Athene Earnings Presentation
2017 Q3 Review

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All information is as of the dates indicated herein.

Q3'17 Highlights – Execution Against Growth Strategy

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Significant & Diversified Organic Growth

- YTD new deposits of $8.0 billion, up 15% YoY
- Expanding and diversifying our distribution channels
  - $1.3 billion of funding agreements issued in Q3’17
  - Executed second and third PRT deals in October

$8.0bn YTD New Deposits

Asset & Investment Margin Expansion

- Q3’17 invested assets of $78.8 billion, up 10% YoY
- RS Fixed & Other net investment earned rate of 4.44%, up 8 bps YoY
- Cost of crediting of 1.88%, improved 8 bps YoY

2.86% YTD RS Investment Margin

Attractive Operating Results

- Q3’17 net income of $274 million, up 117% YoY
- Q3’17 operating income, net of tax of $231 million, up 97% YoY
  - excluding notable items(1) up 50% to $254 million
- Shareholders' equity ex. AOCI of $7.5 billion(3) up 23% YoY

19.0%(2) RS Q3'17 Op. ROE ex. AOCI

Strong Capital Position

- Estimated U.S. RBC ratio of 478%(3)
- Estimated ALRe RBC(4) ratio of 545%(3); BSCR(5) ratio of 228%(6)
- No financial leverage

+$1.5bn Excess Equity Capital

Consistent Performance on Both Sides of the Balance Sheet Generating Shareholder Value

Note: This presentation references certain Non-GAAP measures. See *Non-GAAP Measures* for additional discussion. (1) Notable items for Q3 2017 include unlocking of $(20) million, out of period actuarial adjustments of $13 million, a German operating loss of $(17) million and the tax effect of these items of $1 million. Notable items for Q3 2016 include unlocking of $(158) million, deferred tax valuation allowance release of $102 million, a German operating loss of $(7) million and the tax effect of these items of $11 million. (2) For the three months ended September 30, 2017, annualized, excluding notable items. (3) As of September 30, 2017. (4) ALRe risk-based capital (“RBC”) when applying National Association of Insurance Commissioners (“NAIC”) RBC factors. (5) Effective January 1, 2016, in connection with the implementation of its broader regulatory regime, the BMA integrated the EBS framework into the determination of BSCR. The European Commission has granted the BMA's regulatory regime for reinsurance, group solvency calculation and group supervision full equivalence to Solvency II. Under the EBS framework, ALRe's assets are recorded at market value and its insurance reserves are determined by reference to nine prescribed scenarios, with the scenario resulting in the highest reserve balance being ultimately required to be selected. This ratio is not comparable to prior year end BSCR ratios given the change in the solvency regime; however, consistent with the previous regime the minimum required capital ratio to be considered solvent by the BMA is 100%. (6) As of December 31, 2016.

Straightforward & Scalable Business Model – Q3'17 Results

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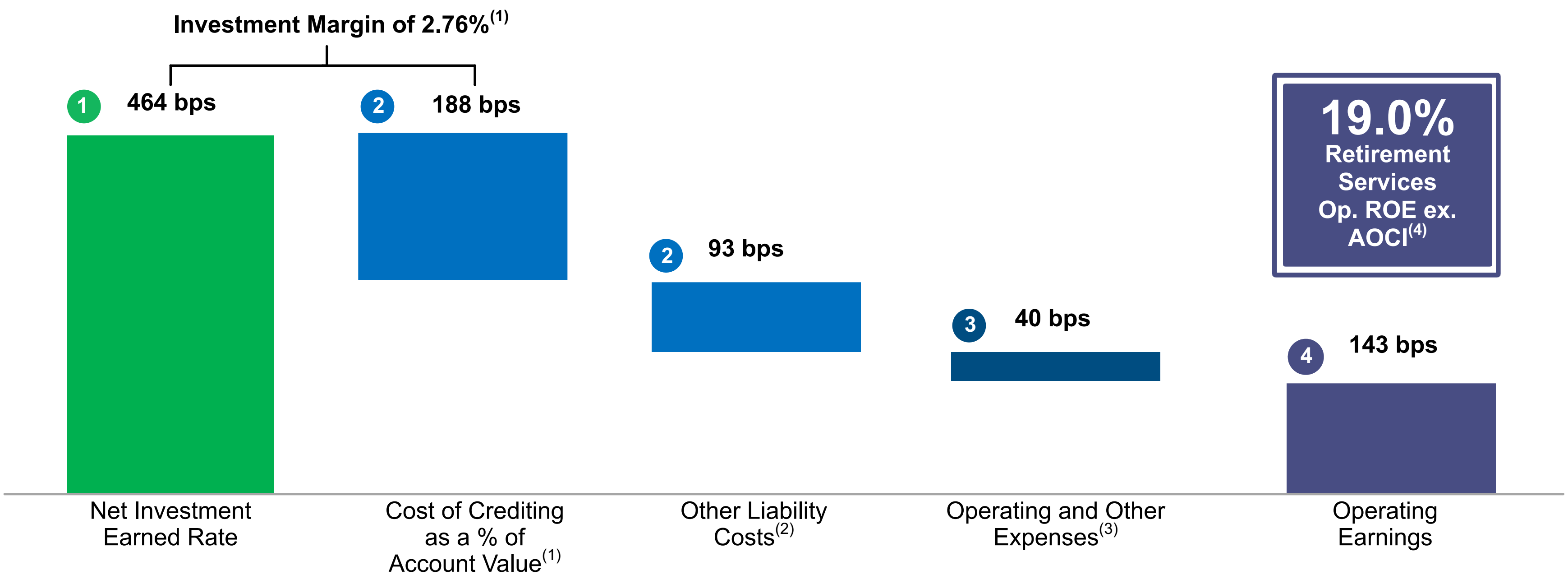
Retirement Services Business Model Targets Mid-teens or Higher Results

1 **Unique Investment Capabilities** + 2 **Attractively Priced Liabilities** + 3 **Efficient & Scalable Structure** = 4 **Attractive ROE with Strong Earnings Growth Potential**



Note: Numbers are annualized.

