



Consolidated Financial Statements

Years ended December 31, 2025 and December 31, 2024

ATHENE LIFE RE LTD.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Athene Life Re Ltd.

Opinion

We have audited the consolidated financial statements of Athene Life Re Ltd. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income (loss), comprehensive income (loss), equity, and cash flows, for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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INDEPENDENT AUDITOR'S REPORT (Cont'd)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Debitte Ltd.

April 24, 2026

ATHENE LIFE RE LTD.
Consolidated Balance Sheets

<i>(In millions)</i>	December 31,	
	2025	2024
Assets		
Investments		
Available-for-sale securities, at fair value (amortized cost: 2025 – \$19,384 and 2024 – \$20,636; allowance for credit losses: 2025 – \$122 and 2024 – \$115)	\$ 18,951	\$ 19,408
Trading securities, at fair value	1,264	27
Equity securities (portion at fair value: 2025 – \$44 and 2024 – \$82)	44	82
Mortgage loans, at fair value	937	479
Funds withheld at interest (portion at fair value: 2025 – \$(2,409) and 2024 – \$(3,035))	15,413	18,866
Derivative assets	834	761
Short-term investments (portion at fair value: 2025 – \$2 and 2024 – \$0)	59	77
Total investments	37,502	39,700
Cash and cash equivalents	2,371	2,398
Restricted cash	309	323
Investments in related parties		
Available-for-sale securities, at fair value (amortized cost: 2025 – \$980 and 2024 – \$931; allowance for credit losses: 2025 – \$0 and 2024 – \$0)	1,009	884
Trading securities, at fair value	112	149
Mortgage loans, at fair value	68	—
Investment funds (portion at fair value: 2025 – \$11 and 2024 – \$11)	518	510
Funds withheld at interest (portion at fair value: 2025 – \$173 and 2024 – \$(2,005))	119,042	90,190
Investment contracts held at fair value (related party: 2025 – \$0 and 2024 – \$4,345)	—	4,345
Intercompany notes receivable	4,351	4,785
Accrued investment income (related party: 2025 – \$8 and 2024 – \$9)	298	270
Deferred acquisition costs, deferred sales inducements and value of business acquired	3,694	2,985
Goodwill	2,801	2,794
Other assets (related party: 2025 – \$92 and 2024 – \$44; portion at fair value: 2025 – \$18 and 2024 – \$25)	2,027	1,191
Assets of consolidated variable interest entities		
Investments		
Trading securities, at fair value	250	—
Mortgage loans, at fair value (related party: 2025 – \$0 and 2024 – \$384)	8	418
Investment funds, at fair value (related party: 2025 – \$6,972 and 2024 – \$2,603)	6,972	2,603
Other investments, at fair value (related party: 2025 – \$0 and 2024 – \$78)	—	84
Cash and cash equivalents	384	19
Other assets	61	32
Total assets	\$ 181,777	\$ 153,680

(Continued)

See accompanying notes to consolidated financial statements

ATHENE LIFE RE LTD.
Consolidated Balance Sheets

<i>(In millions, except per share data)</i>	December 31,	
	2025	2024
Liabilities and Equity		
Liabilities		
Interest sensitive contract liabilities (related party: 2025 – \$97,037 and 2024 – \$66,265; portion at fair value: 2025 – \$5,761 and 2024 – \$4,354)	\$ 126,658	\$ 99,722
Future policy benefits (related party: 2025 – \$23,855 and 2024 – \$24,839)	24,194	25,144
Market risk benefits (related party: 2025 – \$686 and 2024 – \$387; portion at fair value: 2025 – \$809 and 2024 – \$498)	809	498
Derivative liabilities	3,150	1,859
Payables for collateral on derivatives and securities to repurchase	145	256
Other liabilities (related party: 2025 – \$1,344 and 2024 – \$359)	1,354	882
Liabilities of consolidated variable interest entities (related party: 2025 – \$7 and 2024 – \$1)	55	12
Total liabilities	156,365	128,373
Equity		
Common stock – par value – \$0.01 per share; authorized: 2025 and 2024 – 300,000,000 shares; issued and outstanding: 2025 and 2024 – 247,024,000 shares	2	2
Additional paid-in capital	10,271	16,539
Retained earnings	3,153	3,032
Accumulated other comprehensive income (related party: 2025 – \$42 and 2024 – \$65)	375	149
Total Athene Life Re Ltd. shareholder's equity	13,801	19,722
Noncontrolling interests	11,611	5,585
Total shareholder's equity	25,412	25,307
Total liabilities and equity	\$ 181,777	\$ 153,680

(Concluded)

See accompanying notes to consolidated financial statements

ATHENE LIFE RE LTD.
Consolidated Statements of Income

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Revenues		
Premiums (related party: 2025 – \$210 and 2024 – \$1)	\$ (136)	\$ 80
Product charges (related party: 2025 – \$237 and 2024 – \$127)	279	178
Net investment income (related party investment income: 2025 – \$4,430 and 2024 – \$3,495; related party investment expense: 2025 – \$267 and 2024 – \$220)	6,229	5,588
Investment related gains (losses) (related party: 2025 – \$4,609 and 2024 – \$1,355)	3,790	1,505
Change in fair value of investment contracts held at fair value (related party: 2025 – \$0 and 2024 – \$(495))	—	(495)
Other revenues (related party: 2025 – \$0 and 2024 – \$1,702)	1	1,702
Revenues of consolidated variable interest entities		
Net investment income (related party investment income: 2025 – \$21 and 2024 – \$27)	18	28
Investment related gains (losses) (related party: 2025 – \$437 and 2024 – \$187)	432	184
Total revenues	10,613	8,770
Benefits and expenses		
Interest sensitive contract benefits (related party: 2025 – \$4,325 and 2024 – \$2,587)	4,826	3,215
Future policy and other policy benefits (related party: 2025 – \$720 and 2024 – \$1,012; and remeasurement (gains) losses: 2025 – \$(20) and 2024 – \$16)	806	1,100
Market risk benefits remeasurement (gains) losses (related party: 2025 – \$75 and 2024 – \$19)	92	14
Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired	453	307
Policy and other operating expenses (related party: 2025 – \$127 and 2024 – \$82)	811	847
Total benefits and expenses	6,988	5,483
Income before income taxes	3,625	3,287
Income tax expense	556	460
Net income	3,069	2,827
Less: Net income attributable to noncontrolling interests	1,794	740
Net income attributable to Athene Life Re Ltd. shareholders	\$ 1,275	\$ 2,087

See accompanying notes to consolidated financial statements

ATHENE LIFE RE LTD.
Consolidated Statements of Comprehensive Income

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Net income	\$ 3,069	\$ 2,827
Other comprehensive income (loss), before tax		
Unrealized investment gains (losses) on available-for-sale securities	544	(325)
Unrealized gains (losses) on hedging instruments	6	—
Remeasurement gains (losses) on future policy benefits related to discount rate	(770)	698
Remeasurement gains (losses) on market risk benefits related to credit risk	(32)	(26)
Foreign currency translation and other adjustments	32	(28)
Other comprehensive income (loss), before tax	(220)	319
Income tax expense (benefit) related to other comprehensive income (loss)	(160)	76
Other comprehensive income (loss)	(60)	243
Comprehensive income	3,009	3,070
Less: Comprehensive income attributable to noncontrolling interests	1,508	1,027
Comprehensive income attributable to Athene Life Re Ltd. shareholders	\$ 1,501	\$ 2,043

See accompanying notes to consolidated financial statements

ATHENE LIFE RE LTD.
Consolidated Statements of Equity

<i>(In millions)</i>	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Total Athene Life Re Ltd. shareholder's equity	Noncontrolling interests	Total shareholder's equity
Balance at December 31, 2023	\$ 2	\$ 13,013	\$ 900	\$ 193	\$ 14,108	\$ 4,097	\$ 18,205
Net income	—	—	2,087	—	2,087	740	2,827
Other comprehensive income (loss)	—	—	—	(44)	(44)	287	243
Stock-based compensation	—	1	—	—	1	—	1
Contributions from noncontrolling interests	—	—	—	—	—	954	954
Distributions to noncontrolling interests	—	—	—	—	—	(920)	(920)
Other changes in equity of noncontrolling interests	—	—	—	—	—	415	415
Subsidiary issuance of equity interests	—	(7)	—	—	(7)	12	5
Affiliate reinsurance restructure	—	3,532	45	—	3,577	—	3,577
Balance at December 31, 2024	2	16,539	3,032	149	19,722	5,585	25,307
Net income	—	—	1,275	—	1,275	1,794	3,069
Other comprehensive income (loss)	—	—	—	226	226	(286)	(60)
Stock-based compensation	—	1	—	—	1	—	1
Contribution from parent	—	482	—	—	482	—	482
Common stock dividends	—	—	(1,154)	—	(1,154)	—	(1,154)
Contributions from noncontrolling interests	—	—	—	—	—	466	466
Distributions to noncontrolling interests	—	—	—	—	—	(444)	(444)
Other changes in equity of noncontrolling interests	—	—	—	—	—	4,500	4,500
Other changes in equity	—	(4)	—	—	(4)	(4)	(8)
Affiliate reinsurance restructure	—	(6,747)	—	—	(6,747)	—	(6,747)
Balance at December 31, 2025	\$ 2	\$ 10,271	\$ 3,153	\$ 375	\$ 13,801	\$ 11,611	\$ 25,412

See accompanying notes to consolidated financial statements

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ATHENE LIFE RE LTD.

Consolidated Statements of Cash Flows

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 3,069	\$ 2,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired	454	307
Net amortization (accretion) of net investment premiums, discounts and other	(43)	(56)
Net investment income (related party: 2025 – \$(65) and 2024 – \$16)	(94)	5
Net recognized (gains) losses on investments and derivatives (related party: 2025 – \$(93) and 2024 – \$(264))	863	519
Policy acquisition costs deferred	(1,162)	(1,511)
Changes in operating assets and liabilities:		
Accrued investment income (related party: 2025 – \$1 and 2024 – \$1)	(28)	(96)
Interest sensitive contract liabilities (related party: 2025 – \$3,561 and 2024 – \$2,423)	4,031	1,921
Future policy benefits and market risk benefits (related party: 2025 – \$(1,446) and 2024 – \$(1,302))	(1,434)	(1,304)
Funds withheld assets (related party: 2025 – \$(3,615) and 2024 – \$(488))	(4,935)	(1,818)
Other assets and liabilities	1,291	596
Net cash provided by operating activities	2,012	1,390
Cash flows from investing activities		
Sales, maturities and repayments of:		
Available-for-sale securities (related party: 2025 – \$2,390 and 2024 – \$412)	\$ 17,647	\$ 9,176
Trading securities (related party: 2025 – \$(88) and 2024 – \$27)	46	107
Equity securities	39	564
Mortgage loans (related party: 2025 – \$438 and 2024 – \$0)	497	73
Investment funds (related party: 2025 – \$745 and 2024 – \$73)	745	73
Short-term investments	20	207
Purchases of:		
Available-for-sale securities (related party: 2025 – \$(2,349) and 2024 – \$(438))	(16,648)	(12,678)
Trading securities (related party: 2025 – \$354 and 2024 – \$0)	(1,125)	(1)
Equity securities	—	(38)
Mortgage loans (related party: 2025 – \$(73) and 2024 – \$(27))	(489)	(177)
Investment funds (related party: 2025 – \$(437) and 2024 – \$(241))	(437)	(241)
Derivative instruments and other invested assets (related party: 2025 – \$0 and 2024 – \$(16))	(672)	(151)
Short-term investments	(2)	(214)
Cash settlement of derivatives	83	295
Consolidation of new variable interest entities	(37)	—
Acquisition of subsidiaries, net of cash acquired	18	—
Deconsolidation of previously consolidated entities	—	(2)
Other investing activities, net	(19)	(3)
Net cash used in investing activities	(334)	(3,010)

(Continued)

See accompanying notes to consolidated financial statements

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ATHENE LIFE RE LTD.

Consolidated Statements of Cash Flows

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Cash flows from financing activities		
Deposits on investment-type policies and contracts (related party: 2025 – \$0 and 2024 – \$0)	\$ 797	\$ 2,455
Withdrawals on investment-type policies and contracts (related party: 2025 – \$0 and 2024 – \$0)	(330)	87
Dividends paid	(1,155)	—
Capital contributions from noncontrolling interests of consolidated variable interest entities	242	17
Capital distributions to noncontrolling interests	466	(920)
Capital contributions from noncontrolling interests	(444)	954
Subsidiary issuance of equity interests to noncontrolling interests	—	—
Net proceeds (payments) on notes issued to related parties	(434)	(1,152)
Proceeds from borrowings	34	—
Repayment on borrowings	(1)	—
Net change in cash collateral posted for derivative transactions and securities to repurchase	(954)	(1,352)
Other financing activities, net	423	(5)
Net cash provided (used) by financing activities	(1,356)	84
Effect of exchange rate changes on cash and cash equivalents	2	1
Net increase in cash and cash equivalents	324	(1,535)
Cash and cash equivalents at beginning of year ¹	2,740	4,275
Cash and cash equivalents at end of year ¹	\$ 3,064	\$ 2,740
Supplementary information		
Cash paid for taxes	\$ 267	\$ 2
Cash paid for interest	86	77
Non-cash transactions		
Deposits on investment-type policies and contracts through reinsurance agreements (related party: 2025 – \$29,488 and 2024 – \$28,223)	29,542	28,293
Withdrawals on investment-type policies and contracts through reinsurance agreements (related party: 2025 – \$2,624 and 2024 – \$2,381)	7,451	9,274
Investments received from settlements on reinsurance agreements	1,532	1,251
Decrease in invested assets related to funding of notes with related parties	—	676
Contribution from parent on execution of tax sharing agreement	482	—

¹ Includes cash and cash equivalents, restricted cash, and cash and cash equivalents of consolidated variable interest entities.

(Concluded)

See accompanying notes to consolidated financial statements

ATHENE LIFE RE LTD.

Notes to Consolidated Financial Statements

1. Business, Basis of Presentation and Significant Accounting Policies

Athene Life Re Ltd. (ALRe), a Bermuda exempted company, together with its subsidiaries (collectively, we, our, us, or the Company), is a leading retirement services company, registered as a Class E insurer under the Bermuda Insurance Act 1978, as amended (Insurance Act). We conduct business primarily through our non-U.S. reinsurance subsidiaries, to which ALRe's insurance affiliates and third-party ceding companies directly and indirectly reinsure a portion of their liabilities. The Company also reinsures U.S. pension risk transfer business, funding agreement backed notes and retail business from Athene Annuity Re Ltd. (AARE), a Bermuda exempted company, registered as a Class E insurer under the Insurance Act, on a modified coinsurance (modco) basis.

ALRe is wholly owned by AARE, and its ultimate parent is Apollo Global Management, Inc. (AGM, together with its subsidiaries other than us or our subsidiaries, Apollo).

Consolidation and Basis of Presentation—Our consolidated financial statements include our wholly owned subsidiaries and investees in which we hold a controlling financial interest, including variable interest entities (VIEs). Investees in which we do not hold a controlling financial interest but have the ability to exercise significant influence over operating and financing decisions, other than investments for which we have elected the fair value option, are accounted for under the equity method. Intercompany balances and transactions have been eliminated. Certain reclassifications have been made to conform with current year presentation.

For entities that are consolidated, but not wholly owned, we allocate a portion of the income or loss and corresponding equity to the owners other than us. We include the aggregate of the income or loss and corresponding equity that is not owned by us in noncontrolling interests in the consolidated financial statements.

We report investments in related parties separately, as further described in the accounting policies that follow.

We have prepared the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual experience could materially differ from these estimates and assumptions. Our principal estimates impact:

- fair value of investments;
- impairment of investments and allowances for expected credit losses;
- derivatives valuation, including embedded derivatives;
- future policy benefit reserves;
- market risk benefit assets and liabilities; and
- valuation allowances on deferred tax assets.

Additional details around these principal estimates and assumptions are discussed in the significant accounting policies that follow and the related footnote disclosures.

On January 1, 2025, ALRe transferred by way of dividend in specie 100% of its ownership in Athene Annuity II Ltd. (AARE II) to AARE. AARE II is wholly owned by AARE.

Summary of Significant Accounting Policies

Investments

Fixed Maturity Securities – Fixed maturity securities include bonds, collateralized loan obligations (CLO), asset-backed securities (ABS), residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and redeemable preferred stock. We classify fixed maturity securities as available-for-sale (AFS) or trading at the time of purchase and subsequently carry them at fair value. Fair value hierarchy and valuation methodologies are discussed in *Note 5 – Fair Value*. Classification is dependent on a variety of factors including our expected holding period, election of the fair value option and asset and liability matching.

AFS Securities – AFS securities are held at fair value on the consolidated balance sheets, with unrealized gains and losses, exclusive of allowances for expected credit losses, generally reflected in accumulated other comprehensive income (loss) (AOCI) on the consolidated balance sheets. Unrealized gains or losses relating to identified risks within AFS securities in fair value hedging relationships are reflected in investment related gains (losses) on the consolidated statements of income.

Trading Securities – We elected the fair value option for certain fixed maturity securities. These fixed maturity securities are classified as trading, with changes to fair value included in investment related gains (losses) on the consolidated statements of income. Although the securities are classified as trading, the trading activity related to these investments is primarily focused on asset and liability matching activities and is not intended to be an income strategy based on active trading. As such, the activity related to these investments on the consolidated statements of cash flows is classified as investing activities.

ATHENE LIFE RE LTD.

Notes to Consolidated Financial Statements

We generally record security transactions on a trade date basis, with any unsettled trades recorded in other assets or other liabilities on the consolidated balance sheets. Bank loans, private placements and investment funds are recorded on a settlement date basis.

Equity Securities – Equity securities include common stock, mutual funds and non-redeemable preferred stock. Equity securities are carried at fair value with subsequent changes in fair value recognized in net income.

Purchased Credit Deteriorated (PCD) Investments – We purchase certain structured securities, primarily RMBS, which upon our assessment have been determined to meet the definition of PCD investments. Additionally, structured securities classified as beneficial interests follow the initial measurement guidance for PCD investments if there is a significant difference between contractual cash flows adjusted for expected prepayments and expected cash flows at the date of recognition. The initial allowance for credit losses for PCD investments is recorded through a gross-up adjustment to the initial amortized cost. For structured securities classified as beneficial interests, the initial allowance is calculated as the present value of the difference between contractual cash flows adjusted for expected prepayments and expected cash flows at the date of recognition. The non-credit purchase discount or premium is amortized into investment income using the effective interest method. The credit discount, represented by the allowance for expected credit losses, is remeasured each period following the policies for measuring credit losses described in the *Credit Losses – Available-for-Sale Securities* section below.

Mortgage Loans – We have elected the fair value option on our mortgage loan portfolio. Interest income is accrued on the principal amount of the loan based on its contractual interest rate. We accrue interest on loans until it is probable we will not receive interest, or the loan is 90 days past due unless guaranteed by US government-sponsored agencies. Interest income and prepayment fees are reported in net investment income on the consolidated statements of income. Changes in the fair value of the mortgage loan portfolio are reported in investment related gains (losses) on the consolidated statements of income.

Investment Funds – We invest in certain non-fixed income, alternative investments in the form of limited partnerships or similar legal structures (investment funds). For investment funds in which we do not hold a controlling financial interest, and therefore are not required to consolidate, we typically account for these investments using the equity method, where the cost is recorded as an investment in the fund, or we have elected the fair value option. Adjustments to the carrying amount reflect our pro rata ownership percentage of the operating results as indicated by NAV in the investment fund financial statements, which can be on a lag of up to three months when investee information is not received in a timely manner.

We record our proportionate share of investment fund income within net investment income, or, for consolidated VIEs, investment related gains (losses), on the consolidated statements of income. Contributions paid or distributions received by us are recorded directly to the investment fund balance as an increase to carrying value or as a return of capital, respectively.

Funds Withheld at Interest – Funds withheld at interest represents a receivable for amounts contractually withheld by ceding companies in accordance with funds withheld coinsurance (funds withheld) and modified coinsurance reinsurance agreements in which we are the reinsurer. Generally, assets equal to statutory reserves are withheld and legally owned by the ceding company, and any excess or shortfall is settled periodically. The underlying agreements contain embedded derivatives as discussed below.

Short-term Investments – Short-term investments consist of financial instruments with maturities of greater than three months but less than twelve months when purchased. Short-term debt securities are accounted for as trading or AFS consistent with our policies for those investments. Fair values are determined consistently with methodologies described in *Note 5 – Fair Value* for the respective investment type.

Other Investments – Other investments include, but are not limited to, term loans collateralized by mortgages on residential and commercial real estate and other uncollateralized loans. We elected the fair value option on the term loans and other uncollateralized loans.

Interest income is accrued on the principal amount of the loan based on its contractual interest rate. We accrue interest on loans until it is probable we will not receive interest or the loan is 90 days past due. Changes in the cash surrender value of corporate owned life insurance, interest income, amortization of premiums and discounts, and prepayment and other fees are included in net investment income on the consolidated statements of income. Changes in fair value are included in investment related gains (losses) on the consolidated statements of income.

Securities Repurchase and Reverse Repurchase Agreements – Securities repurchase and reverse repurchase transactions involve the temporary exchange of securities for cash or other collateral of equivalent value, with agreement to redeliver a like quantity of the same or similar securities at a future date and at a fixed and determinable price. We evaluate transfers of securities under these agreements to repurchase or resell to determine whether they satisfy the criteria for accounting treatment as secured borrowing or lending arrangements. Agreements not meeting the criteria would require recognition of the transferred securities as sales or purchases, with related forward repurchase or resale commitments. Our securities repurchase transactions are accounted for as secured borrowings and, if not subject to master netting arrangements as discussed below, are included in payables for collateral on derivatives and securities to repurchase on the consolidated balance sheets. Earnings from investing activities related to the cash received under our securities repurchase arrangements are included in net investment income on the consolidated statements of income. The associated borrowing cost is included in policy and other operating expenses on the consolidated statements of income. The investments purchased in reverse repurchase agreements, which represent collateral on a secured lending arrangement, are not reflected in our consolidated balance sheets; however, the secured lending arrangement, if not subject to master netting arrangements as discussed below, is recorded as a short-term investment for the principal amount loaned under the agreement.

ATHENE LIFE RE LTD.

Notes to Consolidated Financial Statements

Certain of our repurchase agreements and reverse repurchase agreements are presented net on the consolidated balance sheets when they are subject to master netting arrangements and when we have both (1) the legal right to offset the amounts owed with amounts due from the same counterparty and (2) the intent to settle the transactions on a net basis or to realize the asset and settle the liability simultaneously. Amounts that are not eligible for offset are presented on a gross basis on the consolidated balance sheets.

Investment Income – We recognize investment income as it accrues or is legally due, net of investment management and custody fees. Investment income on fixed maturity securities includes coupon interest, as well as the amortization of any premium and the accretion of any discount. Investment income on equity securities represents dividend income and preferred coupon interest. Realized gains and losses on sales of investments are included in investment related gains (losses) on the consolidated statements of income. Realized gains and losses on investments sold are determined based on a first-in first-out method.

Credit Losses – Available-for-Sale Securities and Other – We evaluate AFS securities with a fair value that has declined below amortized cost to determine how the decline in fair value should be recognized. If we determine, based on the facts and circumstances related to the specific security, that we intend to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, any existing allowance for expected credit losses is reversed and the amortized cost of the security is written down to fair value. If neither of these conditions exist, we evaluate whether the decline in fair value has resulted from a credit loss or other factors.

For non-structured AFS securities, we qualitatively consider relevant facts and circumstances in evaluating whether a decline below fair value is credit-related. Relevant facts and circumstances include but are not limited to: (1) the extent to which the fair value is less than amortized cost; (2) changes in agency credit ratings, (3) adverse conditions related to the security’s industry or geographical area, (4) failure to make scheduled payments, and (5) other known changes in the financial condition of the issuer or quality of any underlying collateral or credit enhancements. For structured AFS securities meeting the definition of beneficial interests, the qualitative assessment is bypassed, and any securities having experienced a decline in fair value below amortized cost move directly to a quantitative analysis.

If upon completion of this analysis it is determined that a potential credit loss exists, an allowance for expected credit losses is established equal to the amount by which the present value of expected cash flows is less than amortized cost, limited by the amount by which fair value is less than amortized cost. A non-structured security’s cash flow estimates are derived from scenario-based outcomes of expected corporate restructurings or the disposition of assets using security-specific facts and circumstances including timing, security interests and loss severity. A structured security’s cash flow estimates are based on security-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity, prepayments and structural support, including subordination and guarantees. The expected cash flows are discounted at the effective interest rate implicit to the security at the date of purchase or the current yield to accrete a structured security. For securities with a contractual interest rate that varies based on changes in an independent factor, such as an index or rate, the effective interest rate is calculated based on the factor as it changes over the life of the security. Inherently under the discounted cash flow model, both the timing and amount of expected cash flows affect the measurement of the allowance for expected credit losses.

The allowance for expected credit losses is remeasured each period for the passage of time, any change in expected cash flows, and changes in the fair value of the security. All impairments, whether intent or requirement to sell or credit-related, and all changes in the allowance for expected credit losses are recorded through the provision for credit losses within investment related gains (losses) on the consolidated statements of income (loss).

We also establish an allowance for expected credit losses for assets held at amortized cost at the time of purchase, which includes certain other loans and reinsurance assets. The allowance for expected credit losses considers past events, current conditions, and reasonable and supportable forecasts of future economic conditions or macroeconomic forecasts. We use a quantitative probability of default and loss given default methodology to develop our estimate of expected credit loss. The provision for credit losses for reinsurance assets held at amortized cost is recorded through policy and other operating expenses on the consolidated statements of income.

We have elected to present accrued interest receivable separately in accrued investment income on the consolidated balance sheets. We have also elected the practical expedient to exclude the accrued interest receivable from the amortized cost balance used to calculate the allowance for expected credit losses, as we have a policy to write off such balances in a timely manner, when they become 90 days past due. Any write-off of accrued interest is recorded through a reversal of net investment income on the consolidated statements of income.

Upon determining that all or a portion of the amortized cost of an asset is uncollectible, which is generally when all efforts for collection are exhausted, the amortized cost is written off against the existing allowance. Any write off in excess of the existing allowance is recorded through the provision for credit losses within investment related gains (losses) on the consolidated statements of income.

Derivative Instruments—We invest in derivatives to hedge the risks experienced in our ongoing operations, such as equity, interest rate, foreign currency and market volatility, or for other risk management purposes, which primarily involve managing liability risks associated with our indexed annuity products and reinsurance agreements. Derivatives are financial instruments with values that are derived from interest rates, foreign exchange rates, financial indices or other combinations of an underlying and notional. Derivative assets and liabilities are carried at fair value on the consolidated balance sheets. We elect to present any derivatives subject to master netting provisions as a gross asset or liability and gross of collateral. Disclosures regarding balance sheet presentation of derivatives subject to master netting agreements are discussed in *Note 3 – Derivative Instruments*. We may designate derivatives as cash flow, fair value or net investment hedges.

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Hedge Documentation and Hedge Effectiveness – To qualify for hedge accounting, at the inception of the hedging relationship, we formally document our designation of the hedge as a cash flow, fair value or net investment hedge and our risk management objective and strategy for undertaking the hedging transaction. In this documentation, we identify how the hedging instrument is expected to hedge the designated risks related to the hedged item and the method that will be used to retrospectively and prospectively assess the hedge effectiveness and the method which will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the hedge accounting relationship.

For a cash flow hedge, all changes in the fair value of the hedging derivative are reported within AOCI and the related gains or losses on the derivative are reclassified into the consolidated statements of income when the cash flows of the hedged item affect earnings.

For a fair value hedge, changes in the fair value of the hedging derivative and changes in the fair value of the hedged item related to the designated risk being hedged are reported on the consolidated statements of income according to the nature of the risk being hedged. Additionally, changes in the fair value of amounts excluded from the assessment of effectiveness are recorded in AOCI and amortized into income over the life of the hedge accounting relationship.

For a net investment hedge, changes in the fair value of the hedging derivative are reported within AOCI to offset the translation adjustments for subsidiaries with functional currencies other than the US dollar.

We discontinue hedge accounting prospectively when: (1) we determine the derivative is no longer highly effective in offsetting changes in the estimated cash flows or fair value of a hedged item; (2) the derivative expires, is sold, terminated, or exercised; or (3) the derivative is de-designated as a hedging instrument. When hedge accounting is discontinued, the derivative continues to be carried on the consolidated balance sheets at fair value, with changes in fair value recognized in investment related gains (losses) on the consolidated statements of income.

For a derivative not designated as a hedge, changes in the derivative's fair value and any income received or paid on derivatives at the settlement date are included in investment related gains (losses) on the consolidated statements of income.

Embedded Derivatives – We issue and reinsure products, primarily indexed annuity products, or purchase investments that contain embedded derivatives. If we determine the embedded derivative has economic characteristics that are not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host contract and accounted for separately, unless the fair value option is elected on the host contract. Under the fair value option, bifurcation of the embedded derivative is not necessary as the entire contract is carried at fair value with all related gains and losses recognized in investment related gains (losses) on the consolidated statements of income. Embedded derivatives are carried on the consolidated balance sheets at fair value in the same line item as the host contract.

Fixed indexed annuity, index-linked variable annuity and indexed universal life insurance contracts allow the policyholder to elect a fixed interest rate return or an equity market component for which interest credited is based on the performance of certain equity market indices. The equity market option is an embedded derivative. The benefit reserve is equal to the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives represents the present value of cash flows attributable to the indexed strategies. The embedded derivative cash flows are based on assumptions for future policy growth, which include assumptions for expected index credits on the next policy anniversary date, future equity option costs, volatility, interest rates and policyholder behavior assumptions including lapses and the use of benefit riders. The embedded derivative cash flows are discounted using a rate that reflects our own credit rating. The host contract is established at contract inception as the initial account value less the initial fair value of the embedded derivative and accreted over the policy's life. Contracts acquired through a business combination which contain an embedded derivative are re-bifurcated as of the acquisition date. Changes in the fair value of embedded derivatives associated with fixed indexed annuities, index-linked variable annuities and indexed universal life insurance contracts are included in interest sensitive contract benefits on the consolidated statements of income.

Additionally, reinsurance agreements written on a funds withheld or modco basis contain embedded derivatives. We have determined that the right to receive or obligation to pay the total return on the assets supporting the funds withheld at interest or funds withheld liability, respectively, represents a total return swap with a floating rate leg. The fair value of embedded derivatives on funds withheld and modco agreements is computed as the unrealized gain (loss) on the underlying assets and is included within funds withheld at interest for assumed agreements, and for ceded agreements the funds withheld liability is included in other liabilities on the consolidated balance sheets. The change in the fair value of the embedded derivatives is recorded in investment related gains (losses) on the consolidated statements of income. Assumed and ceded earnings from funds withheld at interest, funds withheld liability and changes in the fair value of embedded derivatives are reported in operating activities on the consolidated statements of cash flows. Contributions to and withdrawals from funds withheld at interest and funds withheld liability are reported in operating activities on the consolidated statements of cash flows.

Variable Interest Entities—An entity that does not have sufficient equity to finance its activities without additional financial support, or in which the equity investors, as a group, do not have the characteristics typically afforded to common stockholders is a VIE. The determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and may require significant judgment. Our investment funds typically qualify as VIEs and are evaluated for consolidation under the VIE model.

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We are required to consolidate a VIE if we are the primary beneficiary, defined as the variable interest holder with both the power to direct the activities that most significantly impact the VIE's economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE. We determine whether we are the primary beneficiary of an entity based on a qualitative assessment of the VIE's capital structure, contractual terms, nature of the VIE's operations and purpose and our relative exposure to the related risks of the VIE. Since affiliates of AGM, a related party under common control, are the decision makers in certain of the investment funds and securitization vehicles, we and a member of our related party group may together have the characteristics of the primary beneficiary of an investment fund. In this situation, we have concluded we consolidate the VIE when we have significant economic exposure to the entity. We reassess the VIE and primary beneficiary determinations on an ongoing basis.

For entities that we do not consolidate but can exercise significant influence over the entities' operating and financing decisions, we record our investment under the equity method. If we do not consolidate and do not have significant influence, generally on investment funds in which we own a less than 3% interest, we elect the fair value option.

See *Note 4 – Variable Interest Entities* for discussion of our interest in entities that meet the definition of a VIE.

Goodwill—Goodwill represents the excess of cost over the fair value of identifiable net assets of an acquired business. Goodwill is tested annually for impairment or more frequently if circumstances indicate impairment may have occurred. The impairment test is performed at the reporting unit level. Goodwill on the consolidated balance sheets includes the impacts of foreign currency translation. See *Note 7 – Goodwill and Other Intangible Assets* for more information on goodwill.

We performed our annual goodwill impairment test as of October 1, 2025 and did not identify any impairment.

Reinsurance—We assume insurance and investment contracts under coinsurance, funds withheld and modco reinsurance agreements. We follow reinsurance accounting for transactions that provide indemnification against loss or liability relating to insurance risk (risk transfer). To meet risk transfer requirements, a reinsurance agreement must transfer insurance risk arising from uncertainties about both underwriting and timing risks. We generally have the right of offset on reinsurance contracts but have elected to present reinsurance settlement amounts due to and from us on a gross basis.

For assets under reinsurance agreements, we generally apply the same measurement guidance for our directly issued or assumed contracts. For reinsurance of in-force contracts that pass risk transfer, the issue year used for the purpose of measuring the reinsurance recoverable is dependent on the effective date of the reinsurance agreement, which may differ from the issue year for the direct or assumed contract. The issue year informs the locked-in discount rate used for the purposes of interest accretion. This may result in different discount rates used for the direct or assumed reserves when reinsuring an in-force block of insurance contracts. For flow reinsurance of insurance contracts that pass risk transfer, the contracts have the same cash flow assumptions as the direct or assumed contracts when the terms are consistent between those respective contracts. When we recognize an immediate loss due to the present value of future benefits and expenses exceeding the present value of future gross premiums, a gain is recognized on the corresponding reinsurance recoverable to the extent it does not result in gain recognition at treaty inception. Likewise, where the direct or assumed reserve has been floored to zero, the corresponding reinsurance recoverable will be consistently set to zero. See *Future Policy Benefits* below for further information.

Accounting for reinsurance requires the use of assumptions, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. We attempt to minimize our counterparty credit risk through the structuring of the terms of our reinsurance agreements, including the use of trusts, and monitor credit ratings of counterparties for signs of declining credit quality. We periodically compare actual and anticipated experience to the assumptions used to establish reinsurance assets and liabilities. See *Note 6 – Reinsurance* for more information.

Assets and liabilities assumed under coinsurance, funds withheld, or modco are presented gross on the consolidated balance sheets. For investment contracts, the change in the assumed reserves are presented net in interest sensitive contract benefits on the consolidated statements of income. For insurance contracts, the change in the assumed reserves and benefits are presented net in future policy and other policy benefits on the consolidated statements of income, except any changes related to the discount rate are presented net in other comprehensive income (loss) (OCI) on the consolidated statements of comprehensive income. For market risk benefits, the change in the assumed reserves are presented net in market risk benefits remeasurement (gains) losses on the consolidated statements of income, except for changes related to instrument-specific credit risk on direct and assumed contracts which are presented net in OCI on the consolidated statements of comprehensive income.

For the reinsurance of existing in-force blocks that transfer significant insurance risk, the difference between the assets received or paid and the liabilities assumed represents the net cost of reinsurance at the inception of the reinsurance agreement. The net cost of reinsurance is amortized on a basis consistent with the methodologies and assumptions used to amortize deferred acquisition costs (DAC) and deferred sales inducements (DSI), or on a consistent basis with deferred profit liability dependent upon the nature of the underlying contract.

Cash and Cash Equivalents—Cash and cash equivalents include deposits and short-term highly liquid investments with an original maturity of less than 90 days from the date of acquisition. Amounts included are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

Restricted Cash—Restricted cash primarily consists of cash and cash equivalents held in funds in trust as part of certain coinsurance agreements to secure statutory reserves and liabilities of the coinsured parties. Restricted cash is reported separately on the consolidated balance

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sheets but is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the consolidated statements of cash flows.

Investments in Related Parties—Investments in related parties and associated earnings, other comprehensive income and cash flows are separately identified on the consolidated financial statements and accounted for consistently with the policies described above for each category of investment. Investments in related parties are primarily comprised of investments over which Apollo can exercise significant influence.

Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

Deferred Acquisition Costs and Deferred Sales Inducements – Costs related directly to the successful acquisition of new, or the renewal of existing, insurance or investment contracts are deferred. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances, and are included in deferred acquisition costs, deferred sales inducements and value of business acquired on the consolidated balance sheets. These costs are not capitalized until they are incurred.

Deferred costs related to investment contracts with significant revenue streams from sources other than investment of the policyholder funds are grouped into cohorts based on issue year and contract type and amortized on a constant level basis over the expected term of the related contracts. The cohorts and assumptions used for the amortization of deferred costs are consistent with those used in estimating the related liabilities for these contracts. The constant level basis generally is the initial premium or deposit and is projected based on assumptions related to policyholder behavior, including lapses and mortality, over the expected term of the contracts. Each reporting period, we replace expected experience with actual experience to determine the related amortization expense. Changes to projected experience are recognized in amortization expense prospectively over the remaining contract term. Amortization of DAC and DSI is included in amortization of deferred acquisition costs, deferred sales inducements and value of business acquired on the consolidated statements of income.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of the policyholder funds are amortized using the effective interest method. The effective interest method amortizes the deferred costs by discounting the future liability cash flows at a break-even rate. The break-even rate is solved for such that the present value of future liability cash flows is equal to the net liability at the inception of the contract. The deferred costs represent the difference between the net and gross liability and the change relates to amortization for the period.

Value of Business Acquired – We establish VOBA for blocks of insurance contracts acquired through the acquisition of insurance entities and through application of pushdown accounting associated with our historical merger with Apollo. We record the fair value of the liabilities assumed in two components: reserves and VOBA. Reserves are established using our best estimate assumptions as of the business combination date. VOBA is the difference between the fair value of the liabilities and the reserves. VOBA can be either positive or negative and is amortized in relation to respective policyholder liabilities. Significant assumptions that impact VOBA amortization are consistent with those that impact the measurement of policyholder liabilities. We perform periodic tests to determine if positive VOBA remains recoverable. If we determine that positive VOBA is not recoverable, we would record a cumulative charge to the current period. Any negative VOBA is recorded to the same financial statement line on the consolidated balance sheets as the associated reserves. Positive VOBA is recorded in deferred acquisition costs, deferred sales inducements and value of business acquired on the consolidated balance sheets.

See *Note 8 – Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired* for further information.

Investment Contracts Held at Fair Value—For investment contracts, we have elected to apply the fair value option. We used an actuarial appraisal method to measure the fair value of the investment contracts. An actuarial appraisal method is based on the value of projected profits (net of required capital) using market-based assumptions. The significant unobservable inputs used in the actuarial appraisal method are the valuation rate, cost of capital rate, required capital percentage and return on net invested assets. Investment contracts held at fair value are included in other assets on the balance sheets. Investment contracts carried at fair value that were in a liability position were recorded in other liabilities on the balance sheets.

Interest Sensitive Contract Liabilities—Interest sensitive contract liabilities are typically associated with universal life-type policies and investment contracts. Universal life-type policies and investment contracts include traditional deferred annuities; indexed annuities consisting of fixed indexed, and assumed indexed universal life without significant mortality risk; funding agreements; immediate annuities without significant mortality risk (which include pension group annuities without life contingencies); and other investment contracts inclusive of assumed endowments without significant mortality risk. We carry liabilities for traditional deferred annuities and indexed annuities at the account balances without reduction for potential surrender or withdrawal charges. Liabilities for immediate annuities without significant mortality risk (which include pension group annuities and structured settlements without life contingencies), funding agreements, assumed endowments without significant mortality risk and guaranteed investment contracts are calculated as the present value of future liability cash flows and policy maintenance expenses, if any, discounted at contractual interest rates. For a discussion regarding our indexed products, refer above to the embedded derivative discussion. Certain of our contracts are offered with additional contract features that meet the definition of a market risk benefit. See *–Market Risk Benefits* below for further information.

Changes in interest sensitive contract liabilities, excluding deposits and withdrawals, are recorded in interest sensitive contract benefits or product charges on the consolidated statements of income.

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Future Policy Benefits—We reinsure contracts classified as long-duration, which includes deferred and immediate annuities with life contingencies (which include pension group annuities with life contingencies).

Liabilities for nonparticipating long-duration contracts are established as the estimated present value of benefits we expect to pay to or on behalf of the policyholder and related expenses less the present value of the net premiums to be collected, referred to as the net premium ratio. The contracts are grouped into cohorts based on issue year and contract type, with an exception for pension group annuities, which are generally assessed at the group annuity contract level. Contracts with different issuance years are not combined.

Liabilities for nonparticipating long-duration contracts are established using accepted actuarial valuation methods, which require the use of assumptions related to discount rate, expenses, longevity, mortality, morbidity, persistency and other policyholder behavior. We base certain key assumptions, such as longevity, mortality and morbidity, on industry standard data adjusted to align with actual company experience, if needed. We have elected to use expense assumptions that are locked in at issuance for each cohort. All other cash flow assumptions are established at contract issuance and reviewed annually or more frequently if actual experience suggests a revision is necessary. The effects of changes in cash flow assumptions impacting the net premium ratio are recorded as remeasurement changes in the period in which they are made. As cash flow assumptions are reviewed at least annually, there is no provision for adverse deviation included within the liability.

Actual experience is recognized in the period in which the experience arises. Actual experience is then incorporated into the net premium ratio for all products and cohorts on a quarterly basis. When the net premium ratio is revised, whether to incorporate actual experience each reporting period or for the review of cash flow assumptions, the liability is recalculated as of the beginning of the period, discounted at the original contract issuance discount rate, and compared with the carrying amount of the liability as of the same date to determine the current period change. The current period change in the liability is recognized as a remeasurement gain or loss.

To the extent the present value of future benefits and expenses exceeds the present value of gross premiums, we will cap the net premium ratio at 100% by increasing the corresponding liability and recognizing an immediate loss through the consolidated statements of income. The liability is never recorded at an amount less than zero for the cohort.

The liability for nonparticipating long-duration contracts is discounted using an upper-medium grade fixed income instrument yield aligned to the characteristics of the liability, including the duration and currency of the underlying cash flows. In determining reference portfolio of instruments, we have used a single A equivalent level rate and maximized the use of observable data to the extent possible for the duration of our liabilities. The discount rate is required to be updated at the end of each reporting period for the remeasurement of the liability but is locked-in for each cohort for the purpose of interest accretion expense.

Changes in the value of the liability for nonparticipating long-duration contracts due to changes in the discount rate are recognized as a component of OCI on the consolidated statements of comprehensive income. Changes in the liability for remeasurement gains or losses and all other changes in the liability are recorded in future policy and other policy benefits on the consolidated statements of income.

Market Risk Benefits—Market risk benefits represent contracts or contract features that both provide protection to the contract holder from, and expose the insurance entity to, other-than-nominal capital market risk. Our deferred annuity contracts contain guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) riders that meet the criteria for, and are classified as, market risk benefits.

Market risk benefits are measured at fair value at the contract level and may be recorded as a liability or an asset, which are included in market risk benefits or other assets, respectively, on the consolidated balance sheets. Multiple market risk benefits on a contract are treated as a single, compound market risk benefit. At contract inception, we assess the fees and assessments that are collectible from the policyholder and allocate them to the extent they are attributable to the market risk benefit. These attributed fees are used in the valuation of the market risk benefits and are never negative or exceed total explicit fees collectible from the policyholder. If the fees are sufficient to cover the projected benefits, a non-option based valuation model is used. If the fees are insufficient to cover the projected benefits, an option-based valuation model is used to compute the market risk benefit liability at contract inception, with an equal and offsetting adjustment recognized in interest sensitive contract liabilities.

Changes in fair value of market risk benefits are recorded in market risk benefits remeasurement (gains) losses on the consolidated statements of income, excluding portions attributed to changes in instrument-specific credit risk, which are recorded in OCI on the consolidated statements of comprehensive income.

Upon annuitization of the contract or the extinguishment of the account balance, the market risk benefit, related annuity contract and unamortized deferred costs are derecognized, including amounts within AOCI. A payout annuity is then established for GLWBs.

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Foreign Currency—The accounts of foreign-based subsidiaries and equity method investments are measured using their functional currency. Revenue and expenses of these subsidiaries are translated into US dollars at the average exchange rate for the period. Assets and liabilities are translated at the exchange rate as of the end of the reporting period. For equity method investments, the proportionate share of the investee's income is translated into US dollars at the average exchange rate for the period and the investment is translated using the exchange rate as of the end of the reporting period. The resulting translation adjustments are included in equity as a component of AOCI. Gains or losses arising from transactions denominated in a currency other than the functional currency of the entity that is party to the transaction are included in net income. The impacts of any non-US dollar denominated AFS securities are included in AOCI along with the change in its fair value unless in a fair value hedging relationship.

Recognition of Revenues and Related Expenses—Revenues for universal life-type policies and investment contracts, including surrender and market value adjustments, costs of insurance, policy administration, GMDB, and GLWB are earned when assessed against policyholder account balances during the period. Interest credited to policyholder account balances and the change in fair value of embedded derivatives within indexed annuity contracts is included in interest sensitive contract benefits on the consolidated statements of income.

Premiums for long-duration contracts, including products with fixed and guaranteed premiums and benefits, are recognized as revenue when due from policyholders. When premiums are due over a significantly shorter period than the period over which benefits are provided, a deferred profit liability is established equal to the excess of the gross premium over the net premium. The deferred profit liability is recognized in future policy benefits on the consolidated balance sheets and amortized into income in relation to either applicable policyholder liabilities for immediate annuities with life contingencies (which includes pension group annuities and structured settlements) or insurance in-force for whole life products through future policy and other policy benefits on the consolidated statements of income.

When the net premium ratio for the corresponding future policy benefit is updated for actual experience and changes to projected cash flow assumptions, the deferred profit liability is retrospectively recalculated from the contract issuance date through the beginning of the current reporting period. The revised deferred profit liability is compared to the beginning of the period carrying amount to determine the change to be recognized as a remeasurement gain or loss within future policy and other policy benefits on the consolidated statements of income. Unlike the related future policy benefit, the deferred profit liability will not be remeasured for changes in discount rates each reporting period. Negative VOBA balances associated with payout contracts involving life contingencies, including pension group annuities, are accounted for in a manner similar to the deferred profit liability.

Income Taxes—We compute income taxes using the asset and liability method, under which deferred income taxes are provided for the temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities using estimated tax rates expected to be in effect for the year in which the differences are expected to reverse. Such temporary differences are primarily due to the tax basis of reserves, DAC, VOBA, unrealized investment gains/losses, reinsurance related differences, embedded derivatives and net operating loss carryforwards. Changes in deferred income tax assets and liabilities associated with components of OCI are recorded directly to OCI.

We evaluate the likelihood of realizing the benefit of our deferred tax assets and may record a valuation allowance if, based on all available evidence, we determine that it is more likely than not that some portion of the tax benefit will not be realized. We adjust the valuation allowance if, based on our evaluation, there is a change in the amount of deferred income tax assets that are deemed more-likely-than-not to be realized.

Changes in deferred tax assets and liabilities attributable to changes in enacted income tax rates are recorded through net income in the period of enactment. We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the relevant taxing authorities, based on the technical merits of our position. For those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. We recognize income tax interest and penalties related to unrecognized tax benefits in income tax expense on the consolidated statements of income.

On December 27, 2023, the Government of Bermuda enacted the Bermuda Corporate Income Tax Act 2023 (Bermuda CIT). Under US GAAP Accounting Standard Codification (ASC) 740, the effects of new tax legislation must be recognized as a component of income tax expense in the period in which the law is enacted. Beginning in 2025, ALRe and certain of its Bermuda subsidiaries (collectively, the "Bermuda Constituent Entities") were expected to be included in the Bermuda Constituent Entity Group return of AARe. Opening deferred taxes were allocated to the Bermuda Constituent Entities under the "benefits-for-loss" method. Under this method, the Bermuda Constituent Entities are assumed to file a separate return with the taxing authority, thereby reporting their opening tax benefit or expense as if the Bermuda Constituent Entities were each a separate taxpayer, except that net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Bermuda Constituent Entities when those tax attributes are realized (or realizable) by the consolidated return group, even if the Bermuda Constituent Entities would not otherwise have realized the attributes on a stand-alone basis. In January 2026, we revoked the elections of certain of ALRe's Bermuda subsidiaries to be subject to the Bermuda CIT.

See Note 12 – *Income Taxes*.

Recently Issued Accounting Pronouncements

Derivatives and Hedging – Hedge Accounting Improvements (ASU 2025-09)

The amendments in this update clarify certain aspects of the guidance on hedge accounting and address several incremental hedge accounting issues arising from the global reference rate reform initiative. The amendments: (i) expand the hedged risks permitted to be aggregated in a group of individual forecasted transactions in a cash flow hedge and clarify when such transactions can be considered to have a similar risk

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exposure; (ii) provide a model to facilitate the application of cash flow hedge accounting to forecasted interest payments on choose-your-rate debt instruments; (iii) expand the application of hedge accounting for forecasted purchases and sales of nonfinancial assets; (iv) eliminate the requirement to apply the net written option test to a compound derivative comprising a swap and a written option designated as the hedging instrument in a cash flow hedge or a fair value hedge of interest rate risk; and (v) eliminate the recognition and presentation mismatch related to a dual hedge strategy. The amendments are required to be applied prospectively for all hedging relationships. This guidance is effective for annual periods beginning after December 15, 2026; early adoption is permitted. We are evaluating the impact of this guidance on our consolidated financial statements.

Financial Instruments – Credit Losses – Purchased Loans (ASU 2025-08)

The amendments in this update expand the population of acquired financial assets subject to the gross-up approach in ASC 326 to include purchased seasoned loans, defined as either: (1) non-PCD loans obtained in a business combination or (2) non-PCD loans that are obtained in an asset acquisition or upon consolidation of a VIE that is not a business (e.g., a financing vehicle holding loans or other financial assets) and that are acquired more than 90 days after their origination date by a transferee that was not involved in their origination. The amendments are effective for annual periods beginning after December 15, 2025; early adoption is permitted. We are evaluating the impact of this guidance on our consolidated financial statements.

Derivatives and Hedging and Revenue from Contracts with Customers – Derivative Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract (ASU 2025-07)

The amendments in this update refine the scope of derivatives in ASC 815 by excluding certain non-exchange-traded contracts for which settlement is based on operations or activities specific to a party, unless settlement involves a market-based variable or a financial instrument. The updates also clarify that share-based noncash consideration from a customer in a revenue contract should be accounted for under ASC 606 until the entity's right to receive or retain the consideration becomes unconditional. The updates are effective for annual periods beginning after December 15, 2026; early adoption is permitted. We are evaluating the impact of this guidance on our consolidated financial statements.

Business Combinations and Consolidation – Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03)

This amendments in this update clarify the guidance in determining the accounting acquirer in a business combination involving a VIE. The amendments require that an entity apply the general guidance of identifying the acquirer under ASC 805, Business Combination, even when the legal acquiree is a VIE and the transaction is primarily effected by exchanging equity interests. This guidance is effective for us for the 2027 annual and interim periods; early adoption is permitted. The amendments are required to be applied prospectively to any acquisition transaction that occurs after the initial application date. We are evaluating the impact of this guidance on our consolidated financial statements.

Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (ASU 2024-03)

The amendments in this update require disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The ASU requires tabular presentation of each relevant expense caption on the face of the income statement including employee compensation, depreciation, intangible asset amortization and certain other expenses, when applicable. The guidance is effective for us for the 2027 annual period and in interim periods in 2028; early adoption is permitted. We are evaluating the impact of this new guidance on our consolidated financial statements.

Adopted Accounting Pronouncements

Income Taxes—Improvements to Income Tax Disclosures (ASU 2023-09)

The amendments in this update revise certain disclosures on income taxes including rate reconciliation, income taxes paid, and certain amendments on disaggregation by federal, state and foreign taxes. This guidance is effective for non public business entities for annual periods beginning after December 15, 2025. We are currently evaluating the impact of this new guidance on our financial statements.

Business Combinations – Joint Venture Formations (ASU 2023-05)

The amendments in this update address how a joint venture initially recognizes and measures contributions received at its formation date. The amendments require a joint venture to apply a new basis of accounting upon formation and to initially recognize its assets and liabilities at fair value. The guidance is effective prospectively for all joint ventures formed on or after January 1, 2025, while retrospective application may be elected for a joint venture formed before the effective date. The adoption of this update was applied on a prospective basis and did not have a material effect on our consolidated financial statements.

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Notes to Consolidated Financial Statements

2. Investments

AFS Securities—The following table represents the amortized cost, allowance for credit losses, gross unrealized gains and losses and fair value of our AFS investments by asset type:

	December 31, 2025				
<i>(In millions)</i>	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities					
US government and agencies	\$ 1,909	\$ —	\$ 6	\$ (299)	\$ 1,616
US state, municipal and political subdivisions	56	—	—	(18)	38
Foreign governments	120	—	14	(6)	128
Corporate	11,175	(17)	235	(387)	11,006
CLO	2,336	—	54	(4)	2,386
ABS	2,063	(5)	91	(20)	2,129
CMBS	528	(1)	5	(4)	528
RMBS	1,197	(99)	56	(34)	1,120
Total AFS securities	19,384	(122)	461	(772)	18,951
AFS securities – related parties					
Corporate	568	—	40	(14)	594
CLO	218	—	1	—	219
ABS	194	—	7	(5)	196
Total AFS securities – related parties	980	—	48	(19)	1,009
Total AFS securities, including related parties	\$ 20,364	\$ (122)	\$ 509	\$ (791)	\$ 19,960

	December 31, 2024				
<i>(In millions)</i>	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities					
US government and agencies	\$ 1,244	\$ —	\$ —	\$ (316)	\$ 928
US state, municipal and political subdivisions	102	—	—	(24)	78
Foreign governments	114	—	—	(30)	84
Corporate	11,058	(28)	113	(763)	10,380
CLO	4,086	—	32	(58)	4,060
ABS	1,858	(5)	26	(64)	1,814
CMBS	476	—	6	(13)	470
RMBS	1,698	(82)	50	(72)	1,594
Total AFS securities	20,636	(115)	227	(1,340)	19,408
AFS securities – related parties					
Corporate	545	—	3	(35)	513
CLO	79	—	—	(5)	74
ABS	307	—	2	(12)	297
Total AFS securities – related parties	931	—	5	(52)	884
Total AFS securities, including related parties	\$ 21,567	\$ (115)	\$ 232	\$ (1,392)	\$ 20,292

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The amortized cost and fair value of AFS securities, including related parties, are shown by contractual maturity below:

<i>(In millions)</i>	December 31, 2025	
	Amortized Cost	Fair Value
AFS securities		
Due in one year or less	\$ 161	\$ 163
Due after one year through five years	3,325	3,344
Due after five years through ten years	3,600	3,616
Due after ten years	6,174	5,665
CLO, ABS, CMBS and RMBS	6,124	6,163
Total AFS securities	19,384	18,951
AFS securities – related parties		
Due after one year through five years	40	40
Due after five years through ten years	110	117
Due after ten years	418	437
CLO and ABS	412	415
Total AFS securities – related parties	980	1,009
Total AFS securities, including related parties	\$ 20,364	\$ 19,960

Actual maturities can differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Unrealized Losses on AFS Securities—The following summarizes the fair value and gross unrealized losses for AFS securities, including related parties, for which an allowance for credit losses has not been recorded, aggregated by asset type and length of time the fair value has remained below amortized cost:

<i>(In millions)</i>	December 31, 2025					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
AFS securities						
US government and agencies	\$ 223	\$ (5)	\$ 1,047	\$ (294)	\$ 1,270	\$ (299)
US state, municipal and political subdivisions	—	—	38	(18)	38	(18)
Foreign governments	4	—	19	(6)	23	(6)
Corporate	1,838	(33)	1,769	(341)	3,607	(374)
CLO	818	(3)	17	(1)	835	(4)
ABS	395	(12)	113	(5)	508	(17)
CMBS	53	—	32	(3)	85	(3)
RMBS	52	—	103	(7)	155	(7)
Total AFS securities	3,383	(53)	3,138	(675)	6,521	(728)
AFS securities – related parties						
Corporate	220	(1)	80	(2)	300	(3)
CLO	137	—	—	—	137	—
ABS	1	—	49	(4)	50	(4)
Total AFS securities – related parties	358	(1)	129	(6)	487	(7)
Total AFS securities, including related parties	\$ 3,741	\$ (54)	\$ 3,267	\$ (681)	\$ 7,008	\$ (735)

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<i>(In millions)</i>	December 31, 2024					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
AFS securities						
US government and agencies	\$ 118	\$ (6)	\$ 810	\$ (310)	\$ 928	\$ (316)
US state, municipal and political subdivisions	18	(1)	58	(24)	76	(25)
Foreign governments	24	(2)	60	(28)	84	(30)
Corporate	3,627	(105)	2,768	(643)	6,395	(748)
CLO	302	(2)	153	(17)	455	(19)
ABS	207	(4)	323	(22)	530	(26)
CMBS	108	(1)	60	(10)	168	(11)
RMBS	77	(2)	221	(24)	298	(26)
Total AFS securities	4,481	(123)	4,453	(1,078)	8,934	(1,201)
AFS securities – related parties						
Corporate	28	(5)	158	(27)	186	(32)
CLO	—	—	—	—	—	—
ABS	82	(2)	44	(7)	126	(9)
Total AFS securities – related parties	110	(7)	202	(34)	312	(41)
Total AFS securities, including related parties	\$ 4,591	\$ (130)	\$ 4,655	\$ (1,112)	\$ 9,246	\$ (1,242)

The following summarizes the number of AFS securities that were in an unrealized loss position, including related parties, for which an allowance for credit losses has not been recorded:

	December 31, 2025	
	Unrealized loss position	Unrealized loss position 12 months or more
AFS securities	931	620
AFS securities – related parties	20	6

The unrealized losses on AFS securities can primarily be attributed to changes in market interest rates since acquisition of the securities or the application of pushdown accounting associated with our historical merger with Apollo. We did not recognize the unrealized losses in income, unless as required for hedge accounting, as we intend to hold these securities and it is not more likely than not we will be required to sell a security before the recovery of its amortized cost.

Allowance for Credit Losses—The following table summarizes the activity in the allowance for credit losses for AFS securities by asset type:

<i>(In millions)</i>	Year ended December 31, 2025					
	Beginning balance	Additions		Reductions		Ending balance
		Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	
AFS securities						
Corporate	\$ 28	\$ —	\$ —	\$ (3)	\$ (8)	\$ 17
ABS	5	2	1	(4)	1	5
CMBS	—	—	—	—	1	1
RMBS	82	2	39	(31)	7	99
Total AFS securities	\$ 115	\$ 4	\$ 40	\$ (38)	\$ 1	\$ 122

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Notes to Consolidated Financial Statements

	Year ended December 31, 2024					
	Beginning balance	Additions		Reductions		Ending balance
		Initial credit losses	Initial credit losses on PCD securities	Securities sold during the period	Additions (reductions) to previously impaired securities	
<i>(In millions)</i>						
AFS securities						
Corporate	22	—	7	—	(1)	28
ABS	1	4	—	—	—	5
RMBS	66	4	18	(6)	—	82
Total AFS securities	<u>\$ 89</u>	<u>\$ 8</u>	<u>\$ 25</u>	<u>\$ (6)</u>	<u>\$ (1)</u>	<u>\$ 115</u>

Net Investment Income—Net investment income by asset class consists of the following:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
AFS securities	<u>\$ 1,141</u>	<u>\$ 1,115</u>
Trading securities	38	10
Equity securities	3	6
Mortgage loans	46	29
Investment funds	23	(9)
Funds withheld at interest	4,885	4,356
Other	365	304
Investment revenue	6,501	5,811
Investment expenses	(272)	(223)
Net investment income	<u>\$ 6,229</u>	<u>\$ 5,588</u>

Investment Related Gains (Losses)—Investment related gains (losses) by asset class consists of the following:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
AFS securities¹		
Gross realized gains on investment activity	\$ 310	\$ 144
Gross realized losses on investment activity	(142)	(158)
Net realized investment gains (losses) on AFS securities	168	(14)
Net recognized investment gains (losses) on trading securities	48	(15)
Net recognized investment gains on equity securities	1	2
Net realized investment gains on mortgage loans	53	6
Derivative gains	3,840	537
Provision for credit gains (losses)	6	(12)
Other gains (losses)	(326)	1,001
Investment related gains	<u>\$ 3,790</u>	<u>\$ 1,505</u>

¹ Includes the effects of recognized gains or losses on AFS securities associated with designated hedges.

Proceeds from sales of AFS securities were \$15,104 million and \$7,806 million for the years ended December 31, 2025 and 2024, respectively.

The following table summarizes the change in unrealized gains (losses) on trading and equity securities we held as of the respective year end:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Trading securities	<u>\$ 45</u>	<u>\$ (5)</u>
Equity securities	1	(2)

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Reverse Repurchase Agreements—As of December 31, 2025 and 2024, amounts loaned under reverse repurchase agreements were \$57 million and \$77 million, respectively, and the fair value of the collateral, comprised of asset-backed securities, was \$248 million and \$330 million, respectively.

Mortgage Loans, including related parties and consolidated VIEs—Mortgage loans include both commercial and residential loans. We have elected the fair value option on our mortgage loan portfolio. See *Note 5 – Fair Value* for further fair value option information. The following represents the mortgage loan portfolio, with fair value option loans presented at unpaid principal balance:

<i>(In millions)</i>	December 31,	
	2025	2024
Commercial mortgage loans	\$ 366	\$ 420
Commercial mortgage loans under development	257	140
Total commercial mortgage loans	623	560
Market to fair value	—	(3)
Commercial mortgage loans	623	557
Residential mortgage loans	414	368
Market to fair value	(24)	(28)
Residential mortgage loans	390	340
Mortgage loans	\$ 1,013	\$ 897

We invest in commercial mortgage loans, primarily on income-producing properties including office and retail buildings, apartments, hotels and industrial properties. We diversify the commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. We evaluate mortgage loans based on relevant current information to confirm whether properties are performing at a consistent and acceptable level to secure the related debt.

The distribution of commercial mortgage loans, including those under development, by property type and geographic region, is as follows:

<i>(In millions, except percentages)</i>	December 31,			
	2025		2024	
	Fair Value	Percentage of Total	Fair Value	Percentage of Total
Property type				
Apartment	\$ 115	18.5 %	\$ 49	8.8 %
Industrial	233	37.4 %	—	— %
Office building	60	9.6 %	—	— %
Retail	—	— %	33	5.9 %
Other commercial	215	34.5 %	475	85.3 %
Total commercial mortgage loans	\$ 623	100.0 %	\$ 557	100.0 %
US region				
Mountain	\$ 8	1.3 %	\$ —	— %
West South Central	59	9.5 %	—	— %
Total US region	67	10.8 %	—	— %
International region				
United Kingdom	427	68.5 %	477	85.6 %
India	94	15.1 %	33	5.9 %
Other International ¹	35	5.6 %	47	8.4 %
Total international region	556	89.2 %	557	100.0 %
Total commercial mortgage loans	\$ 623	100.0 %	\$ 557	100.0 %

¹ Represents all other countries, with each individual country comprising less than 5% of the portfolio.

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Notes to Consolidated Financial Statements

Our residential mortgage loan portfolio primarily consists of first lien residential mortgage loans collateralized by properties in various geographic locations and is summarized by proportion of the portfolio in the following table:

	December 31,	
	2025	2024
International		
United Kingdom	65.4 %	57.2 %
Ireland	34.6 %	42.8 %
Total international residential mortgage loan percentage	100.0 %	100.0 %
Total residential mortgage loan percentage	100.0 %	100.0 %

Investment Funds—Our investment fund portfolio strategy primarily focuses on core holdings of origination and retirement services platforms, equity and credit, and other funds. Origination platforms include investments sourced by affiliated platforms that originate loans to third parties and in which we gain exposure directly to the loan or indirectly through our ownership of the origination platform and/or securitizations of assets originated by the origination platform. Retirement services platforms include investments in equity of financial services companies. Our credit strategy comprises direct origination, asset-backed, multi-credit and opportunistic credit funds focused on generating excess returns through high-quality credit underwriting and origination. Our equity strategy comprises private equity, hybrid value, secondaries equity, real estate equity, infrastructure and clean transition equity funds that raise capital from investors to pursue control-oriented investments across the universe of private assets. Our investment funds can meet the definition of a VIE, which are discussed further in *Note 4 – Variable Interest Entities*. Our investment funds do not specify timing of distributions on the funds’ underlying assets.

The following summarizes our investment funds, including related parties and consolidated VIEs:

	December 31,			
	2025		2024	
<i>(In millions, except for percentages)</i>	Carrying value	Percentage of total	Carrying value	Percentage of total
Investment funds – related parties				
Retirement services platforms	\$ 237	3.2 %	\$ 189	6.1 %
Equity	123	1.6 %	136	4.4 %
Credit	153	2.0 %	175	5.6 %
Other	5	0.1 %	10	0.3 %
Total investment funds – related parties	518	6.9 %	510	16.4 %
Investment funds – consolidated VIEs				
Origination platforms	2,710	36.2 %	—	— %
Equity	2,594	34.6 %	2,603	83.6 %
Credit	626	8.4 %	—	— %
Other	1,042	13.9 %	—	— %
Total investment funds – consolidated VIEs	6,972	93.1 %	2,603	83.6 %
Total investment funds, including related parties and consolidated VIEs	\$ 7,490	100.0 %	\$ 3,113	100.0 %

Non-Consolidated Securities and Investment Funds

Fixed maturity securities – We invest in securitization entities as a debt holder or an investor in the residual interest of the securitization vehicle. These entities are deemed VIEs due to insufficient equity within the structure and lack of control by the equity investors over the activities that significantly impact the economics of the entity. In general, we are a debt investor within these entities and, as such, hold a variable interest; however, due to the debt holders’ lack of ability to control the decisions within the structure that significantly impact the entity, and the fact the debt holders are protected from losses due to the subordination of the equity tranche, the debt holders are not deemed the primary beneficiary. Securitization vehicles in which we hold the residual tranche are not consolidated because we do not unilaterally have substantive rights to remove the general partner, or when assessing related party interests, we are not under common control, as defined by US GAAP, with the related parties, nor are substantially all of the activities conducted on our behalf; therefore, we are not deemed the primary beneficiary. Debt investments and investments in the residual tranche of securitization entities are considered debt instruments and are held at fair value and classified as AFS or trading securities on the consolidated balance sheets.

Investment funds – Investment funds include non-fixed income, alternative investments in the form of limited partnerships or similar legal structures.

Equity securities – We invest in preferred equity securities issued by entities deemed to be VIEs due to insufficient equity within the structure.

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Notes to Consolidated Financial Statements

Our risk of loss associated with our non-consolidated investments depends on the investment. Investment funds, equity securities and trading securities are limited to the carrying value plus unfunded commitments. AFS securities are limited to amortized cost plus unfunded commitments.

The following summarizes the carrying value and maximum loss exposure of these non-consolidated investments:

<i>(In millions)</i>	December 31,			
	2025		2024	
	Carrying Value	Maximum Loss Exposure	Carrying Value	Maximum Loss Exposure
Investment in related parties – investment funds	\$ 518	\$ 1,258	\$ 510	\$ 836
Assets of consolidated VIEs – investment funds	6,972	7,385	2,603	3,096
Investment in fixed maturity securities	6,288	7,263	7,965	8,156
Investment in related parties – fixed maturity securities	530	527	520	627
Total non-consolidated investments	\$ 14,308	\$ 16,433	\$ 11,598	\$ 12,715

Funds Withheld at Interest—Funds withheld at interest represents a receivable for amounts contractually withheld by ceding companies in accordance with modco and funds withheld reinsurance agreements in which we act as the reinsurer. Generally, assets equal to statutory reserves are withheld and legally owned by the ceding company.

The funds withheld at interest is comprised of the host contract and an embedded derivative. We are subject to the investment performance on the withheld assets with the total return directly impacting the host contract and the embedded derivative. Interest accrues at a risk free rate on the host receivable and is recorded as net investment income in the consolidated statements of income. The change in the embedded derivative in our reinsurance agreements, which is similar to a total return swap on the income generated by the underlying assets held by the ceding companies, is recorded in investment related gains (losses). Although we do not directly control the underlying investments in the funds withheld at interest, in each instance the ceding company has hired Apollo Insurance Group Solutions LLC (ISG) to manage the withheld assets in accordance with our investment guidelines.

The following summarizes the underlying investment composition of the funds withheld at interest, including related party:

<i>(In millions, except percentages)</i>	December 31,			
	2025		2024	
	Carrying value	Percent of total	Carrying value	Percent of total
Fixed maturity securities				
US government and agencies	\$ 4,057	3.0 %	\$ 3,210	2.9 %
US state, municipal and political subdivisions	334	0.2 %	381	0.3 %
Foreign governments	601	0.4 %	487	0.4 %
Corporate	35,768	26.6 %	32,420	29.7 %
CLO	11,199	8.3 %	11,824	10.8 %
ABS	24,790	18.4 %	17,078	15.7 %
CMBS	6,055	4.5 %	5,102	4.7 %
RMBS	2,965	2.2 %	1,972	1.8 %
Equity securities	455	0.3 %	551	0.5 %
Mortgage loans	37,046	27.6 %	26,583	24.4 %
Investment funds	5,596	4.2 %	5,315	4.9 %
Derivative assets	2,198	1.6 %	2,082	1.9 %
Short-term investments	57	— %	762	0.7 %
Other Investments	1,024	0.8 %	1,023	0.9 %
Cash and cash equivalents	2,721	2.0 %	1,949	1.8 %
Other assets and liabilities ¹	(411)	(0.3)%	(1,683)	(1.5)%
Total funds withheld at interest, including related party	\$ 134,455	100.0 %	\$ 109,056	100.0 %

¹Primarily consists of derivative liabilities and long term repurchase agreements.

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Notes to Consolidated Financial Statements

3. Derivative Instruments

We use a variety of derivative instruments to manage risks, primarily equity, interest rate, foreign currency and market volatility. See *Note 1 – Business, Basis of Presentation and Significant Accounting Policies* for a description of our accounting policies for derivatives and *Note 5 – Fair Value* for information about the fair value hierarchy for derivatives.

The following table presents the notional amount and fair value of derivative instruments:

	December 31,					
	2025			2024		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
Assets		Liabilities	Assets		Liabilities	
<i>(In millions)</i>						
Derivatives designated as hedges						
Foreign currency hedges						
Swaps	189	\$ 7	\$ 3	379	\$ 29	\$ —
Forwards	42	1	—	123	13	—
Forwards on net investments	110	—	—	102	5	—
Total derivatives designated as hedges		8	3		47	—
Derivatives not designated as hedges						
Equity options	5,269	87	1	7,402	118	—
Futures	1	3	—	1	2	—
Foreign currency swaps	4,004	68	167	2,297	96	8
Interest rate swaps and forwards	11	—	—	16	—	—
Other swaps	2	—	—	5	—	—
Foreign currency forwards	25,683	668	2,979	24,421	498	1,851
Embedded derivatives						
Funds withheld including related parties		(2,236)	—		(5,040)	—
Interest sensitive contract liabilities		—	5,761		—	4,354
Total derivatives not designated as hedges		(1,410)	8,908		(4,326)	6,213
Total derivatives		\$ (1,402)	\$ 8,911		\$ (4,279)	\$ 6,213

Derivatives Designated as Hedges

Fair Value Hedges – We use foreign currency forward contracts, foreign currency swaps, foreign currency interest rate swaps and interest rate swaps that are designated and accounted for as fair value hedges to hedge certain exposures to foreign currency risk and interest rate risk. The foreign currency forward price is agreed upon at the time of the contract and payment is made at a specified future date. The amortized cost of AFS debt securities in qualifying fair value hedges of foreign currency risk was \$237 million and \$505 million as of December 31, 2025 and 2024, respectively.

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The following is a summary of the gains (losses) related to the derivatives and related hedged items in fair value hedge relationships:

<i>(In millions)</i>	Derivatives	Hedged items	Net	Amounts excluded	
				Recognized in income through amortization approach	Recognized in income through changes in fair value
Year ended December 31, 2025					
Investment related gains (losses)					
Foreign currency forwards	\$ (10)	\$ 8	\$ (2)	\$ 1	\$ —
Foreign currency swaps	(37)	39	2	—	—
Year ended December 31, 2024					
Investment related gains (losses)					
Foreign currency forwards	2	(2)	—	2	1
Foreign currency swaps	19	(20)	(1)	—	—

The following is a summary of the gains (losses) excluded from the assessment of hedge effectiveness that were recognized in OCI:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Foreign currency forwards	\$ 1	\$ 1
Forward currency swaps	4	(1)

Net Investment Hedges – We use foreign currency forwards to hedge the foreign currency exchange rate risk of our investments in subsidiaries that have a reporting currency other than the US dollar. We assess hedge effectiveness based on the changes in forward rates. During the years ended December 31, 2025 and 2024, these derivatives had losses of \$7 million and gains of \$1 million, respectively. These derivatives are included in foreign currency translation and other adjustments on the consolidated statements of comprehensive income. As of December 31, 2025 and 2024, the cumulative foreign currency translations recorded in AOCI related to these net investment hedges were gains of \$7 million and \$14 million, respectively. During the years ended December 31, 2025 and 2024, there were no amounts deemed ineffective.

Derivatives Not Designated as Hedges

Equity options – We use equity indexed options to economically hedge indexed annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specified market index, including the S&P 500 and other bespoke indices. To hedge against adverse changes in equity indices, we enter into contracts to buy equity indexed options. The contracts are net settled in cash based on differentials in the indices at the time of exercise and the strike price.

Futures – Futures contracts are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. We enter into exchange-traded futures with regulated futures commission clearing brokers who are members of a trading exchange. Under exchange-traded futures contracts, we agree to purchase a specified number of contracts with other parties and to post variation margin on a daily basis in an amount equal to the difference in the daily fair values of those contracts.

Interest rate swaps and forwards – We use interest rate swaps and forwards to reduce market risks from interest rate changes and to alter interest rate exposure arising from duration mismatches between assets and liabilities. With an interest rate swap, we agree with another party to exchange the difference between fixed-rate and floating-rate interest amounts tied to an agreed-upon notional principal amount at specified intervals.

Other swaps – Other swaps include total return swaps, credit default swaps and swaptions. We purchase total rate of return swaps to gain exposure and benefit from a reference asset or index without ownership. Credit default swaps provide a measure of protection against the default of an issuer or allow us to gain credit exposure to an issuer or traded index. We use credit default swaps coupled with a bond to synthetically create the characteristics of a reference bond. Swaptions provide an option to enter into an interest rate swap and are used to hedge against interest rate exposure.

Embedded derivatives – We have embedded derivatives which are required to be separated from their host contracts and reported as derivatives. Host contracts include reinsurance agreements structured on a modco or funds withheld basis and indexed annuity products.

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Notes to Consolidated Financial Statements

The following is a summary of the gains (losses) related to derivatives not designated as hedges:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Equity options	\$ 31	\$ 64
Futures	2	10
Interest rate swaps and forwards and other swaps	(173)	132
Foreign currency forwards	(1,039)	(1,066)
Embedded derivatives on funds withheld	5,065	1,373
Amounts recognized in investment related gains (losses)	3,886	513
Embedded derivatives in indexed annuity products ¹	(266)	138
Total gains (losses) on derivatives not designated as hedges	\$ 3,620	\$ 651

¹ Included in interest sensitive contract benefits on the consolidated statements of income.

Credit Risk—We may be exposed to credit-related losses in the event of counterparty nonperformance on derivative financial instruments. Generally, the current credit exposure of our derivative contracts is the fair value at the reporting date less any collateral received from the counterparty.

We manage credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties. Where possible, we maintain collateral arrangements and use master netting agreements that provide for a single net payment from one counterparty to another at each due date and upon termination. We have also established counterparty exposure limits, where possible, in order to evaluate if there is sufficient collateral to support the net exposure.

Collateral arrangements typically require the posting of collateral in connection with its derivative instruments. Collateral agreements often contain posting thresholds, some of which may vary depending on the posting party’s financial strength ratings. Additionally, a decrease in our financial strength rating to a specified level can result in settlement of the derivative position.

The estimated fair value of our net derivative and other financial assets and liabilities after the application of master netting agreements and collateral were as follows:

<i>(In millions)</i>	Gross amount recognized ¹	Gross amounts not offset on the consolidated balance sheets		Net amount	Off-balance sheet securities collateral ³	Net amount after securities collateral
		Financial instruments ²	Collateral (received)/pledged			
December 31, 2025						
Derivative assets	\$ 834	\$ (829)	\$ (146)	\$ (141)	\$ —	\$ (141)
Derivative liabilities	(3,150)	829	1,835	(486)	559	73
December 31, 2024						
Derivative assets	\$ 761	\$ (686)	\$ (257)	\$ (182)	\$ —	\$ (182)
Derivative liabilities	(1,859)	686	992	(181)	—	(181)

¹ The gross amounts of recognized derivative assets and derivative liabilities are reported on the consolidated balance sheets. As of December 31, 2025 and 2024, amounts not subject to master netting or similar agreements were immaterial.

² Represents amounts offsetting derivative assets and derivative liabilities that are subject to an enforceable master netting agreement or similar agreement that are not netted against the gross derivative assets or gross derivative liabilities for presentation on the consolidated balance sheets.

³ For non-cash collateral received, we do not recognize the collateral on our balance sheet unless the obligor (transferor) has defaulted under the terms of the secured contract and is no longer entitled to redeem the pledged asset. Amounts do not include any excess of collateral pledged or received.

4. Variable Interest Entities

We determined that we are required to consolidate certain Apollo-managed investment funds and other Apollo-managed structures. Since the criteria for the primary beneficiary are satisfied by our related party group, we are deemed the primary beneficiary. In addition, we consolidate certain securitization entities where we are deemed the primary beneficiary. No arrangement exists requiring us to provide additional funding in excess of our committed capital investment, liquidity, or the funding of losses or an increase to our loss exposure in excess of our investment in any of the consolidated VIEs.

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Notes to Consolidated Financial Statements

The following summarizes the income statement activity of the consolidated VIEs:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Trading securities	\$ —	\$ 3
Mortgage loans	24	20
Investment funds	5	—
Investment expenses and other	(11)	5
Net investment income	\$ 18	\$ 28
Net recognized investment losses on trading securities	\$ —	\$ (1)
Net recognized investment gains (losses) on mortgage loans	(9)	23
Net recognized investment gains on investment funds	422	172
Other gains (losses)	19	(10)
Investment related gains (losses)	\$ 432	\$ 184

5. Fair Value

Fair value is the price we would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. We determine fair value based on the following fair value hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Quoted prices for inactive markets or valuation techniques that require observable direct or indirect inputs for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets,
- Observable inputs other than quoted market prices, and
- Observable inputs derived principally from market data through correlation or other means.

Level 3 – Prices or valuation techniques with unobservable inputs significant to the overall fair value estimate. These valuations use critical assumptions not readily available to market participants. Level 3 valuations are based on market standard valuation methodologies, including discounted cash flows, matrix pricing or other similar techniques.

Net Asset Value (NAV) – Investment funds are typically measured using NAV as a practical expedient in determining fair value and are not classified in the fair value hierarchy. Our carrying value reflects our pro rata ownership percentage as indicated by NAV in the investment fund financial statements, which we may adjust if we determine NAV is not calculated consistent with investment company fair value principles. The underlying investments of the investment funds may have significant unobservable inputs, which may include but are not limited to, comparable multiples and weighted average cost of capital rates applied in valuation models or a discounted cash flow model.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the instrument's fair value measurement.

We use a number of valuation sources to determine fair values. Valuation sources can include quoted market prices; third-party commercial pricing services; third-party brokers; industry-standard, vendor modeling software that uses market observable inputs; and other internal modeling techniques based on projected cash flows. We periodically review the assumptions and inputs of third-party commercial pricing services through internal valuation price variance reviews, comparisons to internal pricing models, back testing to recent trades, or monitoring trading volumes.

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Notes to Consolidated Financial Statements

The following represents the hierarchy for our assets and liabilities measured at fair value on a recurring basis:

<i>(In millions)</i>	December 31, 2025				
	Total	NAV	Level 1	Level 2	Level 3
Assets					
AFS securities					
US government and agencies	\$ 1,616	\$ —	\$ 1,616	\$ —	\$ —
US state, municipal and political subdivisions	38	—	—	38	—
Foreign governments	128	—	—	128	—
Corporate	11,006	—	—	9,906	1,100
CLO	2,386	—	—	2,386	—
ABS	2,129	—	—	660	1,469
CMBS	528	—	—	528	—
RMBS	1,120	—	—	1,065	55
Total AFS securities	18,951	—	1,616	14,711	2,624
Trading securities	1,264	—	—	1,235	29
Equity securities	44	—	—	44	—
Mortgage loans	937	—	—	—	937
Funds withheld at interest – embedded derivative	(2,409)	—	—	—	(2,409)
Derivative assets	834	—	3	831	—
Short-term investments	2	—	—	2	—
Cash and cash equivalents	2,371	—	2,371	—	—
Restricted cash	309	—	309	—	—
Investments in related parties					
AFS securities					
Corporate	594	—	—	90	504
CLO	219	—	—	219	—
ABS	196	—	—	120	76
Total AFS securities – related party	1,009	—	—	429	580
Trading securities	112	—	—	—	112
Mortgage loans	68	—	—	—	68
Investment funds	11	—	—	—	11
Funds withheld at interest – embedded derivative	173	—	—	—	173
Other assets	18	—	—	—	18
Assets of consolidated VIEs					
Trading securities	250	—	—	250	—
Mortgage loans	8	—	—	—	8
Investment funds	6,972	6,972	—	—	—
Cash and cash equivalents	384	—	384	—	—
Total assets measured at fair value	\$ 31,308	\$ 6,972	\$ 4,683	\$ 17,502	\$ 2,151
Liabilities					
Interest sensitive contract liabilities – embedded derivative	\$ 5,761	\$ —	\$ —	\$ —	\$ 5,761
Market risk benefits	809	—	—	—	809
Derivative liabilities	3,150	—	—	3,150	—
Liabilities of consolidated VIEs – debt	55	55	—	—	—
Total liabilities measured at fair value	\$ 9,775	\$ 55	\$ —	\$ 3,150	\$ 6,570

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Notes to Consolidated Financial Statements

<i>(In millions)</i>	December 31, 2024				
	Total	NAV	Level 1	Level 2	Level 3
Assets					
AFS securities					
US government and agencies	\$ 928	\$ —	\$ 928	\$ —	\$ —
US state, municipal and political subdivisions	78	—	—	78	—
Foreign governments	84	—	—	83	1
Corporate	10,380	—	—	9,823	557
CLO	4,060	—	—	4,060	—
ABS	1,814	—	—	657	1,157
CMBS	470	—	—	470	—
RMBS	1,594	—	—	1,521	73
Total AFS securities	19,408	—	928	16,692	1,788
Trading securities	27	—	—	27	—
Equity securities	82	—	—	64	18
Mortgage loans	479	—	—	—	479
Funds withheld at interest – embedded derivative	(3,035)	—	—	—	(3,035)
Derivative assets	761	—	2	759	—
Cash and cash equivalents	2,398	—	2,398	—	—
Restricted cash	323	—	323	—	—
Investments in related parties					
AFS securities					
Corporate	513	—	—	82	431
CLO	74	—	—	74	—
ABS	297	—	—	107	190
Total AFS securities – related party	884	—	—	263	621
Trading securities	149	—	—	—	149
Investment funds	11	—	—	—	11
Funds withheld at interest – embedded derivative	(2,005)	—	—	—	(2,005)
Investment contracts held at fair value - related party	4,345	—	—	—	4,345
Other assets	25	—	—	—	25
Assets of consolidated VIEs					
Mortgage loans	418	—	—	—	418
Investment funds	2,603	2,606	—	—	(3)
Other investments	84	—	6	—	78
Cash and cash equivalents	19	—	19	—	—
Total assets measured at fair value	\$ 26,976	\$ 2,606	\$ 3,676	\$ 17,805	\$ 2,889
Liabilities					
Interest sensitive contract liabilities – embedded derivative	\$ 4,354	\$ —	\$ —	\$ —	\$ 4,354
Market risk benefits	498	—	—	—	498
Derivative liabilities	1,859	—	—	1,859	—
Liabilities of consolidated VIEs – debt	12	12	—	—	—
Total liabilities measured at fair value	\$ 6,723	\$ 12	\$ —	\$ 1,859	\$ 4,852

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Notes to Consolidated Financial Statements

Fair Value Valuation Methods—We used the following valuation methods and assumptions to estimate fair value:

AFS and trading securities – We obtain the fair value for most marketable securities without an active market from several commercial pricing services. These are classified as Level 2 assets. The pricing services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, trading activity, credit quality, issuer spreads, bids, offers and other reference data. This category typically includes US and non-US corporate bonds, US agency and government guaranteed securities, CLO, ABS, CMBS and RMBS.

We also have fixed maturity securities priced based on indicative broker quotes or by employing market accepted valuation models. For certain fixed maturity securities, the valuation model uses significant unobservable inputs and these are included in Level 3 in our fair value hierarchy. Significant unobservable inputs used include: discount rates, issue specific credit adjustments, material non-public financial information, estimation of future earnings and cash flows, default rate assumptions, liquidity assumptions and indicative quotes from market makers.

We value privately placed fixed maturity securities based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer with similar characteristics. In some instances, we use a matrix-based pricing model. These models consider the current level of risk-free interest rates, corporate spreads, credit quality of the issuer and cash flow characteristics of the security. We also consider additional factors such as net worth of the borrower, value of collateral, capital structure of the borrower, presence of guarantees and our evaluation of the borrower's ability to compete in its relevant market. Privately placed fixed maturity securities are classified as Level 2 or 3.

Equity securities – Fair values of publicly traded equity securities are based on quoted market prices and classified as Level 1. Other equity securities, typically private equities or equity securities not traded on an exchange, we value based on other sources, such as commercial pricing services or brokers, and are classified as Level 2 or 3.

Mortgage loans – We estimate fair value on a monthly basis using discounted cash flow analysis and rates being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The discounted cash flow model uses unobservable inputs, including estimates of discount rates and loan prepayments. For mortgage loans that we have entered into an agreement to sell at a specified price, the fair value is based on the agreed upon price. Mortgage loans are classified as Level 3.

Investment funds – Certain investment funds for which we elected the fair value option are included in Level 3 and are priced based on market accepted valuation models. The valuation models use significant unobservable inputs, which include material non-public financial information, estimation of future distributable earnings and demographic assumptions.

Other investments – The fair values of other investments are primarily determined using a discounted cash flow model using discount rates for similar investments.

Funds withheld at interest embedded derivatives – Funds withheld at interest embedded derivatives represent the right to receive or obligation to pay the total return on the assets supporting the funds withheld at interest or funds withheld liability, respectively, and are analogous to a total return swap with a floating rate leg. The fair value of embedded derivatives on funds withheld and modco agreements is measured as the unrealized gain (loss) on the underlying assets and classified as Level 3.

Derivatives – Derivative contracts can be exchange traded or over-the-counter. Exchange-traded derivatives typically fall within Level 1 of the fair value hierarchy depending on trading activity. Over-the-counter derivatives are valued using valuation models or an income approach using third-party broker valuations. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, measures of volatility, prepayment rates and correlation of the inputs. We consider and incorporate counterparty credit risk in the valuation process through counterparty credit rating requirements and monitoring of overall exposure. We also evaluate and include our own nonperformance risk in valuing derivatives. The majority of our derivatives trade in liquid markets; therefore, we can verify model inputs and model selection does not involve significant management judgment. These are typically classified within Level 2 of the fair value hierarchy.

Cash and cash equivalents, including restricted cash – The carrying amount for cash equals fair value. We estimate the fair value for cash equivalents based on quoted market prices. These assets are classified as Level 1.

Other assets and market risk benefits liability – Other assets at fair value consist of market risk benefit assets. See *Note 9 – Long-duration Contracts* for additional information on market risk benefits valuation methodology and additional fair value disclosures. Market risk benefits are classified as Level 3.

Interest sensitive contract liabilities embedded derivatives – Embedded derivatives related to interest sensitive contract liabilities with indexed annuity products are classified as Level 3. The valuations include significant unobservable inputs associated with economic assumptions and actuarial assumptions for policyholder behavior.

Investment contracts held at fair value – For investment contracts we have elected to apply the fair value option. We used an actuarial appraisal method to measure the fair value of the investment contracts. The valuations include significant unobservable inputs associated with economic assumptions and actuarial assumptions. Investment Contracts Held at Fair Value are classified as Level 3.

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Notes to Consolidated Financial Statements

Fair Value Option—The following represents the gains (losses) recorded for instruments for which we have elected the fair value option, including related parties and consolidated VIEs:

<i>(In millions)</i>	Year ended December 31,	
	2025	2024
Trading securities	\$ 48	\$ (15)
Mortgage loans	105	6
Investment funds	80	10
Investment contracts held at fair value ¹	—	1,170
Total gains (losses)	\$ 233	\$ 1,171

¹ ALRe is no longer party to the excess-of-loss ("XXOL") arrangements. See Note 1 – Business, Basis of Presentation and Significant Accounting Policies for additional details.

Gains and losses on trading securities, mortgage loans, investments of consolidated VIEs, and other are recorded in investment related gains (losses) on the consolidated statements of income. Gains and losses related to investment funds are recorded in net investment income on the consolidated statements of income. We record the change in fair value of future policy benefits in future policy and other policy benefits on the consolidated statements of income.

The following summarizes information for fair value option mortgage loans, including related parties and consolidated VIEs:

<i>(In millions)</i>	December 31,	
	2025	2024
Unpaid principal balance	\$ 1,037	\$ 928
Mark to fair value	(24)	(31)
Fair value	\$ 1,013	\$ 897

As at December 31, 2025 there were no commercial mortgage loan portfolios which were 90 days or more past due and/or in non-accrual status.

The following represents our residential mortgage loan portfolio 90 days or more past due and/or in non-accrual status:

<i>(in millions)</i>	December 31,	
	2025	2024
Unpaid principal balance of residential mortgage loans 90 days or more past due and/or in non-accrual status	\$ 64	\$ 30
Mark to fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	(17)	(7)
Fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	\$ 47	\$ 23
Fair value of residential mortgage loans 90 days or more past due	\$ 47	\$ 23
Fair value of residential mortgage loans in non-accrual status	47	23

The following is the estimated amount of gains (losses) included in earnings during the period attributable to changes in instrument-specific credit risk on our mortgage loan portfolio:

<i>(in millions)</i>	Year ended December 31,	
	2025	2024
Mortgage loans	\$ 1	\$ —

We estimated the portion of gains and losses attributable to changes in instrument-specific credit risk by identifying commercial mortgage loans with loan-to-value ratios meeting credit quality criteria, and residential mortgage loans with delinquency status meeting credit quality criteria.

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Notes to Consolidated Financial Statements

Level 3 Financial Instruments—The following are reconciliations for Level 3 assets and liabilities measured at fair value on a recurring basis. Transfers in and out of Level 3 are primarily based on changes in the availability of pricing sources, as described in the valuation methods above.

(In millions)	Year ended December 31, 2025							
	Total realized and unrealized gains (losses)			Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings ¹	Total gains (losses) included in OCI ¹
	Beginning balance	Included in income	Included in OCI					
Assets								
AFS securities								
Foreign governments	\$ 1	\$ —	\$ —	\$ (1)	\$ —	\$ —	\$ —	\$ —
Corporate	557	18	5	507	13	1,100	—	(5)
ABS	1,157	6	88	516	(298)	1,469	—	88
RMBS	73	—	2	28	(48)	55	—	2
Trading securities								
Equity securities	18	—	—	(18)	—	—	—	—
Mortgage loans	479	58	—	400	—	937	56	—
Funds withheld at interest – embedded derivative	(3,035)	626	—	—	—	(2,409)	—	—
Investments in related parties								
AFS securities								
Corporate	431	1	50	22	—	504	—	50
ABS	190	(2)	4	(116)	—	76	—	3
Trading securities								
Mortgage loans	—	—	—	68	—	68	—	—
Investment funds								
Funds withheld at interest - embedded derivative	(2,005)	2,178	—	—	—	173	—	—
Investment contracts held at fair value ²	4,345	—	—	—	(4,345)	—	—	—
Assets of consolidated VIEs								
Mortgage loans	418	47	—	(456)	(1)	8	1	—
Investment funds	(3)	(20)	—	—	23	—	—	—
Other investments	78	10	—	(57)	(31)	—	—	—
Total Level 3 assets	\$ 2,864	\$ 2,929	\$ 149	\$ 878	\$ (4,687)	\$ 2,133	\$ 64	\$ 138
Liabilities								
Interest sensitive contract liabilities - Embedded derivative								
	\$ (4,354)	\$ (266)	\$ —	\$ (1,141)	\$ —	\$ (5,761)	\$ —	\$ —
Total Level 3 liabilities	\$ (4,354)	\$ (266)	\$ —	\$ (1,141)	\$ —	\$ (5,761)	\$ —	\$ —

¹ Related to instruments held at end of period.

² ALRe is no longer party to the excess-of-loss ("XXOL") arrangements. See Note 1 – Business, Basis of Presentation and Significant Accounting Policies for additional details.

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Notes to Consolidated Financial Statements

Year ended December 31, 2024

<i>(In millions)</i>	Total realized and unrealized gains (losses)		Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings ¹	Total gains (losses) included in OCI ¹	
	Beginning balance	Included in income						Included in OCI
Assets								
AFS securities								
Foreign governments	\$ 1	\$ —	\$ —	\$ —	\$ 1	\$ (3)	\$ 16	
Corporate	469	(3)	5	45	557	—	—	
ABS	752	1	(11)	416	1,157	—	(18)	
RMBS	28	2	—	43	73	—	—	
Equity securities	18	—	—	—	18	1	—	
Mortgage loans	365	8	—	106	479	8	—	
Funds withheld at interest – embedded derivative	(3,379)	344	—	—	(3,035)	—	—	
Investments in related parties								
AFS securities								
Corporate	206	(4)	1	228	431	—	(5)	
ABS	75	(1)	(2)	118	190	—	(1)	
Trading securities	178	(5)	—	(24)	149	(5)	—	
Investment funds	—	—	—	11	11	—	—	
Funds withheld at interest – embedded derivative	(1,906)	(99)	—	—	(2,005)	—	—	
Investment contracts held at fair value	791	1,170	—	2,384	4,345	—	—	
Assets of consolidated VIEs								
Trading securities	55	7	—	(68)	6	—	—	
Mortgage loans	421	(2)	—	(1)	418	(1)	—	
Investment funds	485	(58)	1	1	(3)	(5)	—	
Other investments	67	(4)	—	15	78	(4)	—	
Total Level 3 assets	<u>\$ (1,374)</u>	<u>\$ 1,356</u>	<u>\$ (6)</u>	<u>\$ 3,274</u>	<u>\$ (386)</u>	<u>\$ 2,864</u>	<u>\$ (9)</u>	<u>\$ (8)</u>
Liabilities								
Interest sensitive contract liabilities - Embedded derivative	\$ (2,868)	\$ 138	\$ —	\$ (1,624)	\$ —	\$ (4,354)	\$ —	\$ —
Total Level 3 liabilities	<u>\$ (2,868)</u>	<u>\$ 138</u>	<u>\$ —</u>	<u>\$ (1,624)</u>	<u>\$ —</u>	<u>\$ (4,354)</u>	<u>\$ —</u>	<u>\$ —</u>

¹ Related to instruments held at end of year.

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Notes to Consolidated Financial Statements

The following represents the gross components of purchases, issuances, sales and settlements, net, and net transfers in (out) shown above:

<i>(In millions)</i>	Year ended December 31, 2025								
	Purchases	Issuances	Sales	Settlements ¹	Net purchases, issuances, sales and settlements	Transfers in	Transfers out	Net transfers in (out)	
Assets									
AFS securities									
Foreign governments	\$ —	\$ —	\$ —	\$ (1)	\$ (1)	\$ —	\$ —	\$ —	
Corporate	844	—	(125)	(212)	507	103	(90)	13	
ABS	993	—	(349)	(128)	516	9	(307)	(298)	
RMBS	72	—	(28)	(16)	28	—	(48)	(48)	
Trading securities	30	—	—	(1)	29	—	—	—	
Equity securities	—	—	—	(18)	(18)	—	—	—	
Mortgage loans	436	—	—	(36)	400	—	—	—	
Investments in related parties									
AFS securities									
Corporate	66	—	(43)	(1)	22	—	—	—	
ABS	1,542	—	(1,624)	(34)	(116)	—	—	—	
Trading securities	55	—	(54)	(45)	(44)	—	—	—	
Mortgage loans	73	—	—	(5)	68	—	—	—	
Investment contracts held at fair value ¹	—	—	—	—	—	—	(4,345)	(4,345)	
Assets of consolidated VIEs									
Mortgage loans	6	—	(433)	(29)	(456)	—	(1)	(1)	
Investment funds	—	—	—	—	—	—	23	23	
Other investments	—	—	(57)	—	(57)	—	(31)	(31)	
Total Level 3 assets	\$ 4,117	\$ —	\$ (2,713)	\$ (526)	\$ 878	\$ 112	\$ (4,799)	\$ (4,687)	
Liabilities									
Interest sensitive contract liabilities – embedded derivative	\$ —	\$ (1,447)	\$ —	\$ 306	\$ (1,141)	\$ —	\$ —	\$ —	
Total Level 3 liabilities	\$ —	\$ (1,447)	\$ —	\$ 306	\$ (1,141)	\$ —	\$ —	\$ —	

¹ ALRe is no longer party to the excess-of-loss ("XXOL") arrangements. See Note 1 – Business, Basis of Presentation and Significant Accounting Policies for additional details.

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Notes to Consolidated Financial Statements

(In millions)	Year ended December 31, 2024							
	Purchases	Issuances	Sales	Settlements ¹	Net purchases, issuances, sales and settlements	Transfers in	Transfers out	Net transfers in (out)
Assets								
AFS securities								
Corporate	96	—	(50)	(1)	45	41	—	41
ABS	1,187	—	(690)	(81)	416	120	(121)	(1)
RMBS	46	—	—	(3)	43	—	—	—
Mortgage loans	159	—	—	(53)	106	—	—	—
Investments in related parties								
AFS securities								
Corporate	294	—	(65)	(1)	228	—	—	—
ABS	311	—	(186)	(7)	118	—	—	—
Trading securities	3	—	—	(27)	(24)	—	—	—
Investment funds	11	—	—	—	11	—	—	—
Investment contracts held at fair value	—	—	—	2,384	2,384	—	—	—
Assets of consolidated VIEs								
Trading securities	—	—	(68)	—	(68)	6	—	6
Mortgage loans	27	—	(7)	(21)	(1)	—	—	—
Investment funds	1	—	—	—	1	—	(432)	(432)
Other investments	15	—	—	—	15	—	—	—
Total Level 3 assets	\$ 2,150	\$ —	\$ (1,066)	\$ 2,190	\$ 3,274	\$ 167	\$ (553)	\$ (386)
Liabilities								
Interest sensitive contract liabilities – embedded derivative								
	\$ —	\$ (1,883)	\$ —	\$ 259	\$ (1,624)	\$ —	\$ —	\$ —
Total Level 3 liabilities	\$ —	\$ (1,883)	\$ —	\$ 259	\$ (1,624)	\$ —	\$ —	\$ —

¹ Settlements for Investment contracts held at fair value includes impacts from XOL XXOL restructure among related parties. See Note 14 – Related Parties for further details.

Significant Unobservable Inputs—Significant unobservable inputs occur when we cannot obtain or corroborate the quantitative detail of the inputs. This applies to fixed maturity securities, equity securities, mortgage loans and certain investment funds, as well as embedded derivatives in liabilities. Additional significant unobservable inputs are described below.

AFS, trading and equity securities – We use discounted cash flow models to calculate the fair value for certain fixed maturity and equity securities. The discount rate is a significant unobservable input because the credit spread includes adjustments made to the base rate. The base rate represents a market comparable rate for securities with similar characteristics. This excludes assets for which fair value is provided by independent broker quotes but includes assets for which fair value is provided by affiliated quotes.

Mortgage loans – We use discounted cash flow models from independent commercial pricing services to calculate the fair value of our mortgage loan portfolio. The discount rate is a significant unobservable input. This approach uses market transaction information and client portfolio-oriented information, such as prepayments or defaults, to support the valuations. For mortgage loans that we have entered into an agreement to sell at a specified price, the fair value is based on the estimated proceeds of the sale.

Investment funds – We use various methods of valuing our investment funds from both independent pricing services and affiliated modeling.

Interest sensitive contract liabilities – embedded derivative – Significant unobservable inputs we use in the indexed annuities embedded derivative of the interest sensitive contract liabilities valuation include:

1. Nonperformance risk – For contracts we issue, we use the credit spread, relative to the US Department of the Treasury (US Treasury) curve based on our public credit rating as of the valuation date. This represents our credit risk used in the fair value estimate of embedded derivatives.
2. Option budget – We assume future hedge costs in the derivative’s fair value estimate. The level of option budgets determines the future costs of the options and impacts future policyholder account value growth.
3. Policyholder behavior – We regularly review the full withdrawal (surrender rate) assumptions. These are based on our initial pricing assumptions updated for actual experience. Actual experience may be limited for recently issued products.

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Investment contracts held at fair value – For investment contracts, we have elected to apply the fair value option. We used an actuarial appraisal method to measure the fair value of the investment contracts. An actuarial appraisal method is based on the value of projected profits (net of required capital) using market-based assumptions. The significant unobservable inputs used in the actuarial appraisal method are the discount rate, required capital percentage and return on net invested assets.

The following summarizes the unobservable inputs for AFS, trading and equity securities, mortgage loans, investment funds and the embedded derivatives of fixed indexed annuities, including those of consolidated VIEs:

December 31, 2025							
<i>(In millions, except percentages and multiples)</i>	Fair value	Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
AFS and trading securities	\$ 3,080	Discounted cash flow	Discount rate	2.8 %	22.85 %	6.3 % ¹	Decrease
Mortgage loans	1,013	Discounted cash flow	Discount rate	4.6 %	9.4 %	6.4 % ¹	Decrease
Investment funds	12	Discounted cash flow	Discount rate	14.0 %	14.0 %	14.0 %	Decrease
Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives	5,761	Option budget method	Non-performance risk	0.4 %	1.0 %	0.7% ²	Decrease
			Option budget	0.5 %	5.9 %	3.2% ³	Increase
			Surrender rate	5.3 %	15.5 %	8.7% ³	Decrease
December 31, 2024							
<i>(In millions, except percentages and multiples)</i>	Fair value	Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
AFS and trading securities	\$ 1,523	Discounted cash flow	Discount rate	5.5 %	20.0 %	6.8 % ¹	Decrease
Mortgage loans	897	Discounted cash flows	Discount rate	3.6 %	19.1 %	6.9 % ¹	Decrease
Investment funds	(3)	Reported net asset value	Reported net asset value	N/A	N/A	N/A	N/A
Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives	4,354	Option budget method	Non-performance risk	0.4 %	1.1 %	0.7% ²	Decrease
			Option budget	0.6 %	6.0 %	3.1% ³	Increase
			Surrender rate	5.5 %	18.2 %	8.4% ³	Decrease
Investment contracts held at fair value - related party	4,345	Actuarial appraisal method	Return on net invested assets	4.8 %	5.1 %	4.9 % ¹	Increase
			Required capital	0.1 %	0.1 %	0.1 %	Decrease
			Discount rate	11.0 %	11.0 %	11.0 %	Decrease

¹ The discount rate weighted average is calculated based on the relative fair values of the securities or loans.

² The nonperformance risk weighted average is based on the projected cash flows attributable to the embedded derivative.

³ The option budget and surrender rate weighted averages are calculated based on projected account values.

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6. Reinsurance

The following summarizes the effect of reinsurance on premiums and future policy and other policy benefits on the consolidated statements of income:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Premiums		
Reinsurance assumed	\$ (136)	\$ 80
Total premiums	\$ (136)	\$ 80
Future policy and other policy benefits		
Reinsurance assumed	\$ 806	\$ 1,100
Total future policy and other policy benefits	\$ 806	\$ 1,100

Reinsurance typically provides for recapture rights on the part of the ceding company for certain events of default. Additionally, some agreements require us to place assets in trust accounts for the benefit of the ceding entity. The required minimum assets are equal to or greater than statutory reserves, as defined by the agreement, and were \$12,036 million and \$11,200 million as of December 31, 2025 and 2024, respectively. Although we own the assets placed in trust, their use is restricted based on the trust agreement terms. If the statutory book value of the assets, or in certain cases fair value, in a trust declines because of impairments or other reasons, we may be required to contribute additional assets to the trust. In addition, the assets within a trust may be subject to a pledge in favor of the applicable reinsurance company.

Certain of our modified coinsurance agreements that include retail annuities underwritten in the U.S. require us to pay reinsurance settlements for our proportionate share of assessments levied by state guaranty associations. State guaranty associations may require member insurers to cover contractual obligations of insurance companies which become impaired or insolvent. Bankers Life Insurance Company (BLIC) and Colorado Bankers Life Insurance Company (CBLIC) became subject to a liquidation order in the state of North Carolina effective November 30, 2024. State guaranty associations began levying assessments and we expect those assessments to continue for the foreseeable future. Our proportionate share of assessments levied to date for these liquidations was \$80 million for the year ended December 31, 2024 and has been recorded to policy and other operating expenses. As of December 31, 2025, the potential assessments from the guaranty associations were no longer considered material to us. Accordingly, we did not record any material amounts related to the BLIC or CBLIC insolvencies during the year ended December 31, 2025.

Reinsurance transactions

We have entered into various coinsurance and modco agreements to reinsure blocks of fixed deferred and fixed indexed and pension group annuities. We did not have any block reinsurance transactions during the years ended December 31, 2025 or 2024.

We reinsure new business related to annuities from AARE and Athene Life Re International Ltd. (ALReI) on a modco and funds withheld basis. For the years ended December 31, 2025 and 2024, no additional policies were added to the existing modco agreements.

We reinsure funding agreement backed notes (FABN) from AARE on a modco basis. As of December 31, 2025 and 2024, we reinsured additional FAs with principals of \$12,206 million and \$4,100 million, respectively.

As of January 1, 2022, the Company started to reinsure Athene retail business from AARE on a modco basis. Total retail inflows received during 2025 and 2024 were \$15,269 million and \$23,683 million, respectively.

Additionally, effective April 8, 2024 the Company started to reinsure third-party flow business from AARE on a modco and funds withheld basis. Total inflows received during 2025 and 2024 were \$2,013 million and \$440 million, respectively, relating to flow business.

In December 2025, a premium refund of \$211 million was recognized in connection with the conversion of a pension group annuity contract from a buy-in to a buy-out. Premium refund was offset by a corresponding change in reserves.

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7. Goodwill and Other Intangible Assets

Goodwill

The following provides the balance and changes of goodwill:

<i>(In millions)</i>	December 31,	
	2025	2024
Balance at January 1	\$ 2,794	\$ 2,795
Effect of foreign currency translation	7	(1)
Balance at December 31	<u>\$ 2,801</u>	<u>\$ 2,794</u>

We performed our annual goodwill impairment test as of October 1, 2025 and did not identify any impairment.

Other Intangible Assets

The Company had no other intangible assets and recognized no impairment or amortization on other intangible assets for the years ended December 31, 2025 and 2024. Other intangible assets excludes VOBA. See additional information and disclosures on VOBA in *Note 8 – Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired*.

8. Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

The following represents a rollforward of DAC and DSI by product, and a rollforward of VOBA. See *Note 9 – Long-duration Contracts* for more information on our products.

<i>(In millions)</i>	DAC				DSI		Total DAC, DSI and VOBA
	Traditional deferred annuities	Indexed annuities	Funding agreements	Other investment- type and other	Indexed annuities	VOBA	
Balance at December 31, 2023	\$ 481	\$ 728	\$ 4	\$ 11	\$ 536	\$ 23	\$ 1,783
Additions	343	685	—	—	483	—	1,511
Amortization	(133)	(94)	(1)	—	(74)	(5)	(307)
Other	(2)	—	—	—	—	—	(2)
Balance at December 31, 2024	689	1,319	3	11	945	18	2,985
Additions	255	505	11	—	391	—	1,162
Amortization	(188)	(142)	(5)	(2)	(113)	(3)	(453)
Balance at December 31, 2025	<u>\$ 756</u>	<u>\$ 1,682</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 1,223</u>	<u>\$ 15</u>	<u>\$ 3,694</u>

Deferred costs related to investment contracts with significant revenue streams from sources other than investment of the policyholder funds, including traditional deferred annuities and indexed annuities, are amortized on a constant-level basis for a cohort of contracts using initial premium or deposit. Significant inputs and assumptions are required for determining the expected duration of the cohort and involves using accepted actuarial methods to determine decrement rates related to policyholder behavior for lapses, withdrawals (surrenders) and mortality. The assumptions used to determine the amortization of DAC and DSI are consistent with those used to estimate the related liability balance.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of policyholder funds are amortized using the effective interest method, which primarily includes funding agreements. The effective interest method requires inputs to project future cash flows, which for funding agreements includes contractual terms of notional value, periodic interest payments based on either fixed or floating interest rates, and duration. For other investment-type contracts which include immediate annuities and assumed endowments without significant mortality risks, assumptions are required related to policyholder behavior for lapses and withdrawals (surrenders).

The expected amortization of VOBA for the next five years is as follows:

<i>(In millions)</i>	Expected Amortization
2026	\$ 3
2027	2
2028	2
2029	2
2030	1

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9. Long-duration Contracts

Interest sensitive contract liabilities – Interest sensitive contract liabilities primarily include:

- traditional deferred annuities;
- indexed annuities consisting of fixed indexed and assumed indexed universal life without significant mortality risk;
- funding agreements; and
- other investment-type contracts comprising of immediate annuities without significant mortality risk (which includes pension group annuities without life contingencies) and assumed endowments without significant mortality risks.

The following represents a rollforward of the policyholder account balance by product within interest sensitive contract liabilities. Where explicit policyholder account balances do not exist, the disaggregated rollforward represents the recorded reserve.

<i>(In millions, except percentages)</i>	Year ended December 31, 2025				
	Traditional deferred annuities	Indexed annuities	Funding agreements	Other investment-type	Total
Balance at December 31, 2024	\$ 49,403	\$ 32,221	\$ 9,552	\$ 7,324	\$ 98,500
Deposits	10,549	7,889	12,206	87	30,731
Policy charges	—	(217)	—	—	(217)
Surrenders and withdrawals	(3,174)	(3,089)	—	(238)	(6,501)
Benefit payments	(785)	(479)	(580)	(65)	(1,909)
Interest credited	2,417	1,258	663	184	4,522
Foreign exchange	(17)	3	206	24	216
Other	—	—	140	(106)	34
Balance at December 31, 2025	<u>\$ 58,393</u>	<u>\$ 37,586</u>	<u>\$ 22,187</u>	<u>\$ 7,210</u>	<u>\$ 125,376</u>
Weighted average crediting rate	4.6 %	3.0 %	4.1 %	2.5 %	
Net amount at risk	\$ 2	\$ 2,307	\$ —	\$ 22	
Cash surrender value	55,168	34,148	—	6,716	

<i>(In millions, except percentages)</i>	Year ended December 31, 2024				
	Traditional deferred annuities	Indexed annuities	Funding agreements	Other investment-type	Total
Balance at December 31, 2023	\$ 35,972	\$ 25,091	\$ 6,717	\$ 6,938	\$ 74,718
Deposits	15,917	10,262	4,100	951	31,230
Policy charges	—	(136)	—	—	(136)
Surrenders and withdrawals	(3,353)	(3,618)	—	(84)	(7,055)
Benefit payments	(629)	(456)	(1,402)	(59)	(2,546)
Interest credited	1,814	1,085	235	174	3,308
Foreign exchange	(318)	(7)	(118)	(498)	(941)
Other	—	—	20	(98)	(78)
Balance at December 31, 2024	<u>\$ 49,403</u>	<u>\$ 32,221</u>	<u>\$ 9,552</u>	<u>\$ 7,324</u>	<u>\$ 98,500</u>
Weighted average crediting rate	4.5 %	3.4 %	3.5 %	2.5 %	
Net amount at risk	\$ 2	\$ 1,789	\$ —	\$ 51	
Cash surrender value	46,379	29,103	—	6,784	

The following is a reconciliation of interest sensitive contract liabilities to the consolidated balance sheets:

<i>(in millions)</i>	December 31,	
	2025	2024
Traditional deferred annuities	\$ 58,393	\$ 49,403
Indexed annuities	37,586	32,221
Funding agreements	22,187	9,552
Other investment-type	7,210	7,324
Reconciling items ¹	1,282	1,222
Interest sensitive contract liabilities	<u>\$ 126,658</u>	<u>\$ 99,722</u>

¹ Reconciling items primarily include embedded derivatives in indexed annuities, unaccreted host contract adjustments on indexed annuities and negative VOBA.

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The following represents policyholder account balances by range of guaranteed minimum crediting rates (GMCR), as well as the related range of the difference between rates being credited to policyholders and the respective guaranteed minimums. Our funding agreements and other investment-type products provide us with little to no discretionary ability to change the rates of interest payable to the respective policyholder or institution and, as a result, those policyholder account balances are excluded from the following tables.

December 31, 2025					
(In millions)	At guaranteed minimum	1 basis point – 100 basis points above guaranteed minimum	Greater than 100 basis points above guaranteed minimum	Total	
Traditional deferred annuities					
< 2.0%	\$ 4,755	\$ 757	\$ 45,431	\$ 50,943	
2.0% – < 4.0%	3,809	322	6	4,137	
4.0% – < 6.0%	3,310	—	—	3,310	
6.0% and greater	3	—	—	3	
Total traditional deferred annuities	\$ 11,877	\$ 1,079	\$ 45,437	\$ 58,393	
Indexed annuities					
< 2.0%	\$ 490	\$ 684	\$ 1,942	\$ 3,116	
2.0% – < 4.0%	2,714	16	—	2,730	
Total indexed annuities with GMCR	3,204	700	1,942	5,846	
Other ¹				31,740	
Total indexed annuities				\$ 37,586	

¹ Includes account value allocated to an indexed strategy or other amounts without a GMCR.

December 31, 2024					
(In millions)	At guaranteed minimum	1 basis point – 100 basis points above guaranteed minimum	Greater than 100 basis points above guaranteed minimum	Total	
Traditional deferred annuities					
< 2.0%	\$ 4,162	\$ 1,323	\$ 37,206	\$ 42,691	
2.0% – < 4.0%	4,266	367	3	4,636	
4.0% – < 6.0%	2,073	—	—	2,073	
6.0% and greater	3	—	—	3	
Total traditional deferred annuities	\$ 10,504	\$ 1,690	\$ 37,209	\$ 49,403	
Indexed annuities					
< 2.0%	\$ 600	\$ 826	\$ 1,666	\$ 3,092	
2.0% – < 4.0%	3,208	16	—	3,224	
Total indexed annuities with GMCR	3,808	842	1,666	6,316	
Other ¹				25,905	
Total indexed annuities				\$ 32,221	

¹ Includes account value allocated to an indexed strategy or other amounts without a GMCR.

Note: The amounts presented in this table have been revised to conform with the current year presentation to provide certain product-level detail and account value allocated to an indexed strategy or other amounts without a GMCR.

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Future policy benefits – Future policy benefits consist primarily of payout annuities, including single premium immediate annuities with life contingencies (which include pension group annuities with life contingencies).

The following is a rollforward by product within future policy benefits:

<i>(in millions)</i>	Payout annuities with life contingencies	
	December 31,	
	2025	2024
Present value of expected future policy benefits		
Beginning balance	\$ 24,112	\$ 26,174
Effect of changes in discount rate assumptions	3,559	2,861
Effect of foreign exchange on the change in discount rate assumptions	(5)	1
Beginning balance at original discount rate	27,666	29,036
Effect of changes in cash flow assumptions	405	(47)
Effect of actual to expected experience	(441)	140
Adjusted balance	27,630	29,129
Issuances	(80)	97
Interest accrual	1,006	1,066
Benefit payments	(2,549)	(2,610)
Foreign exchange	60	(16)
Ending balance at original discount rate	26,067	27,666
Effect of changes in discount rate assumptions	(2,789)	(3,559)
Effect of foreign exchange on the change in discount rate assumptions	(21)	5
Ending balance, present value of expected future policy benefits	\$ 23,257	\$ 24,112
Weighted-average liability duration <i>(in years)</i>	8.5	8.8
Weighted-average interest accretion rate	3.9 %	3.9 %
Weighted-average current discount rate	5.2 %	5.6 %
Expected future benefit payments, undiscounted	\$ 37,222	\$ 39,861

The following is a reconciliation of future policy benefits to the consolidated balance sheets:

<i>(in millions)</i>	December 31,	
	2025	2024
	Payout annuities with life contingencies	\$ 23,257
Reconciling items ¹	935	1,032
Future policy benefits	\$ 24,192	\$ 25,144

¹ Reconciling items primarily include the deferred profit liability and negative VOBA associated with our liabilities for future policy benefits.

The following is a reconciliation of premiums and interest expense relating to future policy benefits to the consolidated statements of income:

<i>(in millions)</i>	Premiums		Interest expense	
	Years ended December 31,		Years ended December 31,	
	2025	2024	2025	2024
Payout annuities with life contingencies	\$ (136)	\$ 80	\$ 1,006	\$ 1,066
Total	\$ (136)	\$ 80	\$ 1,006	\$ 1,066

Significant assumptions and inputs to the calculation of future policy benefits for payout annuities with life contingencies include policyholder demographic data, assumptions for policyholder longevity and policyholder utilization for contracts with deferred lives, and discount rates.

We base certain key assumptions related to policyholder behavior on industry standard data adjusted to align with actual company experience, if necessary. At least annually, we review all significant cash flow assumptions and update as necessary, unless emerging experience indicates a more frequent review is necessary. The discount rate reflects market observable inputs from upper-medium grade fixed income instrument yields and is interpolated, where necessary, to conform to the duration of our liabilities.

During the year ended December 31, 2025, the present value of expected future policy benefits decreased by \$855 million, which was driven by \$2,549 million of benefit payments, partially offset by \$1,006 million of interest accrual and a \$770 million change in discount rate assumptions related to a decrease in market observable rates.

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During the year ended December 31, 2024, the present value of expected future policy benefits decreased by \$2,062 million, which was driven by \$2,610 million of benefit payments and a \$698 million change in discount rate assumptions related to an increase in rates, partially offset by \$1,066 million of interest accrual.

The following is a summary of remeasurement gains (losses) included within future policy and other policy benefits on the consolidated statements of income:

	Years ended December 31,	
	2025	2024
Reserves	\$ 36	\$ (92)
Deferred profit liability	(20)	9
Negative VOBA	4	67
Total remeasurement gains (losses)	<u>\$ 20</u>	<u>\$ (16)</u>

During the years ended December 31, 2025 and 2024, we record reserve increases of \$24 million and \$0 million, respectively, on the consolidated statements of income as a result of the present value of benefits and expenses exceeding the present value of gross premiums.

Market risk benefits – We reinsure traditional deferred and indexed annuity products that contain GLWB and GMDB riders that meet the criteria to be classified as market risk benefits.

The following is a rollforward of net market risk benefit liabilities by product:

<i>(in millions)</i>	Indexed annuities	
	December 31,	
	2025	2024
Beginning balance	\$ 473	\$ 235
Effect of changes in instrument-specific credit risk	(45)	(19)
Balance, beginning of period, before changes in instrument-specific credit risk	<u>428</u>	<u>216</u>
Issuances	193	197
Interest accrual	28	20
Attributed fees collected	102	73
Benefit payments	(4)	(2)
Effect of changes in interest rates	(40)	(117)
Effect of changes in equity	(46)	(23)
Effect of actual policyholder behavior compared to expected behavior	29	19
Effect of changes in future expected policyholder behavior	21	62
Effect of changes in other future expected assumptions	2	(17)
Balance, end of period, before changes in instrument-specific credit risk	<u>713</u>	<u>428</u>
Effect of changes in instrument-specific credit risk	78	45
Ending balance	<u>\$ 791</u>	<u>\$ 473</u>
Net amount at risk	\$ 2,307	\$ 1,789
Weighted-average attained age of contract holders <i>(in years)</i>	72	72

The following is a reconciliation of market risk benefits to the consolidated balance sheets. Market risk benefit assets are included in other assets on the consolidated balance sheets.

<i>(in millions)</i>	December 31, 2025			December 31, 2024		
	Asset	Liability	Net liability	Asset	Liability	Net liability
Indexed annuities	\$ 18	\$ 809	\$ 791	\$ 25	\$ 498	\$ 473
Total	<u>\$ 18</u>	<u>\$ 809</u>	<u>\$ 791</u>	<u>\$ 25</u>	<u>\$ 498</u>	<u>\$ 473</u>

During the year ended December 31, 2025, net market risk benefit liabilities increased by \$318 million, which was primarily driven by issuances of \$193 million and \$102 million in fees collected from policyholders, partially offset by a decrease of \$46 million related to equity market performance and a decrease of \$40 million related to changes in the risk-free discount rate across the curve.

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During the year ended December 31, 2024, net market risk benefit liabilities increased by \$238 million, which was primarily driven by \$73 million in fees collected from policyholders, issuances of \$197 million and \$62 million from changes to future expected policyholder behavior due to an unlocking of income rider utilization assumption, partially offset by a decrease of \$117 million related to changes in the risk-free discount rate across the curve.

The determination of the fair value of market risk benefits requires the use of inputs related to fees and assessments and assumptions in determining the projected benefits in excess of the projected account balance. Judgment is required for both economic and actuarial assumptions, which can be either observable or unobservable, that impact future policyholder account growth.

Economic assumptions include interest rates and implied volatilities throughout the duration of the liability. For indexed annuities, assumptions also include projected equity returns which impact cash flows attributable to indexed strategies, implied equity volatilities, expected index credits on the next policy anniversary date and future equity option costs. Assumptions related to the level of option budgets used for determining the future equity option costs and the impact on future policyholder account value growth are considered unobservable inputs.

Policyholder behavior assumptions are unobservable inputs and are established using accepted actuarial valuation methods to estimate withdrawals (surrender rate) and income rider utilization. Assumptions are generally based on industry data and pricing assumptions which are updated for actual experience, if necessary. Actual experience may be limited for recently issued products.

All inputs are used to project excess benefits and fees over a range of risk-neutral, stochastic interest rate scenarios. For indexed annuities, stochastic equity return scenarios are also included within the range. A risk margin is incorporated within the discount rate to reflect uncertainty in the projected cash flows such as variations in policyholder behavior, as well as a credit spread to reflect nonperformance risk, which is considered an unobservable input. We use our public credit rating relative to the US Treasury curve as of the valuation date to reflect our nonperformance risk in the fair value estimate of market risk benefits.

The following summarizes the unobservable inputs for market risk benefits:

December 31, 2025							
<i>(In millions, except for percentages)</i>	Fair value	Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
Market risk benefits, net	\$ 791	Discounted cash flow	Non-performance risk	0.4 %	1.0 %	0.9 % ¹	Decrease
			Option budget	0.5 %	5.9 %	3.2 % ²	Decrease
			Surrender rate	2.6 %	8.5 %	4.4 % ²	Decrease
			Utilization rate	28.6 %	95.0 %	89.1 % ³	Increase
December 31, 2024							
<i>(In millions, except for percentages)</i>	Fair value	Valuation technique	Unobservable inputs	Minimum	Maximum	Weighted average	Impact of an increase in the input on fair value
Market risk benefits, net	\$ 473	Option budget method	Non-performance risk	0.4 %	1.1 %	1.0 % ¹	Decrease
			Option budget	0.6 %	6.0 %	3.0 % ²	Decrease
			Surrender rate	1.7 %	8.7 %	3.8 % ²	Decrease
			Utilization rate	28.6 %	95.0 %	88.4 % ³	Increase

¹ The nonperformance risk weighted average is based on the cash flows underlying the market risk benefit reserve.

² The option budget and surrender rate weighted averages are calculated based on projected account values.

³ The utilization of GLWB withdrawals represents the estimated percentage of policyholders that are expected to use their income rider over the duration of the contract, with the weighted average based on current account values.

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10. Debt

Credit Facility—On June 30, 2023, AHL, ALRe, Athene USA Corporation (AUSA) and AARE entered into a five-year revolving credit agreement with a syndicate of banks and Citibank, N.A. as administrative agent (Credit Facility). The Credit Facility is unsecured and has a commitment termination date of June 30, 2028, subject to up to two one-year extensions, in accordance with the terms of the Credit Facility. In connection with the Credit Facility, AHL and AUSA guaranteed all of the obligations of AHL, ALRe, AARE and AUSA under the Credit Facility and the related loan documents, and ALRe and AARE guaranteed certain of the obligations of AHL, ALRe, AARE and AUSA under the Credit Facility and the related loan documents. The borrowing capacity under the Credit Facility is \$1.25 billion, subject to being increased up to \$1.75 billion in total on the terms described in the Credit Facility. The Credit Facility contains various standard covenants with which we must comply, including the following:

1. Consolidated debt-to-capitalization ratio of not greater than 35%;
2. Minimum consolidated net worth of no less than \$14.8 billion; and
3. Restrictions on our ability to incur liens, with certain exceptions.

Interest accrues on outstanding borrowings at either the adjusted term secured overnight financing rate plus a margin or the base rate plus a margin, with the applicable margin varying based on AHL's debt rating. Rates and terms are as defined in the Credit Facility. As of December 31, 2025 and 2024, we had no amounts outstanding under the Credit Facility and were in compliance with all financial covenants under the facility.

Liquidity Facility—On June 27, 2025, AHL, AARE, ALRe and AAIA entered into a revolving credit agreement with a syndicate of banks and Wells Fargo Bank, National Association, as administrative agent (Liquidity Facility), which replaced our previous revolving credit agreement dated as of June 28, 2024. The previous credit agreement, and the commitments under it, expired on June 27, 2025. The Liquidity Facility is unsecured and has a commitment termination date of June 26, 2026, subject to any extensions of additional 364-day periods with consent of extending lenders and/or "term-out" of outstanding loans (by which, at our election, the outstanding loans may be converted to term loans which shall have a maturity of up to one year after the original maturity date), in each case in accordance with the terms of the Liquidity Facility. In connection with the Liquidity Facility, AARE guaranteed all of the obligations of each other borrower under the Liquidity Facility and the related loan documents. The Liquidity Facility will be used for liquidity and working capital needs to meet short-term cash flow and investment timing differences. The borrowing capacity under the Liquidity Facility is \$2.6 billion, subject to being increased up to \$3.1 billion in total on the terms described in the Liquidity Facility. The Liquidity Facility contains various standard covenants with which we must comply, including the following:

1. AARE minimum consolidated net worth of no less than \$23.2 billion; and
2. Restrictions on our ability to incur liens, with certain exceptions.

Interest accrues on outstanding borrowings at either the adjusted term secured overnight financing rate plus a margin or the base rate plus a margin, with applicable margin varying based on AARE's financial strength rating. Rates and terms are as defined in the Liquidity Facility.

As of December 31, 2025 and 2024, we had no amounts outstanding under the current or previous liquidity facilities and were in compliance with all financial covenants under the facilities.

11. Equity

Common Stock—We have an authorized share capital of \$3,000,000 comprised of 300,000,000 shares of par value \$0.01 each. We have one class of common shares, which represents 100% of the total voting power and is beneficially owned by AARE as of January 4, 2022, of which 247,024,000 have been issued to AARE.

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Accumulated Other Comprehensive Income (Loss)—The following provides the details and changes in AOCI:

<i>(In millions)</i>	Unrealized investment gains (losses) on AFS securities	Unrealized gains (losses) on hedging instruments	Remeasurement gains (losses) on future policy benefits related to discount rate	Remeasurement gains (losses) on market risk benefits related to credit risk	Foreign currency translation and other adjustments	Income tax expense (benefit) related to other comprehensive income (loss)	Accumulated other comprehensive income (loss)
Balance at December 31, 2023	\$ (637)	\$ (500)	\$ 1,049	\$ (8)	\$ 2	\$ 287	\$ 193
Other comprehensive income (loss) before reclassifications	(411)	(45)	698	(26)	(28)	—	188
Less: Income tax expense (benefit)	—	—	—	—	—	(55)	(55)
Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of tax	(99)	(14)	442	(15)	(3)	(24)	287
Balance at December 31, 2024	<u>\$ (949)</u>	<u>\$ (531)</u>	<u>\$ 1,305</u>	<u>\$ (19)</u>	<u>\$ (23)</u>	<u>\$ 366</u>	<u>\$ 149</u>
Other comprehensive income (loss) before reclassifications	544	6	(770)	(32)	32	—	(220)
Less: Income tax expense (benefit)	—	—	—	—	—	(160)	(160)
Less: Other comprehensive income (loss) attributable to noncontrolling interests, net of tax	212	(5)	(488)	(19)	7	7	(286)
Balance at December 31, 2025	<u>\$ (617)</u>	<u>\$ (520)</u>	<u>\$ 1,023</u>	<u>\$ (32)</u>	<u>\$ 2</u>	<u>\$ 519</u>	<u>\$ 375</u>

12. Income Taxes

Income tax expense (benefit) consists of the following:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Current	\$ 498	\$ 520
Deferred	58	(60)
Income tax expense (benefit)	<u>\$ 556</u>	<u>\$ 460</u>

Income tax expense (benefit) was calculated based on the following income (loss) before income taxes by jurisdiction:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Bermuda	\$ 2,799	\$ 2,589
US	861	734
United Kingdom	(35)	(36)
Income (loss) before income taxes	<u>\$ 3,625</u>	<u>\$ 3,287</u>

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A reconciliation of the difference between the expected tax provision at the weighted average tax rate and income tax expense (benefit) is as follows:

<i>(In millions, except for percentages)</i>	Years ended December 31,	
	2025	2024
Expected tax provision computed on pre-tax income (loss)	\$ 592	\$ 145
(Decrease) increase in income taxes resulting from:		
Deferred tax valuation allowance	26	23
Prior year true-up	—	(1)
Change in statutory tax rates	—	(7)
Bermuda tax	—	(117)
Dual jurisdictional income	87	—
Bermuda foreign tax credits	(15)	—
Anticipatory foreign tax credits	(141)	—
State taxes and other	—	(1)
VIE tax	7	9
Change in tax status	—	409
Income tax expense (benefit)	\$ 556	\$ 460
Effective tax rate	15 %	14 %

Total income taxes were as follows:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Income tax expense (benefit)	\$ 556	\$ 460
Income tax expense (benefit) from OCI	(160)	76
Total income tax expense (benefit)	\$ 396	\$ 536

Current income tax recoverable and deferred tax assets are included in other assets on the consolidated balance sheets, and current income tax payable and deferred tax liabilities are included in other liabilities on the consolidated balance sheets. Current and deferred income tax assets and liabilities were as follows:

<i>(In millions)</i>	December 31,	
	2025	2024
Current income tax recoverable	\$ 54	\$ 42
Current income tax payable	1	198
Net current income tax recoverable (payable)	\$ 53	\$ (156)
Deferred tax assets	\$ 80	\$ 20
Deferred tax liabilities	48	271
Net deferred tax assets (liabilities)	\$ 32	(251)

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Deferred income tax assets and liabilities consisted of the following:

<i>(In millions)</i>	December 31,	
	2025	2024
Deferred tax assets		
Insurance liabilities	\$ 631	\$ 262
Investments, including derivatives and unrealized on AFS	—	14
Net operating loss and credit carryforwards	202	143
Bermuda tax	73	—
Total deferred tax assets	906	419
Valuation allowance	(74)	(48)
Deferred tax assets, net of valuation allowance	832	371
Deferred tax liabilities		
Investments, including derivatives and unrealized losses on AFS	34	—
Bermuda tax	—	14
DAC, DSI and VOBA	766	607
Other	—	1
Total deferred tax liabilities	800	622
Net deferred tax assets/(liabilities)	\$ 32	\$ (251)

The net operating losses and tax credit carryforwards consist of the following:

<i>(In millions)</i>	December 31, 2025	
	Amount	Expiration Year ¹
US federal net operating losses	\$ 590	2043
US corporate alternative minimum tax (CAMT) credit carryforward	4	No expiration
UK net operating losses	286	No expiration

¹ Represents the year that operating losses and credits begin to expire.

The valuation allowance consists of the following:

<i>(In millions)</i>	December 31,	
	2025	2024
US federal and state net operating losses and other deferred tax assets	\$ 2	\$ 3
UK net operating losses and other deferred tax assets	72	45
Total valuation allowance	\$ 74	\$ 48

The UK enacted legislation in July 2023 implementing certain provisions of the Organisation for Economic Cooperation and Development’s “Pillar Two” global minimum tax initiative (Pillar Two) that applies to multinational enterprises for accounting periods beginning on or after December 31, 2023. In 2025, the UK introduced additional provisions which took effect for accounting periods beginning on or after December 31, 2024. We are continuing to evaluate the potential impact on future periods of Pillar Two, pending legislative adoption by individual countries, as such legislative changes could result in changes to our effective tax rate. We evaluated the enacted legislation and concluded there was no material impact to the effective tax rate for the years ended December 31, 2025 and 2024.

On December 27, 2023, the Government of Bermuda enacted the Bermuda Corporate Income Tax Act 2023 in response to the OECD’s Pillar Two initiative. Commencing on January 1, 2025, the Bermuda CIT generally imposed a 15% corporate income tax on in-scope entities that are resident in Bermuda or have a Bermuda permanent establishment, without regard to any assurances that were given pursuant to the Exempted Undertakings Tax Protection Act 1966. In connection with the enactment of the Bermuda CIT, we made interim elections to align the membership of our Bermuda CIT tax group with the membership of our Pillar Two Bermuda tax group, and recorded a deferred tax liability of \$14 million as of December 31, 2024 for entry into the Bermuda CIT regime. As of December 31, 2025, we had \$73 million of net Bermuda deferred tax assets and concluded that it was more likely than not that sufficient future taxable income would be generated to realize these deferred tax assets.

On January 5, 2026, the OECD issued guidance exempting US-parented groups from the Income Inclusion Rule (IIR) or Undertaxed Profits Rule (UTPR) taxes under the Pillar Two regime. The UK government has publicly announced its intention to enact this guidance into law. While the precise timing of such enactment is subject to the UK government’s legislative process, once enacted, we expect that ALRe and its Bermuda subsidiaries would be exempt from the IIR and UTPR taxes in the UK. In light of these developments, and our expectation that maintaining alignment between the Bermuda CIT and Pillar Two tax groups would no longer be beneficial, in January 2026, we revoked the elections of certain Bermuda subsidiaries of ALRe to be subject to the Bermuda CIT.

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Notes to Consolidated Financial Statements

Although we believe such an outcome would be unlikely, if the UK government does not enact the announced legislation, or subsequently amends its legislation in a manner that does not conform to the OECD guidance, we expect to re-elect certain Bermuda subsidiaries of ALRe into the Bermuda CIT regime at that time and utilize the Bermuda deferred tax assets to offset any resulting Bermuda CIT or Pillar Two cash tax obligations.

As a result of the foregoing, in the first quarter of 2026, we will record a full valuation allowance against our Bermuda deferred tax assets, as we no longer expect certain Bermuda subsidiaries of ALRe to incur Bermuda CIT or Pillar Two tax expense against which such deferred tax assets could be utilized. This will result in a reduction to other assets and a corresponding increase to income tax expense equal to the net amount of the Bermuda deferred tax assets of \$73 million.

On July 4, 2025, the US government enacted H.R. 1, which includes several tax-related provisions. We have evaluated the enacted legislation and concluded that it does not have a material impact on our consolidated financial statements. We will continue to monitor future guidance and rulemaking and will record any resulting impacts in the period such guidance is issued or become effective, as applicable.

In addition, the U.S. Department of the Treasury and the Internal Revenue Service have issued, and may continue to issue, regulatory guidance under the current administration related to previously enacted tax legislation, including interpretive guidance and notices related to CAMT. We have evaluated such guidance as issued to date and, based on its interpretations and assumptions, has reflected the impact of applicable guidance in its income tax provision. The guidance issued to date is not expected to have a material impact on our effective tax rate or our consolidated financial statements.

ALRe and certain of its Bermuda subsidiaries file protective US income tax returns. Athene Co-Invest Reinsurance Affiliate 1B Ltd. (ACRA 1B) and Athene Co-Invest Reinsurance Affiliate 2B Ltd. (ACRA 2B) file standalone US federal income tax returns. ALRe and its subsidiaries are not subject to US federal income tax examinations for years prior to 2022. ALRe and its subsidiaries are not currently under audit by the IRS or any state taxing authority. The UK tax authorities are conducting a compliance check of ALRe for tax years 2021 through 2023. No material adverse proposed adjustments have been issued with respect to the audit or compliance check.

13. Statutory Requirements

The Company along with its reinsurance subsidiaries are subject to insurance laws and regulations in the jurisdiction in which they operate including Bermuda. Certain regulations include restrictions that limit the dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the insurance regulatory authorities. The differences between financial statements prepared for insurance regulatory authorities and GAAP financial statements vary by jurisdiction.

Bermuda statutory requirements—ALRe, Athene Co-Invest Reinsurance Affiliate 1A Ltd. (ACRA 1A) and Athene Co-Invest Reinsurance Affiliate 2A Ltd. (ACRA 2A) are each licensed by the Bermuda Monetary Authority (BMA) as long-term insurers and are subject to the Insurance Act 1978, as amended (Bermuda Insurance Act) and regulations promulgated thereunder. The BMA implemented the Economic Balance Sheet (EBS) framework into the Bermuda Solvency Capital Requirement (BSCR), which was granted equivalence to the European Union's Directive (2009/138/EC) (Solvency II). An insurer must have a BSCR ratio of 100% or greater to be considered solvent by the BMA.

Under the Bermuda Insurance Act, long-term insurers are required to maintain minimum statutory capital and surplus to meet the minimum margin of solvency (MMS) and minimum economic statutory capital and surplus (EBS capital and surplus) to meet the Enhanced Capital Requirement (ECR). For Class C insurers, ACRA 1A and ACRA 2A, MMS is equal to the greater of \$500,000, 1.5% of the total statutory assets or 25% of ECR. For Class E insurers, MMS is equal to the greater of \$8 million, 2% of the first \$500 million of statutory assets plus 1.5% of statutory assets above \$500 million or 25% of ECR. For each class, the ECR is calculated based on a risk-based capital model where risk factor charges are applied to the EBS. The ECR is floored at the MMS. For ALRe, ACRA 1A and ACRA 2A, the ECR is the binding regulatory constraint. As of December 31, 2025 and 2024, ALRe, ACRA 1A and ACRA 2A EBS capital and surplus resulted in a BSCR ratio in excess of Target Capital Level (TCL). While not specifically referred to in the Bermuda Insurance Act, TCL is also an important threshold for statutory capital and surplus. TCL is equal to 120% of ECR, as calculated pursuant to the BSCR formula, and serves as an early warning tool for the BMA.

Amounts reported for Bermuda entities within these statutory disclosures exclude the impact of any deferred taxes related to Bermuda CIT for periods prior to January 1, 2025.

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Under the Bermuda statutory framework, statutory financial statements are generally equivalent to US GAAP financial statements, with the exception of prudential filters and permitted practices granted by the BMA. ALRe and its subsidiaries have permission in the statutory financial statements to use amortized cost instead of fair value as the basis for certain investments. Additionally, ALRe and its subsidiaries use US statutory reserving principles for the calculation of insurance reserves instead of US GAAP, subject to the reserves being proved adequate based on cash flow testing. The following represents the effect of the permitted practices to the statutory financial statements:

<i>(In millions)</i>	December 31, 2025			
	ALRe	ACRA 1A	ACRA 2A	
Change in capital and surplus due to permitted practices	\$ 1,982	\$ 2,655	\$ 54	
Change in statutory net income due to permitted practices	(663)	(1,752)	62	

Under the Insurance Act, ALRe and its Bermuda reinsurance subsidiaries are prohibited from paying a dividend in an amount exceeding 25% of the prior year’s statutory capital and surplus, unless at least two members of the companies’ respective board of directors and its principal representative in Bermuda sign and submit to the BMA an affidavit attesting that a dividend in excess of this amount would not cause the company to fail to meet its relevant margins. In certain instances, ALRe and its Bermuda reinsurance subsidiaries would also be required to provide prior notice to the BMA in advance of the payment of dividends. In the event that such an affidavit is submitted to the BMA, and further subject to meeting the MMS and ECR requirements, ALRe and its Bermuda reinsurance subsidiaries are permitted to distribute up to the sum of 100% of statutory surplus and an amount less than 15% of statutory capital. Distributions in excess of this amount require the approval of the BMA. The following represents the maximum distribution ALRe, ACRA 1A, and ACRA 2A would be permitted to remit to its parent without the need for prior approval:

<i>(In millions)</i>	December 31,	
	2025	2024
ALRe	\$ 9,842	\$ 10,112
ACRA 1A	614	1,044
ACRA 2A	2,174	877

Statutory capital and surplus and net income (loss)—The following table presents, for each of our primary reinsurance subsidiaries, our statutory capital and surplus and the statutory net income (loss), based on the most recent statutory financial statements to be filed with insurance regulators:

<i>(In millions)</i>	Statutory capital & surplus		Statutory net income (loss)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
ALRe	\$ 13,702	\$ 17,623	\$ 612	\$ 3,140
ACRA 1A	3,822	4,521	(247)	841
ACRA 2A	6,585	4,569	1,090	877

The statutory capital and surplus and net income (loss) of ALRe, ACRA 1A and ACRA 2A as of and for the year ended December 31, 2025 include the impact of deferred tax assets related to Bermuda CIT. Due to the January 2026 Bermuda CIT revocation described in Note 12 – Income Taxes, ACRA 1A and ACRA 2A will reverse the Bermuda CIT deferred tax assets and liabilities previously recorded. This change would have resulted in ACRA 1A and ACRA 2A’s December 31, 2025 statutory capital and surplus increasing (decreasing) by \$164 million and \$(45) million, respectively.

