



Athene Holding Ltd.
3Q'22 Financial Supplement

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Important Notice



The information included in this financial supplement is unaudited and intended for informational purposes only.

The financial statements and exhibits included in this financial supplement should be read in conjunction with Athene Holding Ltd.'s (AHL's) reports and other filings with the US Securities and Exchange Commission, including its reports on Form 10-K, Form 10-Q and Form 8-K. This financial supplement does not constitute an offer to sell, or the solicitation of an offer to buy, any security of AHL, and nothing in this financial supplement shall in any way be relied on in connection with investment decisions. Each recipient of the information contained in this financial supplement is responsible for making its own independent assessment of the business, financial condition, prospects, status and affairs of AHL.

AHL is a subsidiary of Apollo Global Management, Inc. (AGM). On January 1, 2022 (the Merger Effective Date), AHL completed the previously announced merger transaction pursuant to the Agreement and Plan of Merger, dated as of March 8, 2021 (the Merger Agreement), by and among AHL, AGM (formerly known as Tango Holdings, Inc.), Apollo Asset Management, Inc. (AAM, formerly known as Apollo Global Management, Inc.), Blue Merger Sub, Ltd. (AHL Merger Sub), and Green Merger Sub, Inc. (AAM Merger Sub). At the closing of the merger transaction, AAM and AHL became subsidiaries of AGM.

This financial supplement includes the financial statements of AHL and its subsidiaries as a standalone entity ("Predecessor") for the periods prior to the completion of the merger transaction, and AHL and its subsidiaries as a subsidiary of AGM ("Successor") for periods from and after the Merger Effective Date. The accompanying financial statements also reflect the impacts of pushdown accounting in which we use AGM's basis of accounting, which reflects the fair market value of our assets and liabilities at the time of the merger, unless otherwise prescribed by GAAP.

Where applicable, prior year disclosures have been conformed to (i) the current period presentation and (ii) revisions to non-GAAP measure definitions. AHL undertakes no obligation to update or correct the information in this financial supplement. Certain totals may not sum to the corresponding components due to rounding.

AHL makes no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained in this financial supplement. AHL does not accept any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this financial supplement or its contents or any reliance on the information contained herein.

This financial supplement includes certain non-GAAP measures, including net investment earnings, cost of funds, other operating expenses, spread related earnings, net spread, adjusted debt-to-capital ratio, net investment spread, net invested assets and net reserve liabilities. Management believes the use of these non-GAAP measures (which are defined and discussed in greater detail and reconciled elsewhere in this financial supplement), together with the relevant GAAP measures, provides information that may enhance an investor's understanding of AHL's results of operations and the underlying profitability drivers of AHL's business. These measures should be considered supplementary to AHL's results in accordance with GAAP and should not be viewed as a substitute for the corresponding GAAP measures.

Financial Highlights

Unaudited (in millions, except percentages)



	Quarterly Trends						Δ		Year-to-Date		
	Predecessor		Successor			Q/Q	Y/Y	Predecessor 2021	Successor 2022	Δ Y/Y	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22						
SELECTED INCOME STATEMENT DATA											
GAAP											
Net income (loss) available to AHL common shareholder	\$ 698	\$ 1,060	\$ (1,518)	\$ (2,155)	\$ (936)	57 %	NM	\$ 2,658	\$ (4,609)	NM	
Return on assets (ROA)	1.27 %	1.85 %	(2.48)%	(3.59)%	(1.59)%	200bps	NM	1.67 %	(2.56)%	NM	
NON-GAAP											
Spread related earnings (pre-tax)	\$ 548	\$ 454	\$ 670	\$ 442	\$ 576	30 %	5 %	\$ 2,055	\$ 1,688	(18)%	
Net spread	1.35 %	1.08 %	1.48 %	0.95 %	1.20 %	25bps	(15)bps	1.75 %	1.20 %	(55)bps	
Net investment spread	1.73 %	1.47 %	1.86 %	1.32 %	1.60 %	28bps	(13)bps	2.13 %	1.59 %	(54)bps	
Spread related earnings - normalized ¹	\$ 461	\$ 420	\$ 488	\$ 535	\$ 596	11 %	29 %	\$ 1,428	\$ 1,674	17 %	
Net spread - normalized ¹	1.14 %	0.99 %	1.08 %	1.15 %	1.24 %	9bps	10bps	1.21 %	1.19 %	(2)bps	
Net investment spread - normalized ¹	1.52 %	1.38 %	1.46 %	1.52 %	1.64 %	12bps	12bps	1.59 %	1.58 %	(1)bp	
SELECTED BALANCE SHEET DATA											
GAAP											
Total assets	\$ 224,396	\$ 235,149	\$ 246,134	\$ 234,254	\$ 236,700	1 %	5 %	\$ 224,396	\$ 236,700	5 %	
Goodwill	—	—	4,181	4,153	4,058	(2)%	NM	—	4,058	NM	
Total liabilities	202,024	212,968	232,442	230,865	238,566	3 %	18 %	202,024	238,566	18 %	
Debt	2,469	2,964	3,287	3,279	3,271	— %	32 %	2,469	3,271	32 %	
Total AHL shareholders' equity (deficit)	20,389	20,130	11,149	3,725	(1,346)	NM	NM	20,389	(1,346)	NM	
Debt-to-capital ratio	10.8 %	12.8 %	22.8 %	46.8 %	169.9 %	NM	NM	10.8 %	169.9 %	NM	
NON-GAAP											
Gross invested assets	\$ 199,144	\$ 210,225	\$ 221,720	\$ 229,545	\$ 236,720	3 %	19 %	\$ 199,144	\$ 236,720	19 %	
Invested assets – ACRA noncontrolling interests	(32,924)	(34,882)	(37,449)	(40,240)	(41,563)	3 %	26 %	(32,924)	(41,563)	26 %	
Net invested assets	166,220	175,343	184,271	189,305	195,157	3 %	17 %	166,220	195,157	17 %	
Net reserve liabilities	156,852	161,951	174,234	177,633	182,160	3 %	16 %	156,852	182,160	16 %	
Notional debt	2,500	3,000	3,000	3,000	3,000	— %	20 %	2,500	3,000	20 %	
Adjusted AHL common shareholder's equity	14,287	14,803	14,930	14,582	15,048	3 %	5 %	14,287	15,048	5 %	
Adjusted debt-to-capital ratio ²	13.1 %	14.9 %	14.6 %	14.8 %	14.5 %	(30)bps	140bps	13.1 %	14.5 %	140bps	
INFLOWS DATA											
Gross organic inflows	\$ 11,937	\$ 9,346	\$ 11,556	\$ 12,049	\$ 12,955	8 %	9 %	\$ 27,688	\$ 36,560	32 %	
Gross inorganic inflows	—	—	—	—	—	NM	NM	—	—	NM	
Total gross inflows	\$ 11,937	\$ 9,346	\$ 11,556	\$ 12,049	\$ 12,955	8 %	9 %	\$ 27,688	\$ 36,560	32 %	

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. As a result of the merger with AGM on January 1, 2022, we have elected pushdown accounting under GAAP and recorded our assets and liabilities at their fair market value as of the date of the merger. The resulting change in the value of our assets and liabilities limits the comparability of our financial results for the Successor and Predecessor periods. ¹ Spread related earnings – normalized, net spread - normalized and net investment spread - normalized reflect adjustments to exclude notable items and normalize alternative income to an 11% long-term return, net of offsets. ² Prior period ratios have been updated to include the notional amount of debt. See further discussion over this non-GAAP metric in the Notes to the Financial Supplement section.

Condensed Consolidated Statements of Income (GAAP view)

Unaudited (in millions, except percentages)



	Quarterly Trends						Δ		Year-to-Date		
	Predecessor		Successor			Q/Q	Y/Y	Predecessor	Successor	Y/Y	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22			2021	2022		
REVENUE											
Premiums	\$ 6,686	\$ 2,967	\$ 2,110	\$ 5,614	\$ 3,045	(46)%	(54)%	\$ 11,295	\$ 10,769	(5)%	
Product charges	154	160	166	175	184	5 %	19 %	461	525	14 %	
Net investment income	1,472	1,942	1,683	1,726	1,843	7 %	25 %	5,158	5,252	2 %	
Investment related gains (losses)	385	1,660	(4,200)	(5,763)	(2,849)	51 %	NM	2,555	(12,812)	NM	
Other revenues	24	14	(3)	(9)	(26)	NM	NM	58	(38)	NM	
Revenues of consolidated variable interest entities											
Net investment income	2	19	17	30	33	10 %	NM	58	80	38 %	
Investment related gains (losses)	1	20	(42)	22	79	259 %	NM	(47)	59	NM	
Total revenues	\$ 8,724	\$ 6,782	\$ (269)	\$ 1,795	\$ 2,309	29 %	(74)%	\$ 19,538	\$ 3,835	(80)%	
BENEFITS AND EXPENSES											
Interest sensitive contract benefits	\$ 572	\$ 1,497	\$ (41)	\$ (621)	\$ 89	NM	(84)%	\$ 2,945	\$ (573)	NM	
Amortization of deferred sales inducements	32	60	—	—	—	NM	NM	138	—	NM	
Future policy and other policy benefits	7,014	3,453	2,085	5,609	3,294	(41)%	(53)%	12,281	10,988	(11)%	
Amortization of deferred acquisition costs and value of business acquired	136	102	125	125	125	— %	(8)%	530	375	(29)%	
Policy and other operating expenses	250	333	335	358	388	8 %	55 %	795	1,081	36 %	
Total benefits and expenses	8,004	5,445	2,504	5,471	3,896	(29)%	(51)%	16,689	11,871	(29)%	
Income (loss) before income taxes	720	1,337	(2,773)	(3,676)	(1,587)	57 %	NM	2,849	(8,036)	NM	
Income tax expense (benefit)	(50)	190	(407)	(484)	(210)	57 %	NM	196	(1,101)	NM	
Net income (loss)	770	1,147	(2,366)	(3,192)	(1,377)	57 %	NM	2,653	(6,935)	NM	
Less: Net income (loss) attributable to noncontrolling interests	37	52	(883)	(1,072)	(476)	56 %	NM	(111)	(2,431)	NM	
Net income (loss) attributable to Athene Holding Ltd. shareholders	733	1,095	(1,483)	(2,120)	(901)	58 %	NM	2,764	(4,504)	NM	
Less: Preferred stock dividends	35	35	35	35	35	— %	— %	106	105	(1)%	
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ 698	\$ 1,060	\$ (1,518)	\$ (2,155)	\$ (936)	57 %	NM	\$ 2,658	\$ (4,609)	NM	

Spread Related Earnings (Management view)

Unaudited (in millions, except percentages)



	Quarterly Trends						Δ		Year-to-Date		Δ
	Predecessor		Successor			Q/Q	Y/Y	Predecessor	Successor	Y/Y	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22			2021	2022		
SPREAD RELATED EARNINGS											
Fixed income and other investment income, net	\$ 1,340	\$ 1,304	\$ 1,207	\$ 1,302	\$ 1,471	13 %	10 %	\$ 4,021	\$ 3,980	(1)%	
Alternative investment income	334	377	448	186	250	34 %	(25)%	1,377	884	(36)%	
Net investment earnings	1,674	1,681	1,655	1,488	1,721	16 %	3 %	5,398	4,864	(10)%	
Strategic capital management fees	11	11	12	13	14	8 %	27 %	28	39	39 %	
Cost of funds	(985)	(1,073)	(826)	(886)	(966)	9 %	(2)%	(2,920)	(2,678)	(8)%	
Net investment spread	700	619	841	615	769	25 %	10 %	2,506	2,225	(11)%	
Other operating expenses	(86)	(98)	(109)	(109)	(120)	10 %	40 %	(261)	(338)	30 %	
Interest and other financing costs	(66)	(67)	(62)	(64)	(73)	14 %	11 %	(190)	(199)	5 %	
Spread related earnings	\$ 548	\$ 454	\$ 670	\$ 442	\$ 576	30 %	5 %	\$ 2,055	\$ 1,688	(18)%	
Fixed income and other investment income	3.49 %	3.26 %	2.83 %	2.97 %	3.27 %	30bps	(22)bps	3.60 %	3.03 %	(57)bps	
Alternative investment income	16.28 %	16.40 %	16.61 %	6.38 %	8.26 %	188bps	NM	23.56 %	10.30 %	NM	
Net investment earnings	4.14 %	3.98 %	3.65 %	3.19 %	3.58 %	39bps	(56)bps	4.59 %	3.47 %	NM	
Strategic capital management fees	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0bps	0bps	0.02 %	0.03 %	1bp	
Cost of funds	(2.44)%	(2.54)%	(1.82)%	(1.90)%	(2.01)%	11bps	(43)bps	(2.48)%	(1.91)%	(57)bps	
Net investment spread	1.73 %	1.47 %	1.86 %	1.32 %	1.60 %	28bps	(13)bps	2.13 %	1.59 %	(54)bps	
Other operating expenses	(0.21)%	(0.23)%	(0.24)%	(0.23)%	(0.25)%	2bps	4bps	(0.22)%	(0.24)%	2bps	
Interest and other financing costs	(0.17)%	(0.16)%	(0.14)%	(0.14)%	(0.15)%	1bp	(2)bps	(0.16)%	(0.15)%	(1)bp	
Spread related earnings	1.35 %	1.08 %	1.48 %	0.95 %	1.20 %	25bps	(15)bps	1.75 %	1.20 %	(55)bps	
Average net invested assets - Fixed Income	\$ 153,611	\$ 159,664	\$ 170,616	\$ 175,115	\$ 180,143	3 %	17 %	\$ 148,929	\$ 175,380	18 %	
Average net invested assets - Alternatives	8,178	9,199	10,782	11,673	12,088	4 %	48 %	7,787	11,435	47 %	
Average net invested assets	\$ 161,789	\$ 168,863	\$ 181,398	\$ 186,788	\$ 192,231	3 %	19 %	\$ 156,716	\$ 186,815	19 %	

Note: Historical management view results were revised to be shown in a spread related earnings view. Please refer to Notes to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on spread related earnings.

Reconciliation of Earnings Measures

Unaudited (in millions, except percentages)



	Quarterly Trends						Δ		Year-to-Date		
	Predecessor		Successor			Q/Q	Y/Y	Predecessor	Successor	Y/Y	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22			2021	2022		
RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO ATHENE HOLDING LTD. COMMON SHAREHOLDER TO SPREAD RELATED EARNINGS											
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ 698	\$ 1,060	\$ (1,518)	\$ (2,155)	\$ (936)	57 %	NM	\$ 2,658	\$ (4,609)	NM	
Preferred stock dividends	35	35	35	35	35	— %	— %	106	105	(1)%	
Net income (loss) attributable to noncontrolling interest	37	52	(883)	(1,072)	(476)	56 %	NM	(111)	(2,431)	NM	
Net income (loss)	770	1,147	(2,366)	(3,192)	(1,377)	57 %	NM	2,653	(6,935)	NM	
Income tax expense (benefit)	(50)	190	(407)	(484)	(210)	57 %	NM	196	(1,101)	NM	
Income (loss) before income taxes	720	1,337	(2,773)	(3,676)	(1,587)	57 %	NM	2,849	(8,036)	NM	
Realized gains (losses) on sale of AFS securities	73	396	(64)	(39)	(41)	(5)%	NM	149	(144)	NM	
Unrealized, allowances and other investment gains (losses) ¹	47	427	(871)	(1,203)	(672)	44 %	NM	626	(2,746)	NM	
Change in fair value of reinsurance assets	(118)	(200)	(1,657)	(1,612)	(1,146)	29 %	NM	(429)	(4,415)	NM	
Offsets to investment gains (losses)	13	27	131	172	122	(29)%	NM	28	425	NM	
Investment gains (losses), net of offsets	15	650	(2,461)	(2,682)	(1,737)	35 %	NM	374	(6,880)	NM	
Non-operating change in insurance liabilities and related derivatives, net of offsets	70	202	(81)	(381)	64	NM	(9)%	490	(398)	NM	
Integration, restructuring and other non-operating expenses	(8)	(60)	(34)	(33)	(37)	12 %	NM	(64)	(104)	63 %	
Stock compensation expense ²	(8)	(11)	(12)	(13)	(15)	15 %	88 %	(27)	(40)	48 %	
Preferred stock dividends	35	35	35	35	35	— %	— %	106	105	(1)%	
VIE and noncontrolling interests - pre-tax income (loss)	68	67	(890)	(1,044)	(473)	55 %	NM	(85)	(2,407)	NM	
Less: Total adjustments to income (loss) before income taxes	172	883	(3,443)	(4,118)	(2,163)	47 %	NM	794	(9,724)	NM	
Spread related earnings	\$ 548	\$ 454	\$ 670	\$ 442	\$ 576	30 %	5 %	\$ 2,055	\$ 1,688	(18)%	

Note: Please refer to Notes to the Financial Supplement section for discussion on spread related earnings. 1 Unrealized, allowances and other investment gains (losses) was updated to include the change in fair value of Apollo investment. This investment was distributed to AGM following the merger in January of 2022. 2 Stock compensation expense was updated to include our long-term incentive plan expenses.

Net Flows & Outflows Attributable to Athene by Type

Unaudited (in millions, except percentages)



	Quarterly Trends						Δ		Year-to-Date		
	Predecessor		Successor			Q/Q	Y/Y	Predecessor	Successor	Y/Y	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22			2021	2022		
NET FLOWS											
Retail	\$ 2,372	\$ 2,903	\$ 2,865	\$ 3,748	\$ 6,132	64 %	159 %	\$ 5,878	\$ 12,745	117 %	
Flow reinsurance	635	1,351	1,001	1,038	2,291	121 %	261 %	1,213	4,330	257 %	
Funding agreements ¹	2,337	2,215	5,696	1,755	1,588	(10)%	(32)%	9,637	9,039	(6)%	
Pension group annuities	6,593	2,877	1,994	5,508	2,944	(47)%	(55)%	10,960	10,446	(5)%	
Gross organic inflows	11,937	9,346	11,556	12,049	12,955	8 %	9 %	27,688	36,560	32 %	
Gross inorganic inflows	—	—	—	—	—	NM	NM	—	—	NM	
Total gross inflows	11,937	9,346	11,556	12,049	12,955	8 %	9 %	27,688	36,560	32 %	
Gross outflows ²	(4,433)	(4,344)	(4,883)	(4,925)	(7,000)	42 %	58 %	(13,190)	(16,808)	27 %	
Net flows	\$ 7,504	\$ 5,002	\$ 6,673	\$ 7,124	\$ 5,955	(16)%	(21)%	\$ 14,498	\$ 19,752	36 %	
Inflows attributable to Athene	\$ 7,180	\$ 7,015	\$ 9,333	\$ 8,889	\$ 11,000	24 %	53 %	\$ 19,780	\$ 29,222	48 %	
Inflows attributable to ADIP ³	4,757	2,331	2,223	3,160	1,955	(38)%	(59)%	7,908	7,338	(7)%	
Total gross inflows	\$ 11,937	\$ 9,346	\$ 11,556	\$ 12,049	\$ 12,955	8 %	9 %	\$ 27,688	\$ 36,560	32 %	
Outflows attributable to Athene	\$ (3,746)	\$ (3,593)	\$ (4,072)	\$ (4,062)	\$ (5,803)	43 %	55 %	\$ (11,168)	\$ (13,937)	25 %	
Outflows attributable to ADIP ³	(687)	(751)	(811)	(863)	(1,197)	39 %	74 %	(2,022)	(2,871)	42 %	
Total gross outflows ²	\$ (4,433)	\$ (4,344)	\$ (4,883)	\$ (4,925)	\$ (7,000)	42 %	58 %	\$ (13,190)	\$ (16,808)	27 %	
OUTFLOWS ATTRIBUTABLE TO ATHENE BY TYPE											
Maturity-driven, contractual based outflows ⁴	\$ (375)	\$ (428)	\$ (1,100)	\$ (757)	\$ (2,398)	NM	NM	\$ (1,095)	\$ (4,255)	NM	
Policyholder-driven withdrawals ⁵	(3,371)	(3,165)	(2,972)	(3,305)	(3,405)	3 %	1 %	(10,073)	(9,682)	(4)%	
Outflows attributable to Athene	\$ (3,746)	\$ (3,593)	\$ (4,072)	\$ (4,062)	\$ (5,803)	43 %	55 %	\$ (11,168)	\$ (13,937)	25 %	
<i>Annualized rate⁶</i>											
Maturity-driven, contractual based outflows ⁴	(0.9)%	(1.0)%	(2.4)%	(1.6)%	(5.0)%	NM	NM	(0.9)%	(3.0)%	NM	
Policyholder-driven withdrawals ⁵	(8.4)%	(7.5)%	(6.6)%	(7.1)%	(7.1)%	0bps	(130)bps	(8.6)%	(6.9)%	(170)bps	
Outflows attributable to Athene	(9.3)%	(8.5)%	(9.0)%	(8.7)%	(12.1)%	NM	NM	(9.5)%	(9.9)%	40bps	

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 outflows consist of full and partial policyholder withdrawals on deferred annuities, death benefits, pension group annuity benefit payments, payments on payout annuities and funding agreement repurchases and maturities. ³ ADIP refers to Apollo/Athene Dedicated Investment Program and represents the noncontrolling interest in business ceded to ACRA. ⁴ Maturity-driven, contractual based outflows include defined/expected maturities from funding agreements and pension group annuity blocks, the amounts of which may vary on a quarterly basis, based on the timing of original issuance. ⁵ Includes full surrenders, partial withdrawals and other for retail, flow reinsurance and inorganic run-off. ⁶ The outflow rate is calculated as outflows divided by average net invested assets for the respective period, on an annualized basis.

Condensed Consolidated Balance Sheets

Unaudited (in millions, except percentages)



	Predecessor December 31, 2021	Successor September 30, 2022	Δ
ASSETS			
Investments			
Available-for-sale securities, at fair value	\$ 100,159	\$ 93,593	(7)%
Trading securities, at fair value	2,056	1,590	(23)%
Equity securities	1,170	1,607	37 %
Mortgage loans	20,748	25,145	21 %
Investment funds	1,178	29	(98)%
Policy loans	312	353	13 %
Funds withheld at interest	43,907	34,706	(21)%
Derivative assets	4,387	4,065	(7)%
Short-term investments	139	318	129 %
Other investments	1,473	682	(54)%
Total investments	175,529	162,088	(8)%
Cash and cash equivalents	9,479	9,823	4 %
Restricted cash	796	1,024	29 %
Investments in related parties			
Available-for-sale securities, at fair value	10,402	9,205	(12)%
Trading securities, at fair value	1,781	905	(49)%
Equity securities, at fair value	284	340	20 %
Mortgage loans	1,360	1,331	(2)%
Investment funds	7,391	1,272	(83)%
Funds withheld at interest	12,207	9,961	(18)%
Other investments	222	274	23 %
Accrued investment income	962	1,226	27 %
Reinsurance recoverable	4,594	4,356	(5)%
Deferred acquisition costs, deferred sales inducements and value of business acquired	5,362	5,191	(3)%
Goodwill	—	4,058	NM
Other assets	1,257	10,094	NM
Assets of consolidated variable interest entities			
Investments			
Trading securities, at fair value	—	988	NM
Equity securities, at fair value	—	15	NM
Mortgage loans	2,040	2,000	(2)%
Investment funds, at fair value	1,297	11,885	NM
Other investments, at fair value	—	152	NM
Cash and cash equivalents	154	418	171 %
Other assets	32	94	194 %
Total assets	\$ 235,149	\$ 236,700	1 %

Condensed Consolidated Balance Sheets, continued

Unaudited (in millions, except percentages)



	<u>Predecessor</u>	<u>Successor</u>	<u>Δ</u>
	<u>December 31, 2021</u>	<u>September 30, 2022</u>	
LIABILITIES			
Interest sensitive contract liabilities	\$ 156,325	\$ 166,894	7 %
Future policy benefits	42,488	54,709	29 %
Debt	2,964	3,271	10 %
Derivative liabilities	472	2,222	NM
Payables for collateral on derivatives and securities to repurchase	7,044	7,015	— %
Other liabilities	3,214	3,054	(5)%
Liabilities of consolidated variable interest entities	461	1,401	204 %
Total liabilities	<u>212,968</u>	<u>238,566</u>	12 %
EQUITY (DEFICIT)			
Preferred stock	—	—	NM
Common stock	—	—	NM
Additional paid-in capital	6,667	17,607	164 %
Retained earnings (accumulated deficit)	11,033	(5,198)	NM
Accumulated other comprehensive income (loss)	2,430	(13,755)	NM
Total Athene Holding Ltd. shareholders' equity (deficit)	<u>20,130</u>	<u>(1,346)</u>	NM
Noncontrolling interests	2,051	(520)	NM
Total equity (deficit)	<u>22,181</u>	<u>(1,866)</u>	NM
Total liabilities and equity (deficit)	<u>\$ 235,149</u>	<u>\$ 236,700</u>	1 %

Net Invested Assets (Management view) & Agency Ratings

Unaudited (in millions, except percentages)



	Predecessor		Successor	
	December 31, 2021		September 30, 2022	
	Invested Asset Value ¹	Percent of Total	Invested Asset Value ¹	Percent of Total
NET INVESTED ASSETS				
Corporate	\$ 75,163	42.9 %	\$ 81,912	42.0 %
CLO	17,892	10.2 %	19,249	9.9 %
Credit	93,055	53.1 %	101,161	51.9 %
CML	21,438	12.2 %	23,793	12.2 %
RML	7,116	4.1 %	9,818	5.0 %
RMBS	6,969	4.0 %	7,063	3.6 %
CMBS	3,440	2.0 %	3,859	2.0 %
Real estate	38,963	22.3 %	44,533	22.8 %
ABS	20,376	11.6 %	20,154	10.3 %
Alternative investments	9,873	5.6 %	12,335	6.3 %
State, municipal, political subdivisions and foreign government	2,505	1.4 %	2,723	1.4 %
Equity securities	754	0.4 %	1,823	0.9 %
Short-term investments	111	0.1 %	452	0.2 %
U.S. government and agencies	212	0.1 %	2,649	1.4 %
Other investments	33,831	19.2 %	40,136	20.5 %
Cash and equivalents	6,086	3.5 %	7,161	3.7 %
Policy loans and other	1,296	0.7 %	2,166	1.1 %
Net invested assets excluding investment in Apollo	173,231	98.8 %	195,157	100.0 %
Investment in Apollo	2,112	1.2 %	—	— %
Net invested assets	\$ 175,343	100.0 %	\$ 195,157	100.0 %
	A.M. Best	Standard & Poor's	Fitch	Moody's

FINANCIAL STRENGTH RATINGS

	A.M. Best	Standard & Poor's	Fitch	Moody's
Athene Annuity & Life Assurance Company	A	A+	A+	A1
Athene Annuity and Life Company	A	A+	A+	A1
Athene Annuity & Life Assurance Company of New York	A	A+	A+	A1
Athene Life Insurance Company of New York	A	NR	NR	NR
Athene Annuity Re Ltd.	A	A+	A+	A1
Athene Life Re Ltd.	A	A+	A+	A1
Athene Life Re International Ltd.	A	A+	A+	A1
Athene Co-Invest Reinsurance Affiliate 1A Ltd. and Athene Co-Invest Reinsurance Affiliate 1B Ltd.	A	A+	A+	A1
Athene Co-Invest Reinsurance Affiliate International Ltd.	A	A+	A+	A1

CREDIT RATINGS

	A.M. Best	Standard & Poor's	Fitch	Moody's
Athene Holding Ltd.	bbb+	A-	A-	NR
Senior notes	bbb+	A-	BBB+	Baa1

¹ Please refer to Notes to the Financial Supplement section 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.

Net Alternative Investments (Management view)

Unaudited (in millions, except percentages)



	Predecessor		Successor	
	December 31, 2021 ¹		September 30, 2022	
	Invested Asset Value ²	Percent of Total	Invested Asset Value ²	Percent of Total
NET ALTERNATIVE INVESTMENTS				
Strategic origination platforms				
Wheels Donlen	\$ 590	6.0 %	\$ 713	5.8 %
Redding Ridge	217	2.2 %	680	5.5 %
NNN Lease	637	6.5 %	670	5.5 %
MidCap Financial	666	6.7 %	643	5.2 %
Foundation Home Loans	—	— %	290	2.4 %
PK AirFinance	316	3.2 %	286	2.3 %
Aqua Finance	—	— %	262	2.1 %
Other	99	1.0 %	281	2.3 %
Total strategic origination platforms	2,525	25.6 %	3,825	31.1 %
Strategic retirement services platforms				
Athora	743	7.5 %	912	7.4 %
Catalina	442	4.6 %	431	3.5 %
FWD	400	4.1 %	400	3.2 %
Challenger	232	2.3 %	246	2.0 %
Venerable	219	2.2 %	232	1.9 %
Other	133	1.3 %	77	0.6 %
Total strategic retirement services platforms	2,169	22.0 %	2,298	18.6 %
Apollo and other fund investments				
Equity				
Real estate	1,105	11.2 %	1,180	9.6 %
Traditional private equity	689	7.0 %	1,029	8.3 %
Other	309	3.1 %	192	1.5 %
Total equity	2,103	21.3 %	2,401	19.4 %
Hybrid				
Real estate	809	8.2 %	1,349	11.0 %
Other	1,282	13.0 %	1,456	11.8 %
Total hybrid	2,091	21.2 %	2,805	22.8 %
Yield	773	7.8 %	951	7.7 %
Total Apollo and other fund investments	4,967	50.3 %	6,157	49.9 %
Other	212	2.1 %	55	0.4 %
Net alternative investments³	\$ 9,873	100.0 %	\$ 12,335	100.0 %

¹ Certain reclassifications have been made to conform with current year presentation. ² 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 reconciliations of investments, including related parties, to net invested assets and investment funds, including related parties and VIEs, to net alternative investments. Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest. ³ Net alternative investments does not correspond to the total investment funds, including related parties and VIEs, 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 and modco reinsurance portfolios, royalties and other investments.

Credit Quality of Securities

Unaudited (in millions, except percentages)



	Predecessor		Successor	
	December 31, 2021		September 30, 2022	
	Fair Value	Percent of Total	Fair Value	Percent of Total
CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)				
NAIC designation				
1 A-G	\$ 51,514	46.6 %	\$ 52,035	50.6 %
2 A-C	53,398	48.3 %	46,096	44.8 %
Total investment grade	104,912	94.9 %	98,131	95.4 %
3 A-C	4,247	3.8 %	3,418	3.3 %
4 A-C	1,100	1.0 %	917	0.9 %
5 A-C	88	0.1 %	82	0.2 %
6	214	0.2 %	250	0.2 %
Total below investment grade	5,649	5.1 %	4,667	4.6 %
Total AFS securities including related parties	\$ 110,561	100.0 %	\$ 102,798	100.0 %
NRSRO designation				
AAA/AA/A	\$ 44,501	40.2 %	\$ 45,946	44.7 %
BBB	47,636	43.1 %	41,975	40.8 %
Non-rated ¹	10,754	9.7 %	8,369	8.1 %
Total investment grade ²	102,891	93.0 %	96,290	93.6 %
BB	3,713	3.4 %	3,116	3.0 %
B	946	0.9 %	722	0.7 %
CCC	1,356	1.2 %	1,085	1.1 %
CC and lower	755	0.7 %	619	0.6 %
Non-rated ¹	900	0.8 %	966	1.0 %
Total below investment grade	7,670	7.0 %	6,508	6.4 %
Total AFS securities including related parties	\$ 110,561	100.0 %	\$ 102,798	100.0 %

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.

Credit Quality of Net Invested Assets (Management view)

Unaudited (In millions, except percentages)



	Predecessor		Successor	
	December 31, 2021		September 30, 2022	
	Invested Asset Value	% of Total	Invested Asset Value	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NAIC designation				
1 A-G ²	\$ 58,471	46.2 %	\$ 67,813	49.1 %
2 A-C ²	59,840	47.2 %	63,201	45.8 %
Non-rated ^{2,3}	1,255	1.0 %	490	0.3 %
Total investment grade	119,566	94.4 %	131,504	95.2 %
3 A-C	5,310	4.2 %	4,800	3.5 %
4 A-C	1,419	1.1 %	1,200	0.9 %
5 A-C	272	0.2 %	254	0.2 %
6	101	0.1 %	303	0.2 %
Non-rated ³	—	— %	—	— %
Total below investment grade	7,102	5.6 %	6,557	4.8 %
Total NAIC designated assets ⁴	126,668	100.0 %	138,061	100.0 %
Assets without NAIC designation				
Commercial mortgage loans				
CM1	4,491	21.0 %	3,998	16.8 %
CM2	11,387	53.1 %	14,462	60.8 %
CM3	4,897	22.8 %	4,759	20.0 %
CM4	597	2.8 %	574	2.4 %
CM5	37	0.2 %	—	— %
CM6	29	0.1 %	—	— %
CM7	—	— %	—	— %
Total CMLs	21,438	100.0 %	23,793	100.0 %
Residential mortgage loans				
In good standing	6,372	89.6 %	9,421	95.9 %
90 days late	699	9.8 %	300	3.1 %
In foreclosure	45	0.6 %	97	1.0 %
Total RMLs	7,116	100.0 %	9,818	100.0 %
Alternative investments				
Investment in Apollo	2,112		—	
Cash and equivalents	6,086		7,161	
Equity securities	754		1,823	
Other ⁵	1,296		2,166	
Net invested assets	\$ 175,343		\$ 195,157	

	Predecessor		Successor	
	December 31, 2021		September 30, 2022	
	Invested Asset Value	% of Total	Invested Asset Value	% of Total
CREDIT QUALITY OF NET INVESTED ASSETS				
NRSRO designation				
AAA/AA/A	\$ 49,785	39.3 %	\$ 58,712	42.5 %
BBB	53,163	42.0 %	56,880	41.2 %
Non-rated ²	14,140	11.2 %	13,363	9.7 %
Total investment grade	117,088	92.5 %	128,955	93.4 %
BB	4,638	3.6 %	4,305	3.1 %
B	1,243	1.0 %	958	0.7 %
CCC	1,619	1.3 %	1,488	1.1 %
CC and lower	915	0.7 %	940	0.7 %
Non-rated ²	1,165	0.9 %	1,415	1.0 %
Total below investment grade	9,580	7.5 %	9,106	6.6 %
Total NRSRO designated assets ³	126,668	100.0 %	138,061	100.0 %
Assets without NRSRO designation				
Commercial mortgage loans				
CM1	4,491	21.0 %	3,998	16.8 %
CM2	11,387	53.1 %	14,462	60.8 %
CM3	4,897	22.8 %	4,759	20.0 %
CM4	597	2.8 %	574	2.4 %
CM5	37	0.2 %	—	— %
CM6	29	0.1 %	—	— %
CM7	—	— %	—	— %
Total CMLs	21,438	100.0 %	23,793	100.0 %
Residential mortgage loans				
In good standing	6,372	89.6 %	9,421	95.9 %
90 days late	699	9.8 %	300	3.1 %
In foreclosure	45	0.6 %	97	1.0 %
Total RMLs	7,116	100.0 %	9,818	100.0 %
Alternative investments				
Investment in Apollo	2,112		—	
Cash and equivalents	6,086		7,161	
Equity securities	754		1,823	
Other ⁴	1,296		2,166	
Net invested assets	\$ 175,343		\$ 195,157	

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 Prior period has been updated to reflect a reclassification between line items for comparability. 3 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 LBAAS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. 4 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. 5 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)



	Predecessor		Successor			Predecessor		Successor	
	December 31, 2021		September 30, 2022			December 31, 2021		September 30, 2022	
	Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total		Invested Asset Value ¹	% of Total	Invested Asset Value ¹	% of Total
CREDIT QUALITY OF RMBS – NAIC DESIGNATION					CREDIT QUALITY OF RMBS – NRSRO DESIGNATION				
1 A-G	\$ 5,868	84.2 %	\$ 5,660	80.1 %	AAA/AA/A	\$ 1,296	18.6 %	\$ 1,412	20.0 %
2 A-C	374	5.4 %	668	9.5 %	BBB	563	8.1 %	826	11.7 %
Non-rated ²	—	— %	—	— %	Non-rated ²	1,892	27.2 %	1,752	24.8 %
Total investment grade	6,242	89.6 %	6,328	89.6 %	Total investment grade	3,751	53.9 %	3,990	56.5 %
3 A-C	424	6.1 %	365	5.2 %	BB	217	3.1 %	112	1.6 %
4 A-C	226	3.2 %	293	4.1 %	B	221	3.2 %	165	2.3 %
5 A-C	49	0.7 %	47	0.7 %	CCC	1,501	21.5 %	1,379	19.5 %
6	28	0.4 %	30	0.4 %	CC and lower	866	12.4 %	894	12.7 %
Non-rated ²	—	— %	—	— %	Non-rated ²	413	5.9 %	523	7.4 %
Total below investment grade	727	10.4 %	735	10.4 %	Total below investment grade	3,218	46.1 %	3,073	43.5 %
RMBS net invested assets	\$ 6,969	100.0 %	\$ 7,063	100.0 %	RMBS net invested assets	\$ 6,969	100.0 %	\$ 7,063	100.0 %
CREDIT QUALITY OF CLOs – NAIC DESIGNATION					CREDIT QUALITY OF CLOs – NRSRO DESIGNATION				
1 A-G	\$ 11,201	62.6 %	\$ 12,003	62.4 %	AAA/AA/A	\$ 11,189	62.5 %	\$ 11,985	62.3 %
2 A-C	6,537	36.5 %	7,099	36.9 %	BBB	6,543	36.6 %	7,099	36.9 %
Non-rated ²	—	— %	—	— %	Non-rated ²	—	— %	18	0.1 %
Total investment grade	17,738	99.1 %	19,102	99.3 %	Total investment grade	17,732	99.1 %	19,102	99.3 %
3 A-C	130	0.8 %	128	0.6 %	BB	134	0.7 %	128	0.6 %
4 A-C	24	0.1 %	19	0.1 %	B	26	0.2 %	19	0.1 %
5 A-C	—	— %	—	— %	CCC	—	— %	—	— %
6	—	— %	—	— %	CC and lower	—	— %	—	— %
Non-rated ²	—	— %	—	— %	Non-rated ²	—	— %	—	— %
Total below investment grade	154	0.9 %	147	0.7 %	Total below investment grade	160	0.9 %	147	0.7 %
CLO net invested assets	\$ 17,892	100.0 %	\$ 19,249	100.0 %	CLO net invested assets	\$ 17,892	100.0 %	\$ 19,249	100.0 %
CREDIT QUALITY OF ABS – NAIC DESIGNATION					CREDIT QUALITY OF ABS – NRSRO DESIGNATION				
1 A-G	\$ 10,663	52.3 %	\$ 11,632	57.7 %	AAA/AA/A	\$ 10,269	50.4 %	\$ 11,198	55.6 %
2 A-C	8,475	41.6 %	7,420	36.8 %	BBB	8,264	40.6 %	7,295	36.2 %
Non-rated ²	—	— %	—	— %	Non-rated ²	526	2.6 %	551	2.7 %
Total investment grade	19,138	93.9 %	19,052	94.5 %	Total investment grade	19,059	93.6 %	19,044	94.5 %
3 A-C	837	4.1 %	707	3.5 %	BB	881	4.3 %	714	3.5 %
4 A-C	276	1.4 %	218	1.1 %	B	310	1.5 %	218	1.1 %
5 A-C	125	0.6 %	155	0.8 %	CCC	10	— %	33	0.2 %
6	—	— %	22	0.1 %	CC and lower	—	— %	22	0.1 %
Non-rated ²	—	— %	—	— %	Non-rated ²	116	0.6 %	123	0.6 %
Total below investment grade	1,238	6.1 %	1,102	5.5 %	Total below investment grade	1,317	6.4 %	1,110	5.5 %
ABS net invested assets	\$ 20,376	100.0 %	\$ 20,154	100.0 %	ABS net invested assets	\$ 20,376	100.0 %	\$ 20,154	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)



	Predecessor		Successor	
	December 31, 2021		September 30, 2022	
	Dollars	Percent of Total	Dollars	Percent of Total
NET RESERVE LIABILITIES				
Indexed annuities	\$ 84,423	52.1 %	\$ 86,204	47.3 %
Fixed rate annuities	29,075	17.9 %	35,322	19.4 %
Total deferred annuities	113,498	70.0 %	121,526	66.7 %
Pension group annuities	18,589	11.5 %	24,544	13.5 %
Payout annuities	7,227	4.5 %	9,378	5.1 %
Funding agreements ¹	20,841	12.9 %	25,237	13.9 %
Life and other	1,796	1.1 %	1,475	0.8 %
Total net reserve liabilities	\$ 161,951	100.0 %	\$ 182,160	100.0 %

	Quarterly Trends					Δ		Year-to-Date		
	Predecessor		Successor			Q/Q	Y/Y	Predecessor	Successor	Y/Y
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22			2021	2022	
NET RESERVE LIABILITY ROLLFORWARD										
Net reserve liabilities – beginning ²	\$ 152,772	\$ 156,852	\$ 169,508	\$ 174,234	\$ 177,633	2 %	16 %	\$ 144,989	\$ 169,508	17 %
Gross inflows ³	12,108	9,487	11,817	12,214	13,161	8 %	9 %	28,237	37,192	32 %
Inflows attributable to ACRA noncontrolling interest	(4,795)	(2,302)	(2,271)	(3,184)	(1,993)	(37)%	(58)%	(8,027)	(7,448)	(7)%
Net inflows	7,313	7,185	9,546	9,030	11,168	24 %	53 %	20,210	29,744	47 %
Net withdrawals	(3,746)	(3,593)	(4,072)	(4,062)	(5,803)	43 %	55 %	(11,168)	(13,937)	25 %
Other reserve changes	513	1,507	(748)	(1,569)	(838)	47 %	NM	2,821	(3,155)	NM
Net reserve liabilities – ending	\$ 156,852	\$ 161,951	\$ 174,234	\$ 177,633	\$ 182,160	3 %	16 %	\$ 156,852	\$ 182,160	16 %
ACRA NONCONTROLLING INTEREST RESERVE LIABILITY ROLLFORWARD										
Reserve liabilities – beginning ²	\$ 26,871	\$ 31,100	\$ 33,559	\$ 35,019	\$ 37,274	6 %	39 %	\$ 24,618	\$ 33,559	36 %
Inflows	4,795	2,302	2,271	3,184	1,993	(37)%	(58)%	8,027	7,448	(7)%
Withdrawals	(687)	(751)	(811)	(863)	(1,197)	39 %	74 %	(2,022)	(2,871)	42 %
Other reserve changes	121	282	—	(66)	(75)	(14)%	NM	477	(141)	NM
Reserve liabilities – ending	\$ 31,100	\$ 32,933	\$ 35,019	\$ 37,274	\$ 37,995	2 %	22 %	\$ 31,100	\$ 37,995	22 %

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 As a result of the merger with AGM on January 1, 2022, we have elected pushdown accounting under GAAP and recorded our assets and liabilities at their fair market value as of the date of the merger. As a result, our 1Q'22 net reserve liability beginning balance reflects certain purchase price adjustments as compared to the 4Q'21 ending balance. ³ 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.

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	\$ 28,950	25.1 %	\$ 28,950	25.1 %
0.0% < 2.0%	1,619	1.4 %	1,267	1.1 %
2.0% < 4.0%	5,518	4.8 %	3,709	3.2 %
4.0% < 6.0%	12,512	10.9 %	9,379	8.1 %
6.0% or greater	66,666	57.8 %	71,960	62.5 %
	\$ 115,265	100.0 %	\$ 115,265	100.0 %

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	5.6 %	1.1 %	6.7 %

	Deferred annuities	Percent of total	Average surrender charge (gross)
--	--------------------	------------------	----------------------------------

YEARS OF SURRENDER CHARGE REMAINING ON DEFERRED ANNUITIES NET ACCOUNT VALUE

No Surrender Charge	\$ 28,950	25.1 %	— %
Less than 2	20,868	18.1 %	5.2 %
2 to less than 4	19,627	17.0 %	6.6 %
4 to less than 6	19,372	16.8 %	7.5 %
6 to less than 8	12,271	10.7 %	8.8 %
8 to less than 10	10,840	9.4 %	10.1 %
10 or greater	3,337	2.9 %	14.3 %
	\$ 115,265	100.0 %	

	Predecessor	Successor	Δ
	December 31, 2021	September 30, 2022	
DEFERRED ANNUITY RIDER RESERVE SUMMARY			
Net rider reserve	\$ 5,147	\$ 4,691	(8.9)%
Net account value with rider reserves	38,246	38,285	0.1 %
Rider reserve as a percentage of account value with rider reserves	13.5 %	12.3 %	NM

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.

SPREAD RELATED EARNINGS (SRE) AND NET SPREAD

Spread related earnings is a pre-tax non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our spread related earnings equals net income (loss) available to AHL common shareholder adjusted to eliminate the impact of the following:

- **Investment Gains (Losses), Net of Offsets**—Consists of the realized gains and losses on the sale of AFS securities, the change in fair value of reinsurance assets, unrealized gains and losses, changes in the 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 mortgage loans, investments held under the fair value option and our investment in Apollo, 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. Investment gains and losses are net of offsets related to DAC and DSI 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.
- **Non-operating Change in Insurance Liabilities and Related Derivatives, Net of Offsets**
 - **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 and DSI 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.
 - **Non-operating Change in Funding Agreements**—Consists of timing differences caused by changes to interest rates on variable funding agreements and funding agreement backed notes and the associated reserve accretion patterns of those contracts. Further included are adjustments for gains associated with the Company's Tender Offer for funding agreement backed notes.
- **Integration, Restructuring, and Other Non-operating Expenses**—Consists of restructuring and integration expenses related to acquisitions and block reinsurance costs as well as certain other expenses, which are not predictable or related to our underlying profitability drivers.
- **Stock Compensation Expense**—Consists of stock compensation expenses associated with our share incentive plans, including long-term incentive expenses, which are not related to our underlying profitability drivers and fluctuate from time to time due to the structure of our plans.
- **Income Tax (Expense) Benefit**—Consists of the income tax effect of all income statement adjustments, including our Apollo investment, and is computed by applying the appropriate jurisdiction's tax rate to all adjustments subject to income tax.

We consider these adjustments to be meaningful adjustments to net income (loss) available to AHL common shareholder 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 shareholder, we believe spread related earnings provides a meaningful financial metric that helps investors understand our underlying results and profitability. Spread related earnings should not be used as a substitute for net income (loss) available to AHL common shareholder.

Net spread is a non-GAAP measure used to evaluate our financial performance and profitability. Net spread is computed using our spread related earnings divided by average net invested assets for the relevant period. To enhance the ability to analyze this measure across periods, interim periods are annualized. While we believe this metric 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 ROA presented under GAAP.

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 changes in fair value of funds withheld and modco reinsurance assets as well as mortgage loan assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total debt at notional value divided by adjusted capitalization. Adjusted capitalization includes our adjusted AHL common shareholder's equity, preferred stock and the notional value of our debt. Adjusted AHL common shareholder's equity is calculated as the ending AHL shareholders' equity excluding AOCI, the cumulative changes in fair value of funds withheld and modco reinsurance assets and mortgage loan assets as well as preferred stock. These adjustments fluctuate period to period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. 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 changes in fair value of funds withheld and modco reinsurance assets as well as mortgage loan assets are useful in analyzing trends in our operating results. 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.

NET INVESTMENT SPREAD AND OTHER OPERATING EXPENSES

Net investment spread is a key measure of profitability. Net investment spread measures our investment performance plus our strategic capital management fees from ACRA, less our total cost of funds. Net investment earned rate is a key measure of our investment performance while cost of funds is a key measure of the cost of our policyholder benefits and liabilities.

- 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, 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. 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 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) pension group annuity 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. 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, premiums, product charges and other revenues. Cost of funds is computed as the total liability costs divided by the average net invested assets, for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. We believe a measure like cost of funds is useful in analyzing the trends of our core business operations and profitability. While we believe cost of funds is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.
- Net investment earned rate, cost of funds, and net investment spread 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 or total benefits and expenses presented under GAAP.
- Other operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation and long-term incentive plan expenses, interest expense and policy acquisition expenses. We believe a measure like other operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe other operating expenses is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for policy and other operating expenses presented under 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 represent the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheet 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 and VOE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an adjustment for the allowance for credit losses. Net invested assets 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 for prior periods. Our net invested assets are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under 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) interest sensitive contract liabilities, (b) future policy benefits, (c) long-term repurchase obligations, (d) dividends payable to policyholders and (e) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities include our proportionate share of ACRA reserve liabilities, based on our economic ownership, but do not include the proportionate share of reserve liabilities associated with the noncontrolling 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.

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					
	Predecessor		Successor			
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	
RECONCILIATION OF TOTAL AHL SHAREHOLDERS' EQUITY (DEFICIT) TO TOTAL ADJUSTED AHL COMMON SHAREHOLDER'S EQUITY						
Total AHL shareholders' equity (deficit)	\$ 20,389	\$ 20,130	\$ 11,149	\$ 3,725	\$ (1,346)	
Less: Preferred stock	2,312	2,312	2,667	2,667	2,667	
Total AHL common shareholder's equity (deficit)	18,077	17,818	8,482	1,058	(4,013)	
Less: Accumulated other comprehensive income (loss)	3,011	2,430	(4,674)	(9,787)	(13,755)	
Less: Accumulated change in fair value of reinsurance assets	779	585	(1,241)	(2,464)	(3,316)	
Less: Accumulated change in fair value of mortgage loan assets	—	—	(533)	(1,273)	(1,990)	
Total adjusted AHL common shareholder's equity	\$ 14,287	\$ 14,803	\$ 14,930	\$ 14,582	\$ 15,048	
RECONCILIATION OF DEBT TO CAPITAL RATIO TO ADJUSTED DEBT TO CAPITAL RATIO						
Total debt	\$ 2,469	\$ 2,964	\$ 3,287	\$ 3,279	\$ 3,271	
Less: Adjustment to arrive at notional debt	(31)	(36)	287	279	271	
Notional debt	\$ 2,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
Total debt	\$ 2,469	\$ 2,964	\$ 3,287	\$ 3,279	\$ 3,271	
Total AHL shareholders' equity (deficit)	20,389	20,130	11,149	3,725	(1,346)	
Total Capitalization	22,858	23,094	14,436	7,004	1,925	
Less: Accumulated other comprehensive income (loss)	3,011	2,430	(4,674)	(9,787)	(13,755)	
Less: Accumulated change in fair value of reinsurance assets	779	585	(1,241)	(2,464)	(3,316)	
Less: Accumulated change in fair value of mortgage loan assets	—	—	(533)	(1,273)	(1,990)	
Less: Adjustment to arrive at notional debt	(31)	(36)	287	279	271	
Total adjusted capitalization	\$ 19,099	\$ 20,115	\$ 20,597	\$ 20,249	\$ 20,715	
Debt to capital ratio	10.8 %	12.8 %	22.8 %	46.8 %	169.9 %	
Accumulated other comprehensive income (loss)	1.7 %	1.6 %	(5.1)%	(22.3)%	(111.3)%	
Accumulated change in fair value of reinsurance assets	0.4 %	0.4 %	(1.4)%	(5.6)%	(26.9)%	
Accumulated change in fair value of mortgage loan assets	— %	— %	(0.6)%	(2.9)%	(16.1)%	
Adjustment to arrive at notional debt	0.2 %	0.1 %	(1.1)%	(1.2)%	(1.1)%	
Adjusted debt to capital ratio	13.1 %	14.9 %	14.6 %	14.8 %	14.5 %	

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends						Year-to-Date	
	Predecessor		Successor			Predecessor	Successor	
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	2021	2022	
RECONCILIATION OF NET INCOME (LOSS) AVAILABLE TO AHL COMMON SHAREHOLDER TO NORMALIZED SPREAD RELATED EARNINGS								
Net income (loss) available to Athene Holding Ltd. common shareholder	\$ 698	\$ 1,060	\$ (1,518)	\$ (2,155)	\$ (936)	\$ 2,658	\$ (4,609)	
Preferred stock dividends	35	35	35	35	35	106	105	
Net income (loss) attributable to noncontrolling interests	37	52	(883)	(1,072)	(476)	(111)	(2,431)	
Net income (loss)	770	1,147	(2,366)	(3,192)	(1,377)	2,653	(6,935)	
Income tax expense (benefit)	(50)	190	(407)	(484)	(210)	196	(1,101)	
Income (loss) before income tax	720	1,337	(2,773)	(3,676)	(1,587)	2,849	(8,036)	
Less: Total adjustments to income (loss) before income taxes	172	883	(3,443)	(4,118)	(2,163)	794	(9,724)	
Spread related earnings	548	454	670	442	576	2,055	1,688	
Normalization of alternative investment income to 11%, net of offsets	(67)	(68)	(143)	128	79	(541)	64	
Other notable items	(20)	34	(39)	(35)	(59)	(86)	(78)	
Normalized spread related earnings	<u>\$ 461</u>	<u>\$ 420</u>	<u>\$ 488</u>	<u>\$ 535</u>	<u>\$ 596</u>	<u>\$ 1,428</u>	<u>\$ 1,674</u>	
RECONCILIATION OF NET INVESTMENT INCOME TO NET INVESTMENT EARNINGS								
GAAP net investment income	\$ 1,472	\$ 1,942	\$ 1,683	\$ 1,726	\$ 1,843	\$ 5,158	\$ 5,252	
Change in fair value of reinsurance assets	379	318	220	50	11	1,133	281	
VIE earnings and noncontrolling interest	15	35	79	91	219	73	389	
Alternative gains (losses)	74	19	18	(28)	10	125	—	
ACRA noncontrolling interest	(287)	(239)	(305)	(347)	(407)	(704)	(1,059)	
Apollo investment (gain) loss	(13)	(404)	(33)	—	—	(460)	(33)	
Held for trading amortization and other	34	10	(7)	(4)	45	73	34	
Total adjustments to arrive at net investment earnings	202	(261)	(28)	(238)	(122)	240	(388)	
Total net investment earnings	<u>\$ 1,674</u>	<u>\$ 1,681</u>	<u>\$ 1,655</u>	<u>\$ 1,488</u>	<u>\$ 1,721</u>	<u>\$ 5,398</u>	<u>\$ 4,864</u>	
RECONCILIATION OF NET INVESTMENT INCOME RATE TO NET INVESTMENT EARNED RATE								
GAAP net investment income	3.64 %	4.60 %	3.71 %	3.70 %	3.83 %	4.39 %	3.75 %	
Change in fair value of reinsurance assets	0.94 %	0.75 %	0.49 %	0.11 %	0.02 %	0.96 %	0.20 %	
VIE earnings and noncontrolling interest	0.04 %	0.08 %	0.17 %	0.19 %	0.46 %	0.06 %	0.28 %	
Alternative gains (losses)	0.18 %	0.05 %	0.04 %	(0.06)%	0.02 %	0.11 %	— %	
ACRA noncontrolling interest	(0.71)%	(0.57)%	(0.67)%	(0.74)%	(0.85)%	(0.60)%	(0.76)%	
Apollo investment (gain) loss	(0.03)%	(0.96)%	(0.07)%	— %	— %	(0.39)%	(0.02)%	
Held for trading amortization and other	0.08 %	0.03 %	(0.02)%	(0.01)%	0.10 %	0.06 %	0.02 %	
Total adjustments to arrive at net investment earned rate	0.50 %	(0.62)%	(0.06)%	(0.51)%	(0.25)%	0.20 %	(0.28)%	
Net investment earned rate	<u>4.14 %</u>	<u>3.98 %</u>	<u>3.65 %</u>	<u>3.19 %</u>	<u>3.58 %</u>	<u>4.59 %</u>	<u>3.47 %</u>	
Average net invested assets	\$ 161,789	\$ 168,863	\$ 181,398	\$ 186,788	\$ 192,231	\$ 156,716	\$ 186,815	

Non-GAAP Reconciliations

Unaudited (in millions, except percentages)