(1) Cost of crediting based on average account value of deferred annuities. Investment margin based on net investment earned rates less cost of crediting. (2) Excludes notable items for unlocking and out of period actuarial adjustments totaling $7 million, or 3bps of average invested assets. For illustrative purposes, includes adjustment due to convention of calculating cost of crediting based on average account value of deferred annuities. Excluding these adjustments, other liability costs would be 131bps of average invested assets. (3) Excludes the tax effects of notable items of $(1) million. (4) Excludes notable items.

Multiple Distribution Channels a Competitive Advantage

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Flexibility to respond to changing market conditions across channels to opportunistically grow liabilities that generate Athene's desired levels of profitability

Organic - Mid-Teens Target Returns
Generated $2.8 billion of new deposits in Q3 2017

Retail

- Focused on FAs and FIAs
  - High growth sector of life industry
- Launching new products and expanding into new markets
- Expanding into FI / Bank / Broker-Dealer channels
- Q3 deposits of $1.3bn

Flow Reinsurance

- A leading reinsurer in the annuity industry – reinsure FA's, FIAs & payout annuities
- Efficient Bermuda reinsurance company
- Q3 deposits of $190mm
- Onboarded new flow reinsurance partner, Lincoln Financial

Institutional

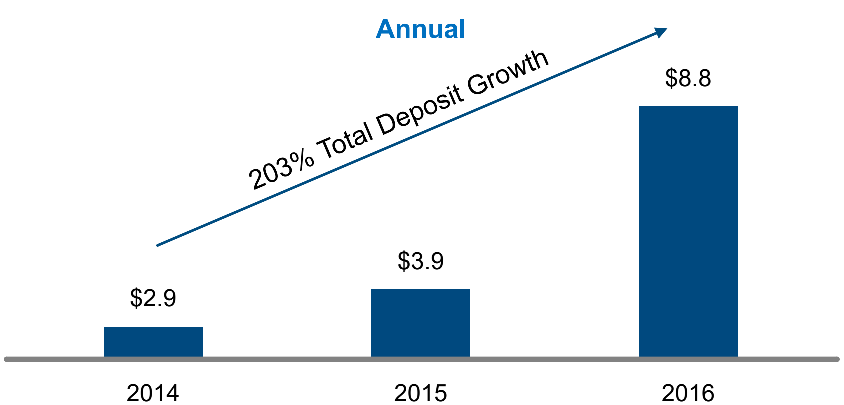
- Funding Agreements
  - Scalable product with date certain maturity
  - Q3 issuance of $1.3bn
- Pension Risk Transfer
  - Executed second and third buyout agreements, in October 2017, assuming ~$1.0 billion of pension liabilities

Inorganic Target Returns Mid-Teens or Higher

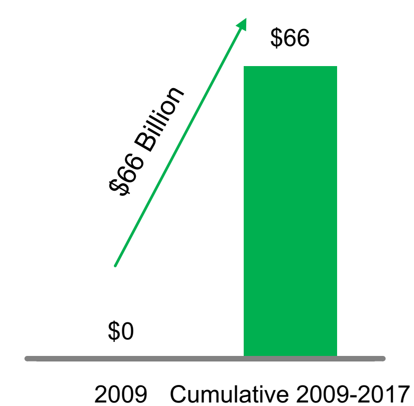
Block Reinsurance & M&A

- Proven track record
  - 5 acquisitions closed
  - Ability to consummate complex transactions
- Disciplined approach
  - Majority of liabilities acquired below book, require higher returns due to inherent risk
- Look to take advantage of insurance industry restructuring and market dislocations

Total Organic Deposits (bn)

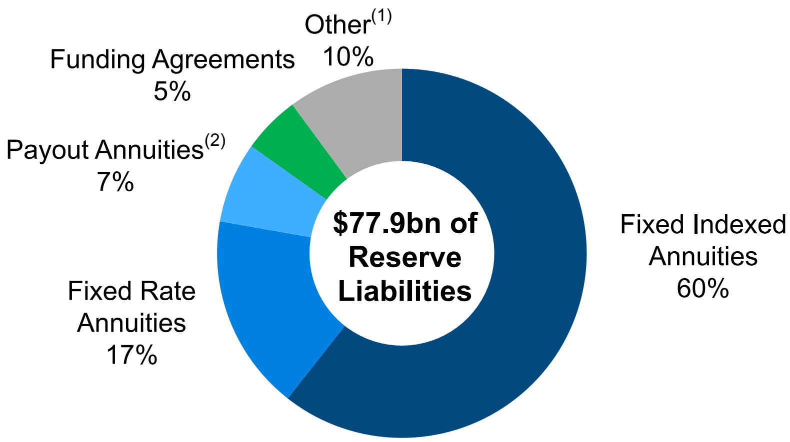


Inorganic Growth (bn)



Liabilities Long-Dated, