ 35.78
AOCI	(0.13)	(0.11)	(0.05)	(1.95)	(0.60)	(4.59)	1.29	(1.90)
Accumulated change in fair value of reinsurance assets	—	—	—	—	(0.90)	(0.68)	(0.10)	(0.33)
Effect of items convertible to or settled in Class A common shares	—	—	—	—	(0.97)	(0.44)	—	(0.70)
Adjusted book value per common share	<u>\$ 11.49</u>	<u>\$ 11.53</u>	<u>\$ 10.87</u>	<u>\$ 14.66</u>	<u>\$ 21.37</u>	<u>\$ 26.55</u>	<u>\$ 30.03</u>	<u>\$ 32.85</u>

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

	December 31,			Mar. 31,	June 30,	Sept. 30,	Dec. 31,	Mar. 31,
	2017	2018	2019	2020	2020	2020	2020	2021
Book value per common share	\$ 46.60	\$ 42.45	\$ 69.54	\$ 45.23	\$ 66.82	\$ 74.21	\$ 85.51	\$ 78.25
AOCI	(7.36)	2.42	(12.98)	6.06	(11.26)	(15.10)	(20.77)	(10.56)
Accumulated change in fair value of reinsurance assets	(0.82)	0.39	(2.80)	0.80	(3.17)	(4.07)	(5.98)	(2.55)
Effect of items convertible to or settled in Class A common shares	0.01	0.33	0.26	(1.02)	(1.24)	(1.43)	(1.81)	(2.26)
Adjusted book value per common share	<u>\$ 38.43</u>	<u>\$ 45.59</u>	<u>\$ 54.02</u>	<u>\$ 51.07</u>	<u>\$ 51.15</u>	<u>\$ 53.61</u>	<u>\$ 56.95</u>	<u>\$ 62.88</u>

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	Three months ended March 31,	
	2020	2021
Basic weighted average common shares outstanding – Class A	161.4	191.3
Conversion of Class B common shares to Class A common shares	16.9	—
Conversion of Class M common shares to Class A common shares	3.2	—
Effect of other stock compensation plans	—	5.5
Weighted average common shares outstanding – adjusted operating	<u>181.5</u>	<u>196.8</u>

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

<i>(in millions)</i>	Three months ended March 31,	
	2020	2021
Basic earnings (loss) per share – Class A common shares	\$ (5.81)	\$ 3.02
Non-operating adjustments		
Investment gains (losses), net of offsets	(6.27)	(3.08)
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.36	2.48
Integration, restructuring and other non-operating expenses	(0.03)	(0.22)
Stock compensation expense	(0.05)	—
Income tax (expense) benefit - non-operating	0.72	(0.04)
Less: Total non-operating adjustments	(5.27)	(0.86)
Less: Effect of items convertible to or settled in Class A common shares	0.06	0.08
Adjusted operating earnings (loss) per common share	<u>\$ (0.60)</u>	<u>\$ 3.80</u>

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	Three Months Ended							
	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021
Net income (loss) available to Athene Holding Ltd. common shareholders	\$ 720	\$ 276	\$ 432	\$ (1,065)	\$ 824	\$ 622	\$ 1,065	\$ 578
Less: Total non-operating adjustments	350	33	43	(957)	334	320	507	(170)
Adjusted operating income (loss) available to common shareholders	370	243	389	(108)	490	302	558	748
Notable items	—	62	(43)	43	(20)	(27)	(41)	(8)
Adjusted operating income (loss) available to common shareholders excluding notable items	<u>\$ 370</u>	<u>\$ 305</u>	<u>\$ 346</u>	<u>\$ (65)</u>	<u>\$ 470</u>	<u>\$ 275</u>	<u>\$ 517</u>	<u>\$ 740</u>
Retirement Services adjusted operating income available to common shareholders	\$ 376	\$ 256	\$ 404	\$ 204	\$ 208	\$ 361	\$ 493	\$ 784
Non-recurring adjustment on derivative collateral	—	—	—	—	—	(25)	—	—
Actuarial experience and market impacts	—	18	(47)	50	(22)	—	(46)	(9)
Unlocking	—	48	—	—	—	(6)	—	—
Tax impact of notable items	—	(4)	4	(7)	2	4	5	1
Retirement Services notable items	—	62	(43)	43	(20)	(27)	(41)	(8)
Retirement Services adjusted operating income available to common shareholders excluding notable items	376	318	361	247	188	334	452	776
Corporate and Other adjusted operating income (loss) available to common shareholders	(6)	(13)	(15)	(312)	282	(59)	65	(36)
Adjusted operating income (loss) available to common shareholders excluding notable items	370	305	346	(65)	470	275	517	740
Less: Change in fair value of Apollo investment, net of tax	—	—	—	(239)	372	(81)	113	(19)
Adjusted operating income available to common shareholders excluding notables and AOG	<u>\$ 370</u>	<u>\$ 305</u>	<u>\$ 346</u>	<u>\$ 174</u>	<u>\$ 98</u>	<u>\$ 356</u>	<u>\$ 404</u>	<u>\$ 759</u>

# Non-GAAP Measure Reconciliations

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

(In millions)	Years ended December 31,						
	2014	2015	2016	2017	2018	2019	2020
Net income available to Athene Holding Ltd. common shareholders	\$ 471	\$ 579	\$ 773	\$ 1,358	\$ 1,053	\$ 2,136	\$ 1,446
Less: Total non-operating adjustments	(327)	(181)	14	303	(87)	847	204
Adjusted operating income available to common shareholders	798	760	759	1,055	1,140	1,289	1,242
Notable items	—	(22)	45	(138)	31	5	(35)
Adjusted operating income available to common shareholders excluding notable items	<u>\$ 798</u>	<u>\$ 738</u>	<u>\$ 804</u>	<u>\$ 917</u>	<u>\$ 1,171</u>	<u>\$ 1,294</u>	<u>\$ 1,207</u>
Retirement Services adjusted operating income available to common shareholders	\$ 769	\$ 789	\$ 808	\$ 1,038	\$ 1,201	\$ 1,322	\$ 1,266
Proceeds from bond previously written down	—	—	—	(14)	—	—	—
Non-recurring adjustment on derivative collateral	—	—	—	—	—	—	(18)
Actuarial experience and market impacts	—	—	—	(152)	21	(43)	(16)
Unlocking	—	(24)	158	20	13	48	(6)
Deferred tax valuation allowance release	—	—	(102)	—	—	—	—
Tax impact of notable items	—	2	(11)	10	(3)	—	5
Retirement Services notable items	—	(22)	45	(136)	31	5	(35)
Retirement Services adjusted operating income available to common shareholders excluding notable items	769	767	853	902	1,232	1,327	1,231
Corporate and Other adjusted operating income (loss) available to common shareholders	29	(29)	(49)	17	(61)	(33)	(24)
Germany adjusted operating loss, net of tax	—	—	—	(2)	—	—	—
Corporate and Other adjusted operating income (loss) available to common shareholders excluding notable items	29	(29)	(49)	15	(61)	(33)	(24)
Adjusted operating income available to common shareholders excluding notable items	798	738	804	917	1,171	1,294	1,207
Less: Change in fair value of Apollo investment, net of tax	—	—	—	—	—	—	165
Adjusted operating income available to common shareholders excluding notables and AOG	<u>\$ 798</u>	<u>\$ 738</u>	<u>\$ 804</u>	<u>\$ 917</u>	<u>\$ 1,171</u>	<u>\$ 1,294</u>	<u>\$ 1,042</u>

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	Three months ended									
	Mar. 31, 2020		June 30, 2020		Sept. 30, 2020		Dec. 31, 2020		Mar. 31, 2021	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP net investment income	\$ 745	2.51 %	\$ 1,336	4.22 %	\$ 1,209	3.48 %	\$ 1,595	4.39 %	\$ 1,704	4.49 %
Change in fair value of reinsurance assets	270	0.90 %	218	0.69 %	444	1.28 %	476	1.31 %	366	0.97 %
Alternative gains (losses)	(101)	(0.34)%	56	0.18 %	23	0.07 %	(80)	(0.22)%	69	0.18 %
ACRA noncontrolling interest	(72)	(0.24)%	(81)	(0.26)%	(196)	(0.56)%	(210)	(0.58)%	(198)	(0.52)%
Apollo investment (gain) loss	297	1.00 %	(481)	(1.52)%	101	0.29 %	(142)	(0.38)%	25	0.07 %
Held for trading amortization and other	12	0.04 %	(8)	(0.02)%	(51)	(0.15)%	(32)	(0.09)%	32	0.08 %
Total adjustments to arrive at net investment earnings/earned rate	406	1.36 %	(296)	(0.93)%	321	0.93 %	12	0.04 %	294	0.78 %
Total net investment earnings/earned rate	\$ 1,151	3.87 %	\$ 1,040	3.29 %	\$ 1,530	4.41 %	\$ 1,607	4.43 %	\$ 1,998	5.27 %
Retirement Services	\$ 1,184	4.04 %	\$ 1,075	3.44 %	\$ 1,444	4.22 %	\$ 1,584	4.43 %	\$ 1,935	5.18 %
Corporate and Other	(33)	(8.14)%	(35)	(8.91)%	86	17.59 %	23	4.38 %	63	11.22 %
Total net investment earnings/earned rate	\$ 1,151	3.87 %	\$ 1,040	3.29 %	\$ 1,530	4.41 %	\$ 1,607	4.43 %	\$ 1,998	5.27 %
Retirement Services	\$ 117,295		\$ 124,943		\$ 136,852		\$ 143,162		\$ 149,397	
Corporate and Other ex. Apollo investment	1,624		1,567		1,945		2,089		2,247	
Consolidated average net invested assets ex. Apollo investment	\$ 118,919		\$ 126,510		\$ 138,797		\$ 145,251		\$ 151,644	

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	Three months ended							
	June 30, 2019		Sept. 30, 2019		Dec. 31, 2019		Mar. 31, 2020	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 1,094	3.84 %	\$ 801	2.73 %	\$ 1,146	4.02 %	\$ (1,319)	(4.50)%
Interest credited other than deferred annuities and institutional products	50	0.18 %	63	0.21 %	64	0.23 %	63	0.21 %
FIA option costs	280	0.98 %	282	0.96 %	269	0.94 %	266	0.91 %
Product charges (strategy fees)	(29)	(0.10)%	(31)	(0.10)%	(31)	(0.11)%	(32)	(0.11)%
Reinsurance embedded derivative impacts	14	0.05 %	14	0.05 %	14	0.05 %	14	0.05 %
Change in fair values of embedded derivatives – FIAs	(868)	(3.05)%	(560)	(1.91)%	(905)	(3.17)%	1,504	5.13 %
Negative VOBA amortization	7	0.02 %	9	0.03 %	8	0.03 %	7	0.02 %
ACRA noncontrolling interest	—	— %	—	— %	(42)	(0.15)%	38	0.13 %
Other changes in interest sensitive contract liabilities	(1)	— %	(2)	(0.01)%	(2)	(0.01)%	(1)	— %
Total adjustments to arrive at cost of crediting	(547)	(1.92)%	(225)	(0.77)%	(625)	(2.19)%	1,859	6.34 %
Retirement Services cost of crediting	\$ 547	1.92 %	\$ 576	1.96 %	\$ 521	1.83 %	\$ 540	1.84 %
Retirement Services cost of crediting on deferred annuities	\$ 448	1.98 %	\$ 453	1.98 %	\$ 429	1.95 %	\$ 422	1.91 %
Retirement Services cost of crediting on institutional products	99	3.76 %	123	3.68 %	92	2.85 %	118	3.31 %
Retirement Services cost of crediting	\$ 547	1.92 %	\$ 576	1.96 %	\$ 521	1.83 %	\$ 540	1.84 %
Retirement Services average net invested assets	\$ 114,059		\$ 117,338		\$ 114,149		\$ 117,295	
Average net account value on deferred annuities	90,675		91,467		87,660		88,119	
Average institutional net reserve liabilities	10,470		13,320		12,931		14,250	

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	Three months ended							
	June 30, 2020		Sept. 30, 2020		Dec. 31, 2020		Mar. 31, 2021	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 2,076	6.65 %	\$ 1,225	3.58 %	\$ 1,909	5.33 %	\$ 394	1.05 %
Interest credited other than deferred annuities and institutional products	75	0.24 %	73	0.21 %	101	0.28 %	97	0.26 %
FIA option costs	271	0.86 %	284	0.83 %	280	0.78 %	279	0.75 %
Product charges (strategy fees)	(34)	(0.11)%	(34)	(0.10)%	(36)	(0.10)%	(38)	(0.10)%
Reinsurance embedded derivative impacts	15	0.05 %	14	0.04 %	14	0.04 %	14	0.04 %
Change in fair values of embedded derivatives – FIAs	(1,734)	(5.55)%	(779)	(2.28)%	(1,395)	(3.90)%	43	0.11 %
Negative VOBA amortization	5	0.02 %	3	0.01 %	6	0.02 %	3	0.01 %
ACRA noncontrolling interest	(113)	(0.37)%	(151)	(0.44)%	(207)	(0.58)%	(128)	(0.34)%
Other changes in interest sensitive contract liabilities	(1)	— %	5	0.02 %	5	0.02 %	4	0.01 %
Total adjustments to arrive at cost of crediting	(1,516)	(4.86)%	(585)	(1.71)%	(1,232)	(3.44)%	274	0.74 %
Retirement Services cost of crediting	\$ 560	1.79 %	\$ 640	1.87 %	\$ 677	1.89 %	\$ 668	1.79 %
Retirement Services cost of crediting on deferred annuities	\$ 451	1.94 %	\$ 506	1.98 %	\$ 505	1.94 %	\$ 493	1.89 %
Retirement Services cost of crediting on institutional products	109	2.87 %	134	2.95 %	172	3.08 %	175	2.59 %
Retirement Services cost of crediting	\$ 560	1.79 %	\$ 640	1.87 %	\$ 677	1.89 %	\$ 668	1.79 %
Retirement Services average net invested assets	\$ 124,943		\$ 136,852		\$ 143,162		\$ 149,397	
Average net account value on deferred annuities	92,814		102,144		103,990		104,310	
Average institutional net reserve liabilities	15,233		18,162		22,375		27,028	

# Non-GAAP Measure Reconciliations

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

(In millions)	Three months ended							
	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 30, 2020	Mar. 31, 2021
GAAP benefits and expenses	\$ 2,673	\$ 4,305	\$ 2,723	\$ (167)	\$ 3,317	\$ 2,251	\$ 7,157	\$ 4,252
Premiums	(787)	(2,688)	(907)	(1,140)	(355)	(112)	(4,356)	(3,011)
Product charges	(132)	(135)	(132)	(140)	(141)	(144)	(146)	(150)
Other revenues	(9)	(6)	(10)	2	(18)	(13)	(7)	(14)
Cost of crediting	(253)	(280)	(238)	(259)	(275)	(342)	(383)	(375)
Change in fair value of embedded derivatives – FIA, net of offsets	(817)	(497)	(1,003)	1,456	(1,445)	(863)	(1,409)	(298)
DAC, DSI and VOBA amortization related to investment gains and losses	(181)	(151)	28	425	(323)	(86)	(111)	139
Rider reserves	(24)	(9)	3	76	(46)	(21)	(19)	21
Policy and other operating expenses, excluding policy acquisition expenses	(117)	(130)	(138)	(117)	(145)	(132)	(139)	(201)
AmerUs closed block fair value liability	(59)	(46)	6	45	(100)	(15)	(34)	93
ACRA noncontrolling interest	—	—	(74)	165	(241)	(193)	(258)	(107)
Other changes in benefits and expenses	1	(5)	1	(4)	(13)	(10)	(14)	(7)
Total adjustments to arrive at other liability costs	(2,378)	(3,947)	(2,464)	509	(3,102)	(1,931)	(6,876)	(3,910)
Other liability costs	\$ 295	\$ 358	\$ 259	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342
Retirement Services	\$ 295	\$ 358	\$ 259	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342
Corporate and Other	—	—	—	—	—	—	—	—
Consolidated other liability costs	\$ 295	\$ 358	\$ 259	\$ 342	\$ 215	\$ 320	\$ 281	\$ 342