	Quarterly Trends					Year-to-Date	
	Predecessor		Successor			Predecessor	Successor
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	2021	2022
RECONCILIATION OF BENEFITS AND EXPENSES TO COST OF FUNDS							
GAAP benefits and expenses	\$ 8,004	\$ 5,445	\$ 2,504	\$ 5,471	\$ 3,896	\$ 16,689	\$ 11,871
Premiums	(6,686)	(2,967)	(2,110)	(5,614)	(3,045)	(11,295)	(10,769)
Product charges	(154)	(160)	(166)	(175)	(184)	(461)	(525)
Other revenues	(24)	(14)	3	9	26	(58)	38
FIA option costs	281	287	294	306	322	838	922
Reinsurance embedded derivative impacts	12	11	12	12	12	38	36
Non-operating change in insurance liabilities and embedded derivatives, net of offsets	(164)	(1,077)	350	903	198	(1,912)	1,451
DAC and DSI amortization related to investment gains and losses ¹	29	41	10	26	19	74	55
Rider reserves related to investment gains and losses	—	(5)	124	141	98	1	363
Policy and other operating expenses, excluding policy acquisition expenses	(161)	(242)	(247)	(260)	(294)	(530)	(801)
AmerUs closed block fair value liability	11	7	127	114	77	50	318
ACRA noncontrolling interest	(145)	(265)	(87)	(26)	(169)	(494)	(282)
Other	(18)	12	12	(21)	10	(20)	1
Total adjustments to arrive at cost of funds	(7,019)	(4,372)	(1,678)	(4,585)	(2,930)	(13,769)	(9,193)
Total cost of funds	\$ 985	\$ 1,073	\$ 826	\$ 886	\$ 966	\$ 2,920	\$ 2,678
RECONCILIATION OF TOTAL BENEFITS AND EXPENSES RATE TO COST OF FUNDS RATE							
GAAP benefits and expenses	19.79 %	12.90 %	5.52 %	11.72 %	8.11 %	14.20 %	8.47 %
Premiums	(16.53)%	(7.03)%	(4.65)%	(12.02)%	(6.34)%	(9.61)%	(7.69)%
Product charges	(0.38)%	(0.38)%	(0.37)%	(0.37)%	(0.38)%	(0.39)%	(0.38)%
Other revenues	(0.06)%	(0.03)%	0.01 %	0.02 %	0.06 %	(0.05)%	0.03 %
FIA option costs	0.70 %	0.68 %	0.65 %	0.65 %	0.67 %	0.71 %	0.66 %
Reinsurance embedded derivative impacts	0.03 %	0.02 %	0.03 %	0.03 %	0.02 %	0.03 %	0.02 %
Non-operating change in insurance liabilities and embedded derivatives, net of offsets	(0.41)%	(2.55)%	0.77 %	1.93 %	0.41 %	(1.62)%	1.04 %
DAC and DSI amortization related to investment gains and losses ¹	0.07 %	0.10 %	0.02 %	0.06 %	0.04 %	0.06 %	0.04 %
Rider reserves related to investment gains and losses	— %	(0.01)%	0.27 %	0.30 %	0.20 %	— %	0.26 %
Policy and other operating expenses, excluding policy acquisition expenses	(0.40)%	(0.57)%	(0.55)%	(0.56)%	(0.61)%	(0.45)%	(0.57)%
AmerUs closed block fair value liability	0.03 %	0.01 %	0.28 %	0.24 %	0.16 %	0.04 %	0.23 %
ACRA noncontrolling interest	(0.36)%	(0.63)%	(0.19)%	(0.06)%	(0.35)%	(0.42)%	(0.20)%
Other	(0.04)%	0.03 %	0.03 %	(0.04)%	0.02 %	(0.02)%	— %
Total adjustments to arrive at cost of funds	(17.35)%	(10.36)%	(3.70)%	(9.82)%	(6.10)%	(11.72)%	(6.56)%
Total cost of funds	2.44 %	2.54 %	1.82 %	1.90 %	2.01 %	2.48 %	1.91 %
Average net invested assets	\$ 161,789	\$ 168,863	\$ 181,398	\$ 186,788	\$ 192,231	\$ 156,716	\$ 186,815

¹ Periods prior to the merger include VOBA amortization related to investment gains and losses.

Non-GAAP Reconciliations

Unaudited (in millions)



	Quarterly Trends					Year-to-Date	
	Predecessor		Successor			Predecessor	Successor
	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	2021	2022
RECONCILIATION OF POLICY AND OTHER OPERATING EXPENSES TO OTHER OPERATING EXPENSES							
GAAP policy and other operating expenses	\$ 250	\$ 333	\$ 335	\$ 358	\$ 388	\$ 795	\$ 1,081
Interest expense	(34)	(39)	(33)	(41)	(68)	(100)	(142)
Policy acquisition expenses, net of deferrals	(89)	(91)	(88)	(98)	(94)	(265)	(280)
Integration, restructuring and other non-operating expenses	(8)	(70)	(34)	(33)	(37)	(64)	(104)
Stock compensation expenses ¹	(8)	(11)	(12)	(13)	(15)	(27)	(40)
ACRA noncontrolling interest	(31)	(22)	(51)	(59)	(73)	(71)	(183)
Other changes in policy and other operating expenses	6	(2)	(8)	(5)	19	(7)	6
Total adjustments to arrive at other operating expenses	(164)	(235)	(226)	(249)	(268)	(534)	(743)
Other operating expenses	\$ 86	\$ 98	\$ 109	\$ 109	\$ 120	\$ 261	\$ 338

	Predecessor	Successor
	December 31, 2021	September 30, 2022
RECONCILIATION OF TOTAL INVESTMENTS INCLUDING RELATED PARTIES TO NET INVESTED ASSETS		
Total investments, including related parties	\$ 209,176	\$ 185,376
Derivative assets	(4,387)	(4,065)
Cash and cash equivalents (including restricted cash)	10,275	10,847
Accrued investment income	962	1,226
Payables for collateral on derivatives	(3,934)	(2,538)
Reinsurance funds withheld and modified coinsurance	(1,035)	7,156
VIE and VOE assets, liabilities and noncontrolling interest	2,958	13,105
Unrealized (gains) losses	(4,057)	25,098
Ceded policy loans	(169)	(180)
Net investment receivables (payables)	75	249
Allowance for credit losses	361	446
Total adjustments to arrive at gross invested assets	1,049	51,344
Gross invested assets	210,225	236,720
ACRA noncontrolling interest	(34,882)	(41,563)
Net invested assets	\$ 175,343	\$ 195,157

¹ Stock compensation expense was updated to include our long-term incentive plan expense.

Non-GAAP Reconciliations

Unaudited (in millions)



	Predecessor December 31, 2021	Successor September 30, 2022
RECONCILIATION OF INVESTMENT FUNDS INCLUDING RELATED PARTIES AND VIES TO NET ALTERNATIVE INVESTMENTS		
Investment funds, including related parties and VIEs	\$ 9,866	\$ 13,186
Equity securities ¹	872	542
CLO and ABS equities included in trading securities ¹	1,418	293
Investment in Apollo	(2,112)	—
Investment funds within funds withheld at interest	1,807	1,161
Royalties and other assets included in other investments	50	16
Net assets of the VIE, excluding investment funds	(772)	(1,371)
Unrealized (gains) losses and other adjustments	14	128
ACRA noncontrolling interest	(1,270)	(1,921)
Other Assets	—	301
Total adjustments to arrive at net alternative investments	7	(851)
Net alternative investments	<u>\$ 9,873</u>	<u>\$ 12,335</u>
RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVE LIABILITIES		
Total liabilities	\$ 212,968	\$ 238,566
Debt	(2,964)	(3,271)
Derivative liabilities	(472)	(2,222)
Payables for collateral on derivatives and securities to repurchase	(6,446)	(4,149)
Other liabilities	(2,975)	(2,823)
Liabilities of consolidated VIEs	(461)	(1,401)
Reinsurance ceded receivables	(4,594)	(4,356)
Policy loans ceded	(169)	(180)
ACRA noncontrolling interest	(32,933)	(37,995)
Other	(3)	(9)
Total adjustments to arrive at net reserve liabilities	(51,017)	(56,406)
Net reserve liabilities	<u>\$ 161,951</u>	<u>\$ 182,160</u>

¹ Prior period has been updated to reflect a reclassification between line items for comparability.