

# ATHENE HOLDING LTD. REPORTS THIRD QUARTER 2021 RESULTS

HAMILTON, Bermuda – November 3, 2021 – Athene Holding Ltd. ("Athene") (NYSE: ATH), a leading financial services company specializing in retirement solutions, today announced financial results for the quarter ended September 30, 2021.

- Quarterly diluted EPS of \$3.51 and **quarterly adjusted operating EPS** of \$2.73 or \$541 million of adjusted operating income
- **Record gross organic inflows** totaling \$11.9 billion underwritten to attractive returns and driving annualized net organic growth of 8%
- **Solid profitability** during the third quarter with ROA of 1.27% and ROE of 13.8% and adjusted operating ROA of 1.32% and adjusted operating ROE of 15.6%
- **Strong quarterly investment performance from Alternatives** with consolidated Alts NIER of 16.3% higher than long-term average of 11%
- **Robust capitalization** with \$3.6 billion of excess equity capital and \$8.0 billion of total deployable capital

"In the third quarter, we originated nearly \$12 billion of gross organic inflows, a new quarterly record for Athene. With this result, we have already surpassed the level of total organic inflows generated in all of 2020, which was our previous record. Our third quarter results also highlight that we are on pace to deliver our best year of annual profits since we started the company."

"These factors combined to drive Athene's adjusted book value to \$71.50 per share, which represents an impressive compound growth rate of 17% per year since inception, a level we believe is unmatched by our retirement services competitors and is among the very best in the financial services industry. I am truly excited to see Athene continue this success as a fully aligned partner with Apollo, following the completion of our pending merger in January."

- Jim Belardi, CEO

## Financial Results

(in millions, except percentages and per share data)	3Q'20	3Q'21
<b>GAAP:</b>		
Net income	\$ 622	\$ 698
Diluted EPS	\$ 3.16	\$ 3.51
Book value per common share	\$ 74.21	\$ 94.24
Return on equity (ROE)	16.2%	13.8%
Return on assets (ROA)	1.33%	1.27%
<b>Operating<sup>1</sup>:</b>		
Adj. op. income	\$ 302	\$ 541
Adj. op. EPS	\$ 1.53	\$ 2.73
Adj. op. EPS ex notables & AOG	\$ 1.81	\$ 2.57
Adj. book value per common share	\$ 53.61	\$ 71.50
Adj. op. ROE	11.7%	15.6 %
Adj. op. ROE ex notables & AOG	13.9 %	15.3 %
Adj. op. ROA	0.86%	1.32%
Adj. op. ROA ex notables & AOG	1.03%	1.26%
Net inv. spread - Ret. Svcs	1.41%	1.53%

## Invested Assets & Flows

(in millions, except percentages)	3Q'20	3Q'21
<b>Invested Assets:</b>		
Gross invested assets <sup>2</sup>	\$ 167,136	\$ 199,144
Net invested assets <sup>2</sup>	\$ 142,835	\$ 166,220
Avg. net invested assets	\$ 140,052	\$ 163,517
<b>Flows:</b>		
Retail	\$ 2,465	\$ 2,372
Flow reinsurance	2,317	635
Funding agreements <sup>3</sup>	2,619	2,337
Pension group annuities <sup>4</sup>	—	6,593
Gross organic inflows	7,401	11,937
Gross inorganic inflows	—	—
Total gross inflows	7,401	11,937
Inflows attributable to ACRA NCI	—	(4,757)
Net outflows <sup>5</sup>	(2,695)	(3,746)
Total Net flows	\$ 4,706	\$ 3,434
Net organic flows <sup>6</sup>	\$ 4,706	\$ 3,434
Net organic growth rate <sup>7</sup>	13.4%	8.4%

1 See the non-GAAP measures section on pages 6 through 9 for further discussion of these measures. 2 Net invested assets include our economic ownership of ACRA investments but do not include the investments associated with the ACRA non-controlling interest (NCI). Gross invested assets includes all ACRA investments. 3 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. 4 Pension group annuities (PGA) was previously referenced as pension risk transfer (PRT) 5 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. 6 Net organic flows are calculated as organic inflows less total outflows, net of the ACRA NCI. 7 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.