# Non-GAAP Measure Reconciliations

## Reconciliation of GAAP policy and other operating expenses to operating expenses

(In millions)	Three months ended							
	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 30, 2020	Mar. 31, 2021
Policy and other operating expenses	\$ 185	\$ 194	\$ 200	\$ 188	\$ 218	\$ 231	\$ 218	\$ 283
Interest expense	(15)	(15)	(20)	(20)	(29)	(34)	(31)	(32)
Policy acquisition expenses, net of deferrals	(69)	(63)	(62)	(71)	(73)	(99)	(79)	(82)
Integration, restructuring and other non-operating expenses	(11)	(34)	(24)	(4)	(9)	—	3	(45)
Stock compensation expenses	(3)	(3)	(3)	(10)	—	(1)	—	—
ACRA noncontrolling interest	—	—	(5)	(4)	(19)	(16)	(19)	(21)
Other changes in policy and other operating expenses	—	—	—	—	—	(3)	1	(5)
Total adjustments to arrive at operating expenses	(98)	(115)	(114)	(109)	(130)	(153)	(125)	(185)
Operating expenses	<u>\$ 87</u>	<u>\$ 79</u>	<u>\$ 86</u>	<u>\$ 79</u>	<u>\$ 88</u>	<u>\$ 78</u>	<u>\$ 93</u>	<u>\$ 98</u>
Retirement Services	\$ 68	\$ 67	\$ 69	\$ 68	\$ 71	\$ 63	\$ 73	\$ 78
Corporate and Other	19	12	17	11	17	15	20	20
Consolidated operating expenses	<u>\$ 87</u>	<u>\$ 79</u>	<u>\$ 86</u>	<u>\$ 79</u>	<u>\$ 88</u>	<u>\$ 78</u>	<u>\$ 93</u>	<u>\$ 98</u>

# Non-GAAP Measure Reconciliations

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

<i>(In millions)</i>	March 31,	
	2020	2021
Total investments, including related parties	\$ 121,969	\$ 185,951
Derivative assets	(1,610)	(3,677)
Cash and cash equivalents (including restricted cash)	5,983	6,973
Accrued investment income	802	968
Payables for collateral on derivatives	(1,589)	(3,353)
Reinsurance funds withheld and modified coinsurance	355	(572)
VIE and VOE assets, liabilities and noncontrolling interest	23	(70)
Unrealized (gains) losses	2,292	(3,685)
Ceded policy loans	(229)	(199)
Net investment receivables (payables)	(238)	(402)
Allowance for credit losses	505	362
Total adjustments to arrive at gross invested assets	6,294	(3,655)
Gross invested assets	128,263	182,296
ACRA noncontrolling interest	(7,063)	(26,593)
Net invested assets	\$ 121,200	\$ 155,703

# Non-GAAP Measure Reconciliations

## Reconciliation of total liabilities to net reserve liabilities

<i>(In millions)</i>	March 31,	
	2020	2021
Total liabilities	\$ 131,649	\$ 187,334
Short-term debt	(400)	—
Long-term debt	(986)	(1,977)
Derivative liabilities	(222)	(288)
Payables for collateral on derivatives	(2,883)	(3,353)
Funds withheld liability	(396)	(422)
Other liabilities	(853)	(2,436)
Reinsurance ceded receivables	(5,087)	(4,690)
Policy loans ceded	(229)	(199)
ACRA noncontrolling interest	(6,322)	(25,625)
Other	2	(5)
Total adjustments to arrive at net reserve liabilities	(17,376)	(38,995)
Net reserve liabilities	\$ 114,273	\$ 148,339