14. Related Parties

Unsecured Revolving Notes Receivable—ALRe has unsecured revolving notes agreements with AHL, ALReI, AUSA and AARE.

The unsecured revolving note receivable from AHL has a borrowing capacity of \$4 billion and had an outstanding balance of \$2,220 million and \$1,562 million as of December 31, 2025 and 2024, respectively. Interest accrues at the fixed rate of 2.29% per year and has a maturity date of the earlier of December 15, 2028 and the demand repayment date.

The unsecured revolving note receivable from ALReI has a borrowing capacity of \$500 million and had an outstanding balance of \$20 million and \$0 million as of December 31, 2025 and 2024, respectively. Interest accrues at the SOFR rate on principal plus applicable margin of 10 bps and has a maturity date of the earlier of June 30, 2028 and the demand repayment date.

The unsecured revolving note receivable from AUSA has a borrowing capacity of \$4 billion and had an outstanding balance of \$417 million and \$1 billion as of December 31, 2025 and 2024, respectively. Interest accrues at the US medium-term applicable federal rate per year and has a maturity date of the earlier of May 15, 2028 and the demand repayment date.

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The unsecured revolving note receivable from AARe has a borrowing capacity of \$3 billion, which was increased from \$2.6 billion on June 1, 2025. As of December 31, 2025 and 2024, the revolving note receivable had an outstanding balance of \$1,694 million and \$2,223 million, respectively. Interest accrues at the US medium-term applicable federal rate per year and has a maturity date of the earlier of June 1, 2028 and the demand repayment date.

Unsecured Revolving Note Payable—In addition to the unsecured revolving notes receivable described above, ALRe has an unsecured revolving note agreement with AHL, ALReI, AARe and AARe II.

The unsecured revolving note payable to AHL permits ALRe to borrow up to \$4 billion and had no outstanding balances as of December 31, 2025 and 2024. Interest accrues at the fixed rate of 2.29% per year and has a maturity date of the earlier of December 15, 2028 and the demand repayment date.

The unsecured revolving note payable to ALReI permits ALRe to borrow up to \$500 million and had no outstanding balances as of December 31, 2025 and 2024. Interest accrues at the SOFR rate on principal plus applicable margin of 10 bps and has a maturity date of the earlier of June 30, 2028 and the demand repayment date.

The unsecured revolving note payable to AARe permits ALRe to borrow up to \$3 billion, which was increased from \$2.6 billion on June 1, 2025. As of December 31, 2025 and 2024, the revolving note payable had no outstanding balance. Interest accrues at the US medium-term applicable federal rate per year and has a maturity date of the earlier of June 1, 2028 and the demand repayment date.

The unsecured revolving note payable to AARe II permits ALRe to borrow up to \$1 billion and had no outstanding balances as of December 31, 2025 and 2024. Interest accrues at the US mid-term applicable federal rate per year and has a maturity date of the earlier of December 15, 2026 and the demand repayment date.

The unsecured notes payable to AARe II is comprised of \$90 million, \$80 million, \$67 million, \$65 million and \$39 million where interest accrues at the fixed rate of 5.19% per annum and \$250 million and \$175 million where interest accrues at the fixed rate of 4.8% per annum. Accrued interest is capitalized as part of the principal note balances. Notes are due to be repaid, together with interest on the unpaid principal balance, on the earlier of the date of demand for such repayment and 10 years from the date of issuance. As of December 31, 2025 and 2024, the notes payable had an outstanding principal balance of \$766 million, with capitalized interest accrued of \$118 million and \$75 million, respectively.

Apollo

Fee structure – Substantially all of our investments are managed by Apollo. Apollo provides us with a full suite of services for our investment portfolio, including direct investment management, asset allocation, mergers and acquisitions asset diligence, and certain operational support services including investment compliance, tax, legal and risk management support.

Apollo has extensive experience managing our investment portfolio and its knowledge of our liability profile enables it to tailor an asset management strategy to fit our specific needs. This strategy has proven responsive to changing market conditions and focuses on earning incremental yield by taking measured liquidity risk and complexity risk, rather than assuming incremental credit risk. Our partnership has enabled us to take advantage of investment opportunities that would likely not otherwise have been available to us.

Under our fee agreement with Apollo, we pay Apollo a base management fee of (1) 0.225% per year on a monthly basis equal to the lesser of (A) \$103.4 billion, which represents the aggregate fair market value of substantially all of the assets in substantially all of the accounts of or relating to us (collectively, the Accounts) as of December 31, 2018 (Backbook Value), and (B) the aggregate book value of substantially all of the assets in the Accounts at the end of the respective month, plus (2) 0.15% per year of the amount, if any, by which the aggregate book value of substantially all of the assets in the Accounts at the end of the respective month exceeds the Backbook Value, subject to certain adjustments. Additionally, we pay a sub-allocation fee based on specified asset class tiers ranging from 0.065% to 0.70% of the book value of such assets, with the higher percentages in this range for asset classes that are designed to have more alpha generating abilities.

During the years ended December 31, 2025 and 2024, we incurred management fees, inclusive of the base, sub-allocation and performance fees, of \$276 million, and \$219 million, respectively. Management fees were net of any waivers or rebates, and are included within net investment income on the consolidated statements of income. As of December 31, 2025 and 2024, management fees payable were \$34 million and \$25 million, respectively, and are included in other liabilities on the consolidated balance sheets. Such amounts include fees incurred attributable to Athene Co-Invest Reinsurance Affiliate Holding Ltd. (together with its subsidiaries, ACRA 1) and Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd. (together with its subsidiaries, ACRA 2) including any noncontrolling interests associated with ACRA 1 and ACRA 2 (collectively, ACRA).

In addition to the assets on our consolidated balance sheets managed by Apollo, Apollo manages the assets underlying our funds withheld receivable. For these assets, the third-party cedants pay Apollo fees based upon the same fee construct we have with Apollo. Such fees directly reduce the settlement payments that we receive from the third-party cedant and, as such, we indirectly pay those fees. Finally, Apollo charges management fees and carried interest on Apollo-managed funds and other entities in which we invest. Neither the fees paid by such third-party cedants nor the fees or carried interest paid by such Apollo-managed funds or other entities are included in the investment management fee amounts noted above.

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Governance – AHL has an investment and asset liability committee, which includes members of AHL senior management and reports to the risk committee of AHL’s board of directors. The committee focuses on strategic decisions involving our investment portfolio, such as approving investment limits, new asset classes and our allocation strategy, reviewing large asset transactions, as well as monitoring our credit risk, and the management of our assets and liabilities.

AGM owns all of AHL’s common stock and James R. Belardi, AHL’s Executive Chairman and Chief Investment Officer, serves as a member of the board of directors and an executive officer of AGM, and Chief Executive Officer (CEO) of ISG, which is also a subsidiary of AGM. Mr. Belardi also owns a profit interest in ISG and in connection with such interest receives quarterly distributions equal to 3.35% of base management fees and 4.5% of sub-advisory fees, as such fees are defined in our fee agreement with Apollo. Grant Kvalheim, AHL’s CEO, also serves as an executive officer of AGM and a Partner of Apollo, and Louis-Jacques Tanguy, AHL’s Chief Financial Officer, is a Partner and employee of Apollo. Additionally, six of the twelve members of AHL’s board of directors (including Messrs. Belardi and Kvalheim) are employees of or consultants to, or are otherwise affiliated with, Apollo. In order to protect against potential conflicts of interest resulting from transactions into which we have entered and will continue to enter into with the Apollo Group, AHL Audit Committee, Athene Co-Invest Reinsurance Affiliate Holding 2 Ltd. Conflicts Committee, and Athene Co-Invest Reinsurance Affiliate 1A Ltd. Conflicts Committee review and approve, as applicable, material transactions between AHL and its subsidiaries with the Apollo Group, subject to certain exceptions.

Other related party transactions

Apollo Aligned Alternatives Aggregator, L.P. (AAA) – ALRe consolidates certain feeder funds of AAA as a VIE through which we contribute assets to AAA. Apollo established AAA to provide a single vehicle through which investors may participate in a portfolio of alternative investments, including those managed by Apollo. Additionally, we believe AAA enhances Apollo’s ability to increase alternative assets under management (AUM) by raising capital from third parties, which allows Athene to achieve greater scale and diversification for alternatives.

Athora Holding Ltd. (Athora) – We had an amended and restated cooperation agreement with Athora, which was terminated effective August 5, 2025. Pursuant to this agreement, among other things, (1) for a period of 30 days from the receipt of notice of a cession, we had the right of first refusal to reinsure (i) up to 50% of the liabilities ceded from Athora’s reinsurance subsidiaries to Athora Life Re Ltd. and (ii) up to 20% of the liabilities ceded from a third party to any of Athora’s insurance subsidiaries, subject to a limitation in the aggregate of 20% of Athora’s liabilities, and (2) Athora agreed to cause its insurance subsidiaries to consider the purchase of certain funding agreements and/or other spread instruments issued by our insurance subsidiaries, subject to a limitation that the fair market value of such funding agreements purchased by any of Athora’s insurance subsidiaries may generally not exceed 3% of the fair market value of such subsidiary’s total assets. As of August 5, 2025, we had not exercised our right of first refusal to reinsure liabilities ceded to Athora’s insurance or reinsurance subsidiaries.

We have investments in Athora's corporate debt securities. The following table summarizes our investments in Athora:

<i>(In millions)</i>	December 31,	
	2025	2024
Non-redeemable preferred equity and corporate debt securities	50	43
Total investment in Athora	50	43

Catalina Holdings (Bermuda) Ltd. (together with its subsidiaries, Catalina) – We have an investment in Apollo Rose II (B) (Apollo Rose). Apollo Rose holds common and preferred equity interests in Catalina. During the third quarter of 2024, we sold certain interests in Apollo Rose representing Catalina common equity interests to AHL. As of December 31, 2025 and 2024, we held \$220 million and \$205 million, respectively, of redeemable preferred equity securities issued by Apollo Rose, which are held as related party AFS securities on the consolidated balance sheets.

MidCap FinCo Designated Activity Company (MidCap Financial) – We have various investments in MidCap Financial including investments through AAA and Apollo Aligned Alternatives Lux Aggregator, L.P. (AAA Lux), senior unsecured notes and redeemable preferred stock. We also hold structured securities issued by MidCap Financial affiliates. As of December 31, 2025 and 2024, we held securities issued by MidCap Financial and its affiliates of \$40 million and \$43 million, respectively, which are included in related party AFS or trading securities on the consolidated balance sheets.

Strategic Partnership – We have an agreement pursuant to which we may invest up to \$2.875 billion in funds managed by Apollo entities (Strategic Partnership). This arrangement is intended to permit us to invest across the Apollo alternatives platform in a manner and size that is consistent with our existing investment strategy. Fees for such investments payable by us to Apollo would be more favorable to us than market rates, and consistent with our existing alternative investments, investments made under the Strategic Partnership require approval of ISG and remain subject to our existing governance processes, including approval by AHL’s audit committee where applicable. As of December 31, 2025 and 2024, we had \$220 million and \$237 million, respectively, of investments under the Strategic Partnership and these investments are typically included as investments of consolidated VIEs or related party investment funds on the consolidated balance sheets.

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Venerable – VA Capital Company LLC (VA Capital) is owned by a consortium of investors, led by affiliates of Apollo, Crestview Partners III Management, LLC and Reverence Capital Partners L.P., and is the parent of Venerable Holdings, Inc. (together with its subsidiaries, Venerable). We have modco agreements with Venerable Insurance and Annuity Company (VIAC), which is a subsidiary of Venerable. VIAC is a related party due to our minority equity investment VA Capital, which is included in related party investment funds on the consolidated balance sheets. We also have AFS securities and term loans receivable, which are included in other investments on the consolidated balance sheets, issued by Venerable. Our investments in VA Capital and Venerable are summarized below.

	December 31,	
	2025	2024
<i>(In millions)</i>		
Investment fund	\$ 226	\$ 178
Total investments in VA Capital and Venerable	\$ 226	\$ 178

Additionally, we have an investment in AP Violet ATH Holdings, L.P. (AP Violet). AP Violet’s investment fund primarily represents an interest in VA Capital and was \$142 million and \$106 million as of December 31, 2025 and 2024, respectively.

Wheels Inc. (Wheels) – We invest in Wheels indirectly through our investments in AAA and AAA Lux. We also directly hold securities issued by Wheels of \$67 million and \$69 million as of December 31, 2025 and 2024, respectively, which are included in related party AFS securities on the consolidated balance sheets. As of December 31, 2025, we had no commitments to make additional investments in Wheels.

ACRA and Apollo/Athene Dedicated Investment Programs I and II (collectively, ADIP) – ACRA 1 is partially owned by Apollo/Athene Dedicated Investment Program (ADIP I), a series of funds managed by Apollo. ALRe holds 37% of the economic interests in ACRA 1 and all of ACRA 1’s voting interests, with ADIP I holding the remaining 63% of the economic interests. ACRA 2 is partially owned by Apollo/Athene Dedicated Investment Program II (ADIP II), a fund managed by Apollo. ADIP II owns 63% of the economic interests in ACRA 2, with ALRe directly owning the remaining 37% of the economic interests. ALRe holds all of ACRA 2’s voting interests.

We received capital contributions and paid distributions relating to ACRA of the following:

<i>(In millions)</i>	Year ended December 31, 2025	Year ended December 31, 2024
	Contributions from ADIP	\$ 466
Distributions to ADIP	(444)	(920)

Additionally, as of December 31, 2025 and 2024, we had \$365 million and \$289 million, respectively, of related party payables for contingent investment fees payable by ACRA to Apollo. ACRA is obligated to pay the contingent investment fees on behalf of ADIP and, as such, the balance is attributable to the noncontrolling interests.

During the fourth quarter of 2024, we purchased investments in ADIP I. As of December 31, 2025 and 2024, we held investments in ADIP of \$153 million and \$175 million, respectively, which are accounted for as equity method investments and included in related party investment funds on the consolidated balance sheets. As of December 31, 2025, we also have commitments to make additional investments in ADIP of \$237 million.

Apollo Commercial Real Estate Finance, Inc (ARI) – On January 27, 2026, Athene entered into a definitive agreement to acquire an approximately \$9 billion portfolio of commercial mortgage loans from ARI. The purchase price will be based on 99.7% of the total commitment amounts of the loans, subject to adjustments as provided in the definitive agreements. Completion of the transaction, which is expected to occur in the second quarter of 2026, is subject to approval by the holders of a majority of ARI’s outstanding shares of common stock and the satisfaction of customary closing conditions.

XOL XXOL Restructure – We had an excess of loss arrangement with AARE, under which AARE retroceded certain business to us ("XOL"). We, in turn, retroceded a portion of this business to Athene Annuity Re II Ltd. (AARE II), a Bermuda exempted company, through a separate excess of loss arrangement ("XXOL"). During the third quarter of 2024, AARE fully recaptured all liabilities ceded to ALRe under the XOL, net of the liabilities ceded by ALRe to AARE II under the XXOL, and AARE assumed all liabilities and obligations of ALRe under the XXOL. As a result, settlements beginning July 1, 2024 and any settlements beginning with the third quarter of 2024 will be made between AARE and AARE II.

Tax Sharing Agreement – Effective January 1, 2025, members of the Athene Bermuda Constituent Entity Group entered into a Bermuda corporate income tax sharing agreement. In lieu of intercompany cash settlements, any standalone current year tax expense or benefit was indemnified and is reflected as a capital contribution or distribution (deemed dividend), respectively. As of December 31, 2025, a capital contribution of \$482 million is reflected in the financial statements. In January 2026, certain Bermuda subsidiaries of ALRe revoked the election to be subject to the Bermuda CIT and will reverse any capital contribution or distribution (deemed dividend) recorded as of December 31, 2025

ATHENE LIFE RE LTD.**Notes to Consolidated Financial Statements****15. Commitments and Contingencies**

Contingent Commitments—We had commitments to make investments, inclusive of related party commitments discussed previously and those of consolidated VIEs, of \$2,441 million as of December 31, 2025. These commitments primarily include capital contributions to investment funds and mortgage loan commitments. We expect most of our current commitments will be invested over the next five years; however, these commitments could become due any time upon counterparty request.

Pledged Assets and Funds in Trust (Restricted Assets)—The restricted investments and cash balances included on the consolidated balance sheets are as follows:

<i>(In millions)</i>	December 31,	
	2025	2024
AFS securities	\$ 9,969	\$ 10,572
Trading securities	1,139	20
Equity securities	16	27
Mortgage loans	702	241
Derivative assets	87	117
Restricted cash	309	323
Total restricted assets	\$ 12,222	\$ 11,300

The restricted assets are primarily related to reinsurance trusts established in accordance with coinsurance agreements.

Letters of Credit—We have undrawn letters of credit totaling \$1,100 million as of December 31, 2025. These letters of credit were issued for our reinsurance program and have expirations through June 19, 2028.

Litigation, Claims and Assessments

ALRe has no litigation, claims or assessments outstanding as at the reporting date.

16. Subsequent Events

The Company has evaluated the impact of subsequent events through April 24, 2026, the date at which the financial statements were available to be issued.

There were no subsequent events identified.

ATHENE LIFE RE LTD.

Notes to Consolidated Financial Statements

Supplemental Information (Unaudited)

Schedule 1

In addition to our audited results presented in accordance with accounting principles generally accepted in the United States of America (US GAAP), we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant US GAAP measures, provides information that may enhance an investor’s understanding of our business. These non-GAAP measures are intended to remove the impact of market volatility on ALRe’s common shareholder equity.

Adjusted Common Shareholders’ Equity Non-GAAP Reconciliation

Adjusted ALRe common shareholders’ equity is calculated as the ending ALRe shareholders’ equity excluding AOCI, cumulative changes in fair value of funds withheld and modco reinsurance assets, mortgage loan assets and investment contracts held at fair value. The adjustment for cumulative changes in fair value of funds withheld and modco reinsurance assets includes offsets to tax and reserves. 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 Available for Sale (AFS) securities and reinsurance assets. Except with respect to reinvestment activity relating to acquired blocks of business, we typically buy and hold AFS securities and reinsurance assets 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. However, we believe the adjustments to shareholders’ equity are significant to gaining an understanding of our capitalization.

The reconciliation of total ALRe shareholders’ equity to total adjusted ALRe common shareholders’ equity is as follows:

<i>(In millions)</i>	Years ended December 31,	
	2025	2024
Total ALRe common shareholder’s equity	\$ 13,801	\$ 19,722
Less: Accumulated other comprehensive income/(loss)	375	149
Less: Accumulated change in fair value of reinsurance assets, net of tax	(2,897)	(4,863)
Less: Accumulated change in fair value of mortgage loan assets, net of tax	(24)	(31)
Less: Accumulated change in fair value of investment contracts held at fair value, net of tax ¹	—	2,892
Less: Accumulated tax impact on change in Financial Instruments held at fair value	59	41
Total adjusted ALRe common shareholders’ equity	\$ 16,288	\$ 21,534

¹ ALRe is no longer party to the excess-of-loss ("XXOL") arrangements. See Note 1 – Business, Basis of Presentation and Significant Accounting Policies for additional details.