	Three months ended	
	September 30,	
	2020	2021
<i>(In millions, except per share data)</i>		
<b>Net income available to AHL common shareholders</b>	\$ 622	\$ 698
Non-operating adjustments		
Investment gains, net of offsets	346	2
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	72	70
Integration, restructuring and other non-operating expenses	—	(8)
Stock compensation expense	(1)	(1)
Income tax (expense) benefit - non-operating	(97)	94
Less: Total non-operating adjustments	320	157
<b>Adjusted operating income available to common shareholders</b>	<b>\$ 302</b>	<b>\$ 541</b>
<b>Adjusted operating income (loss) available to common shareholders by segment</b>		
Retirement Services	\$ 361	\$ 537
Corporate and Other	(59)	4
<b>Adjusted operating income available to common shareholders</b>	<b>\$ 302</b>	<b>\$ 541</b>
Earnings per common share – basic Class A	\$ 3.22	\$ 3.64
Earnings per common share – diluted Class A <sup>1</sup>	\$ 3.16	\$ 3.51
Adjusted operating earnings per common share <sup>2</sup>	\$ 1.53	\$ 2.73
Weighted average common shares outstanding – basic Class A	193.1	191.7
Weighted average common shares outstanding – diluted Class A <sup>1</sup>	197.1	198.8
Weighted average common shares outstanding – adjusted operating <sup>2</sup>	197.1	198.8

	Three months ended	
	September 30,	
	2020	2021
<i>(In millions)</i>		
<b>Notable items</b>		
Retirement Services adjusted operating income available to common shareholders	\$ 361	\$ 537
Non-recurring adjustment on derivative collateral	(25)	—
Actuarial experience and market impacts	—	(20)
Unlocking	(6)	—
Tax impact of notable items	4	—
Retirement Services notable items	(27)	(20)
Retirement Services adjusted operating income available to common shareholders excluding notable items	334	517
Corporate and Other adjusted operating income (loss) available to common shareholders	(59)	4
<b>Consolidated adjusted operating income available to common shareholders excluding notable items</b>	<b>\$ 275</b>	<b>\$ 521</b>
Adjusted operating earnings per common share excluding notables <sup>2</sup>	\$ 1.40	\$ 2.63

<sup>1</sup> Diluted earnings per common share on a GAAP basis for Class A common shares, including diluted Class A weighted average common shares outstanding, includes the dilutive impacts, if any, for all stock-based awards.

<sup>2</sup> Weighted average common shares outstanding – adjusted operating assumes 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 any stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of Class A common shares on the applicable measurement date. We believe this non-GAAP measure is an appropriate economic representation of our share counts for use in an economic view of adjusted operating earnings per common share.

## Third Quarter 2021 Financial Results

**Net income available to AHL common shareholders** for the third quarter 2021 was \$698 million, or \$3.51 per diluted Class A common share ("diluted share"), compared to \$622 million, or \$3.16 per diluted share for the third quarter 2020. The increase from the prior year quarter was driven by higher adjusted operating income, realized gains on the sale of AFS securities and a decrease in income tax expense relating to non-operating adjustments, partially offset by an unfavorable change in fair value of reinsurance assets.

**Adjusted operating income available to common shareholders** for the third quarter 2021 was \$541 million, or \$2.73 per adjusted operating common share, compared to \$302 million, or \$1.53 per adjusted operating common share for the third quarter 2020. The increase from the prior year quarter was primarily driven by higher invested assets and the change in fair value of Athene's AOG investment.

**Adjusted operating income available to common shareholders excluding notables and AOG** for the third quarter 2021 was \$511 million, or \$2.57 per adjusted operating common share, compared to \$356 million, or \$1.81 per adjusted operating common share for the third quarter 2020. The increase from the prior year quarter was primarily driven by higher invested assets.

## Growth Highlights

### **Organic Growth**

In the third quarter 2021, Athene generated record gross organic inflows of \$11.9 billion, representing an increase of 61% year-over-year.

Strong organic inflows reflected the advantage of Athene's diversified funding channels, with particular strength on the institutional side of the business in funding agreements and pension group annuities (PGA). Organic inflows for third quarter 2021 were underwritten to attractive returns despite the low interest rate environment, reflecting Athene's ability to originate new business with low funding costs and generate alpha within its investment portfolio.

### **Retail:**

In the third quarter 2021, Athene generated retail inflows of \$2.4 billion, representing a slight decrease of 4% year-over-year, despite increased competition for traditional fixed annuity / MYGA business. Third quarter inflows saw Athene set a record for fixed indexed annuity (FIA) sales.

### **Flow Reinsurance:**

In the third quarter 2021, Athene generated flow reinsurance inflows of \$635 million. This represents a decrease of 73% year-over-year, down from the record quarterly inflows in the prior year quarter, which benefited from the onset of unusual pandemic-driven market dynamics.

### **Pension Group Annuities<sup>1</sup>:**

In the third quarter 2021, Athene completed three PGA transactions totaling \$6.6 billion, including a landmark \$4.9 billion transaction with Lockheed Martin, continuing a record pace of year-to-date activity. Subsequent to September 30, 2021, Athene executed one additional transaction totaling \$1.4 billion.

### **Funding Agreements<sup>2</sup>:**

In the third quarter 2021, Athene generated \$2.3 billion of funding agreement activity, representing an 11% decrease year-over-year and a 43% decrease quarter-over-quarter. Despite the year-over-year and sequential declines, Athene's issuance activity led the industry in the quarter and was driven by four issuances across two currencies.

### **Net Organic Flows**

In the third quarter 2021, Athene generated net organic flows of \$3.4 billion. This was driven by the aforementioned gross organic inflows of \$11.9 billion, less \$4.8 billion of inflows attributable to third party investors in Athene Co-Invest Reinsurance Affiliate (ACRA) related to PGA and funding agreement activity, as well as net outflows of \$3.7 billion, which were slightly elevated from prior year due to larger blocks of business lapsing upon reaching the end of their surrender charge period during the quarter. Athene's net annualized organic growth rate for the third quarter 2021 was 8% versus 13% in the prior year quarter.

<sup>1</sup> Pension group annuities (PGA) was previously referenced as pension risk transfer (PRT) <sup>2</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.

## Segment Results

### *Retirement Services*

For the third quarter 2021, adjusted operating income available to common shareholders in Retirement Services was \$537 million, an increase of \$176 million, or 49%, from the third quarter 2020, resulting in an adjusted operating ROE of 21.2%. Excluding notable items, adjusted operating income available to common shareholders in Retirement Services was \$517 million, resulting in an adjusted operating ROE of 20.4%.

The increase in adjusted operating income available to common shareholders over the prior year quarter was primarily driven by strong growth in average net invested assets of \$23 billion or 17%.

The net investment spread, which measures net investment earnings less cost of funds, was 1.53% of average net invested assets for the third quarter 2021, an increase of 12 basis points from the third quarter 2020. The increase from the prior year quarter was primarily driven by a lower cost of funds, partially offset by lower NIER.

The NIER was 4.00% for the third quarter 2021, compared to 4.22% in the prior year quarter. The annualized return on fixed income and other investments during the third quarter 2021 was 3.49%, compared to 3.70% in the prior year quarter. The year-over-year decline of 21 basis points was driven primarily by lower on-the-margin asset deployment yields resulting from the prolonged lower interest rate environment and lower income from floating rate investments, partially offset by lower cash levels and higher returns from the reinsured Jackson block, following its redeployment into higher-returning assets. The net annualized return on alternative investments during the third quarter 2021 was 15.10% compared to 17.24% in the prior year quarter, as both periods benefited from broad based appreciation in the portfolio and favorable market tailwinds.

Cost of funds, which is comprised of cost of crediting on deferred annuities and institutional products as well as other liability costs, was 2.47% for the third quarter 2021, a decrease of 34 basis points from the third quarter 2020, driven primarily by significant growth underwritten to a lower average cost of funds in a low interest rate environment.

Total cost of crediting was 1.74% for the third quarter 2021, a decrease of 13 basis points from the prior year quarter, driven by lower rates on both institutional business and deferred annuities. The cost of crediting on institutional business was 2.47%, a decrease of 48 basis points from the prior year quarter. The year-over-year decrease was driven by lower rates on funding agreement and pension group annuities issuances due to the prolonged lower interest rate environment and a favorable mix shift toward lower cost funding agreements.

The cost of crediting on deferred annuities was 1.83%, a decrease of 15 basis points from the prior year quarter, driven by lower crediting rates on new issuances and renewals due to favorable crediting rate actions and lower option costs.

Other liability costs, which are primarily applicable to deferred annuities, were 0.73% for the third quarter 2021. The decrease of 21 basis points from the prior year quarter was driven by favorable equity market impacts and actuarial adjustments.

### *Corporate & Other*

In the third quarter 2021, the adjusted operating income (loss) available to common shareholders was \$4 million in Corporate & Other, an increase of \$63 million from \$(59) million in the third quarter 2020. The increase in adjusted operating income (loss) available to common shareholders from the prior year quarter was driven by the change in fair value of Athene's AOG investment, partially offset by lower net investment income and an increase in interest expense and preferred dividends.

In the third quarter 2021, the change in fair value of Athene's AOG investment, net of tax, resulted in a \$10 million gain, or \$0.06 per common share, primarily reflecting \$17 million of dividend income, partially offset by a 1% decrease in the common stock price of Apollo Global Management (NYSE: APO).

## Conference Call Information

Athene will host a conference call today, November 3, 2021 at 10:00 a.m. ET. During the call, members of Athene's senior management team will review Athene's financial results for the third quarter 2021 ended September 30, 2021. This press release, the third quarter 2021 earnings presentation, and quarterly financial supplement are posted to Athene's website at [ir.athene.com](http://ir.athene.com).

- Live conference call: Toll-free at (877) 876-9173 (domestic) or (785) 424-1667 (international)
- Conference call replay available through November 10, 2021 at (800) 839-2394 (domestic) or (402) 220-7207 (international)
- Conference ID number: ATHQ321
- Live and archived webcast available at [ir.athene.com](http://ir.athene.com)

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## About Athene

Athene, through its subsidiaries, is a leading retirement services company with total assets of \$224.4 billion as of September 30, 2021 and operations in the United States, Bermuda, and Canada. Athene specializes in helping its customers achieve financial security and is a solutions provider to institutions. Founded in 2009, Athene is *Driven to Do More* for our policyholders, business partners, shareholders, and the communities in which we work and live. For more information, please visit [www.athene.com](http://www.athene.com).

## Non-GAAP Measures

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

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

- Investment Gains (Losses), Net of Offsets
- Change in Fair Values of Derivatives and Embedded Derivatives – FIAs, Net of Offsets
- Integration, Restructuring and Other Non-Operating Expenses
- Stock Compensation Expense
- 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 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 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 (loss) 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.

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) 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. 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 pension group annuity and funding agreement costs divided by the average net institutional reserve liabilities. Our average net invested assets, excluding our investment in Apollo, net account values and net institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.

- Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.

Net investment earned rate, cost of funds, net investment spread and investment margin on deferred annuities are non-GAAP measures we use to evaluate the profitability of our business. We believe these metrics are useful in analyzing the trends of our business operations, profitability and pricing discipline. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for net investment income, interest sensitive contract benefits or total benefits and expenses presented under GAAP.

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.

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 group annuity 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.

## **Safe Harbor for Forward-Looking Statements**

This press release contains, and certain oral statements made by Athene's representatives from time to time may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of Athene's management and the management of Athene's subsidiaries. Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," "should," or "continues" or similar expressions. Forward-looking statements within this press release include, but are not limited to, statements regarding future growth prospects and financial performance. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of Athene's assumptions and estimates; Athene's ability to maintain or improve financial strength ratings; Athene's ability to manage its business in a highly regulated industry; regulatory changes or actions; the impact of Athene's reinsurers failing to meet their assumed obligations; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; the accuracy of Athene's interpretation of the Tax Cuts and Jobs Act; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; Athene's ability to protect its intellectual property; the ability to maintain or obtain approval of the Delaware Department of Insurance, the Iowa Insurance Division and other regulatory authorities as required for Athene's operations; the delay or failure to complete or realize the expected benefits from the proposed merger with Apollo Global Management; and other factors discussed from time to time in Athene's filings with the SEC, including 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).

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. Athene does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

Athene Holding Ltd.  
Condensed Consolidated Balance Sheets *(unaudited, in millions)*

	December 31, 2020	September 30, 2021
<b>Assets</b>		
Investments		
Available-for-sale securities, at fair value	\$ 82,853	\$ 100,262
Trading securities, at fair value	2,093	2,115
Equity securities	532	666
Mortgage loans, net of allowances	15,264	19,700
Investment funds	803	1,427
Policy loans	369	320
Funds withheld at interest	48,612	44,362
Derivative assets	3,523	3,786
Short-term investments, at fair value	222	125
Other investments, net of allowances	572	1,725
<b>Total investments</b>	<b>154,843</b>	<b>174,488</b>
Cash and cash equivalents	7,704	7,753
Restricted cash	738	757
Investments in related parties		
Available-for-sale securities, at fair value	6,520	7,156
Trading securities, at fair value	1,529	1,742
Equity securities, at fair value	72	115
Mortgage loans, net of allowances	674	1,110
Investment funds	5,284	6,594
Funds withheld at interest	13,030	12,441
Other investments, net of allowances	469	178
Accrued investment income	905	1,016
Reinsurance recoverable	4,848	4,565
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,906	5,110
Other assets	1,249	1,371
<b>Total assets</b>	<b>\$ 202,771</b>	<b>\$ 224,396</b>

*(Continued)*

Condensed Consolidated Balance Sheets *(unaudited, in millions)*

	December 31, 2020	September 30, 2021
<b>Liabilities</b>		
Interest sensitive contract liabilities	\$ 144,566	\$ 152,200
Future policy benefits	29,258	39,666
Other policy claims and benefits	130	130
Dividends payable to policyholders	110	103
Long-term debt	1,976	2,469
Derivative liabilities	298	303
Payables for collateral on derivatives and securities to repurchase	3,801	4,129
Funds withheld liability	452	437
Other liabilities	2,040	2,587
<b>Total liabilities</b>	<b>182,631</b>	<b>202,024</b>
<b>Equity</b>		
Preferred stock	—	—
Common stock	—	—
Additional paid-in capital	6,613	6,651
Retained earnings	8,073	10,727
Accumulated other comprehensive income	3,971	3,011
<b>Total Athene Holding Ltd. shareholders' equity</b>	<b>18,657</b>	<b>20,389</b>
Noncontrolling interests	1,483	1,983
<b>Total equity</b>	<b>20,140</b>	<b>22,372</b>
<b>Total liabilities and equity</b>	<b>\$ 202,771</b>	<b>\$ 224,396</b>

*(Concluded)*

Condensed Consolidated Statements of Income *(unaudited, in millions)*

	Three months ended September 30,	
	2020	2021
<b>Revenue</b>		
Premiums	\$ 112	\$ 6,686
Product charges	144	154
Net investment income	1,209	1,474
Investment related gains	1,797	386
Other revenues	13	24
<b>Total revenues</b>	<b>3,275</b>	<b>8,724</b>
<b>Benefits and Expenses</b>		
Interest sensitive contract benefits	1,225	572
Amortization of DSI	48	32
Future policy and other policy benefits	439	7,014
Amortization of DAC and VOBA	299	136
Dividends to policyholders	9	3
Policy and other operating expenses	231	247
<b>Total benefits and expenses</b>	<b>2,251</b>	<b>8,004</b>
<b>Income before income taxes</b>	<b>1,024</b>	<b>720</b>
Income expense (benefit)	140	(50)
<b>Net income</b>	<b>884</b>	<b>770</b>
Less: Net income attributable to noncontrolling interests	232	37
<b>Net income attributable to Athene Holding Ltd. shareholders</b>	<b>652</b>	<b>733</b>
Less: Preferred stock dividends	30	35
<b>Net income available to Athene Holding Ltd. common shareholders</b>	<b>\$ 622</b>	<b>\$ 698</b>

## Non-GAAP Measure Reconciliations

The reconciliation of net income available to Athene Holding Ltd. common shareholders to adjusted operating income available to common shareholders excluding notables and AOG is as follows:

<i>(In millions)</i>	Three months ended	
	September 30,	
	2020	2021
Net income available to Athene Holding Ltd. common shareholders	\$ 622	\$ 698
Less: Total non-operating adjustments	320	157
Adjusted operating income available to common shareholders	302	541
Notable items	(27)	(20)
Adjusted operating income available to common shareholders excluding notable items	\$ 275	\$ 521
Retirement Services adjusted operating income available to common shareholders	\$ 361	\$ 537
Non-recurring adjustment on derivative collateral	(25)	—
Actuarial experience and market impacts	—	(20)
Unlocking	(6)	—
Tax impact of notable items	4	—
Retirement Services notable items	(27)	(20)
Retirement Services adjusted operating income available to common shareholders excluding notable items	334	517
Corporate and Other adjusted operating income (loss) available to common shareholders	(59)	4
Consolidated adjusted operating income available to common shareholders excluding notable items	275	521
Less: Change in fair value of Apollo investment, net of tax	(81)	10
Adjusted operating income available to common shareholders excluding notables and AOG	\$ 356	\$ 511

The reconciliation of basic earnings per Class A common share to adjusted operating earnings per common share is as follows:

	Three months ended	
	September 30,	
	2020	2021
Basic earnings per share – Class A common shares	\$ 3.22	\$ 3.64
Non-operating adjustments		
Investment gains (losses), net of offsets	1.74	—
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.37	0.35
Integration, restructuring and other non-operating expenses	—	(0.04)
Income tax (expense) benefit - non-operating	(0.49)	0.47
Less: Total non-operating adjustments	1.62	0.78
Less: Effect of items convertible to or settled in Class A common shares	0.07	0.13
Adjusted operating earnings per common share	\$ 1.53	\$ 2.73

The reconciliation of basic weighted average Class A common shares to weighted average common shares outstanding – adjusted operating, is as follows:

<i>(In millions)</i>	Three months ended	
	September 30,	
	2020	2021
Basic weighted average common shares outstanding – Class A	193.1	191.7
Effect of other stock compensation plans	4.0	7.1
Weighted average common shares outstanding – adjusted operating	197.1	198.8

The reconciliation of AHL shareholders' equity to adjusted AHL common shareholders' equity included in adjusted book value per common share and adjusted operating ROE is as follows:

<i>(In millions)</i>	December 31,	September 30,	
	2009	2020	2021
Total AHL shareholders' equity	\$ 113	\$ 15,943	\$ 20,389
Less: Preferred stock	—	1,755	2,312
Total AHL common shareholders' equity	113	14,188	18,077
Less: AOCI	1	2,888	3,011
Less: Accumulated change in fair value of reinsurance assets	—	778	779
Total adjusted AHL common shareholders' equity	\$ 112	\$ 10,522	\$ 14,287
Retirement Services		\$ 7,321	\$ 10,787
Corporate and Other		3,201	3,500
Total adjusted AHL common shareholders' equity		\$ 10,522	\$ 14,287

The reconciliation of average AHL shareholders' equity to average adjusted AHL common shareholders' equity included in adjusted operating ROE is as follows:

<i>(In millions)</i>	Three months ended	
	September 30,	
	2020	2021
Average AHL shareholders' equity	\$ 15,327	\$ 20,198
Less: Average preferred stock	1,755	2,312
Less: Average AOCI	2,536	3,174
Less: Average accumulated change in fair value of reinsurance assets	697	833
Average adjusted AHL common shareholders' equity	\$ 10,339	\$ 13,879
Retirement Services	\$ 7,139	\$ 10,129
Corporate and Other	3,200	3,750
Average adjusted AHL common shareholders' equity	\$ 10,339	\$ 13,879

The reconciliation of basic Class A common shares outstanding to adjusted operating common shares outstanding is as follows:

<i>(In millions)</i>	December 31,	September 30,	
	2009	2020	2021
Class A common shares outstanding	0.1	191.2	191.8
Conversion of Class B common shares to Class A common shares	9.7	—	—
Effect of other stock compensation plans	—	5.1	8.0
Adjusted operating common shares outstanding	9.8	196.3	199.8

The reconciliation of book value per common share to adjusted book value per common share is as follows:

	December 31,	September 30,	
	2009	2020	2021
Book value per common share	\$ 11.62	\$ 74.21	\$ 94.24
AOCI	(0.13)	(15.10)	(15.70)
Accumulated change in fair value of reinsurance assets	—	(4.07)	(4.06)
Effect of items convertible to or settled in Class A common shares	—	(1.43)	(2.98)
Adjusted book value per common share	\$ 11.49	\$ 53.61	\$ 71.50

The reconciliation of net investment income to net investment earnings and earned rate is as follows:

<i>(In millions)</i>	Three months ended September 30,			
	2020		2021	
	Dollar	Rate	Dollar	Rate
GAAP net investment income	\$ 1,209	3.48 %	\$ 1,474	3.64 %
Change in fair value of reinsurance assets	444	1.28 %	379	0.94 %
Alternative gains	23	0.07 %	74	0.18 %
ACRA noncontrolling interest	(196)	(0.56)%	(287)	(0.71)%
Apollo investment (gain) loss	101	0.29 %	(13)	(0.03)%
Held for trading amortization and other	(51)	(0.15)%	47	0.12 %
Total adjustments to arrive at net investment earnings/earned rate	321	0.93 %	200	0.50 %
Total net investment earnings/earned rate	\$ 1,530	4.41 %	\$ 1,674	4.14 %
Retirement Services	\$ 1,444	4.22 %	\$ 1,598	4.00 %
Corporate and Other	86	17.59 %	76	14.96 %
Total net investment earnings/earned rate	\$ 1,530	4.41 %	\$ 1,674	4.14 %
Retirement Services	\$ 136,852		\$ 159,767	
Corporate and Other ex. Apollo investment	1,945		2,022	
Consolidated average net invested assets ex. Apollo investment	\$ 138,797		\$ 161,789	

The reconciliation of interest sensitive contract benefits to Retirement Services' cost of crediting, and the respective rates, is as follows:

<i>(In millions)</i>	Three months ended September 30,			
	2020		2021	
	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 1,225	3.58 %	\$ 572	1.43 %
Interest credited other than deferred annuities and institutional products	73	0.21 %	99	0.25 %
FIA option costs	284	0.83 %	281	0.71 %
Product charges (strategy fees)	(34)	(0.10)%	(42)	(0.11)%
Reinsurance embedded derivative impacts	14	0.04 %	12	0.03 %
Change in fair values of embedded derivatives – FIAs	(779)	(2.28)%	(126)	(0.32)%
Negative VOBA amortization	3	0.01 %	4	0.01 %
ACRA noncontrolling interest	(151)	(0.44)%	(110)	(0.28)%
Other changes in interest sensitive contract liabilities	5	0.02 %	6	0.02 %
Total adjustments to arrive at cost of crediting	(585)	(1.71)%	124	0.31 %
Retirement Services cost of crediting	\$ 640	1.87 %	\$ 696	1.74 %
Retirement Services cost of crediting on deferred annuities	\$ 506	1.98 %	\$ 478	1.83 %
Retirement Services cost of crediting on institutional products	134	2.95 %	218	2.47 %
Retirement Services cost of crediting	\$ 640	1.87 %	\$ 696	1.74 %
Retirement Services average net invested assets	\$ 136,852		\$ 159,767	
Average net account value on deferred annuities	102,144		104,396	
Average institutional net reserve liabilities	18,162		35,213	

The reconciliation of benefits and expenses to other liability costs is as follows:

<i>(In millions)</i>	Three months ended	
	September 30,	
	2020	2021
GAAP benefits and expenses	\$ 2,251	\$ 8,004
Premiums	(112)	(6,686)
Product charges	(144)	(154)
Other revenues	(13)	(24)
Cost of crediting	(342)	(403)
Change in fair value of embedded derivatives – FIA, net of offsets	(863)	(164)
DAC, DSI and VOBA amortization related to investment gains and losses	(86)	29
Rider reserves	(21)	—
Policy and other operating expenses, excluding policy acquisition expenses	(132)	(161)
AmerUs closed block fair value liability	(15)	11
ACRA noncontrolling interest	(193)	(145)
Other changes in benefits and expenses	(10)	(18)
Total adjustments to arrive at other liability costs	(1,931)	(7,715)
Other liability costs	\$ 320	\$ 289
Retirement Services	\$ 320	\$ 289
Corporate and Other	—	—
Consolidated other liability costs	\$ 320	\$ 289

The reconciliation of total investments, including related parties, to net invested assets is as follows:

<i>(In millions)</i>	September 30,	
	2020	2021
Total investments, including related parties	\$ 170,205	\$ 203,824
Derivative assets	(2,771)	(3,786)
Cash and cash equivalents (including restricted cash)	8,774	8,510
Accrued investment income	796	1,016
Payables for collateral on derivatives	(2,644)	(3,531)
Reinsurance funds withheld and modified coinsurance	(1,441)	(1,049)
VIE and VOE assets, liabilities and noncontrolling interest	(130)	(398)
Unrealized (gains) losses	(5,211)	(5,042)
Ceded policy loans	(221)	(173)
Net investment receivables (payables)	(705)	(569)
Allowance for credit losses	484	342
Total adjustments to arrive at gross invested assets	(3,069)	(4,680)
Gross invested assets	167,136	199,144
ACRA noncontrolling interest	(24,301)	(32,924)
Net invested assets	\$ 142,835	\$ 166,220

### Additional Information Regarding the Transaction and Where to Find It

This press release is being made in respect of the proposed transaction involving Tango Holdings, Inc. (“HoldCo”), Apollo Global Management, Inc. (“AGM”), and Athene Holding Ltd. (the “Company”). The proposed transaction will be submitted to the stockholders of AGM and the shareholders of the Company for their respective consideration. In connection therewith, the parties intend to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a definitive proxy statement, which will be mailed to the stockholders of AGM and the shareholders of the Company. However, such documents are not currently available. BEFORE MAKING ANY VOTING OR ANY INVESTMENT DECISION, AS APPLICABLE, INVESTORS AND SECURITY HOLDERS OF AGM AND THE COMPANY ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders

may obtain free copies of the definitive joint proxy statement/prospectus, any amendments or supplements thereto and other documents containing important information about AGM and the Company, once such documents are filed with the SEC, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

Copies of the documents filed with the SEC by AGM are available free of charge under the "Stockholders" section of AGM's website located at <http://www.apollo.com> or by contacting AGM's Investor Relations Department at (212) 822-0528 or [APOInvestorRelations@apollo.com](mailto:APOInvestorRelations@apollo.com). Copies of the documents filed with the SEC by the Company are available free of charge under the "Investors" section of the Company's website located at <http://www.athene.com> or by contacting the Company's Investor Relations Department at (441) 279-8531 or [ir@athene.com](mailto:ir@athene.com).

### **Participants in the Solicitation**

AGM, the Company, and HoldCo and their respective directors, executive officers, members of management and employees may, under the rules of the SEC, be deemed to be participants in the solicitation of proxies in connection with the proposed transaction.

Information about the directors and executive officers of the Company is set forth in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 19, 2021, its amendment to its annual report on Form 10-K/A for the fiscal year ended December 31, 2020, which was filed with the SEC on April 20, 2021, and in subsequent documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above.

Information about the directors and executive officers of AGM and HoldCo is set forth in AGM's proxy statement for its 2021 annual meeting of stockholders, which was filed with the SEC on August 16, 2021, its annual report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 19, 2021, and in subsequent documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above.

Other information regarding the participants in the proxy solicitations of the stockholders of AGM and the shareholders of the Company, and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the preliminary and definitive proxy statements and other relevant materials to be filed with the SEC when they become available.

### **No Offer or Solicitation**

This press release is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell or an invitation to subscribe for, buy or sell any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.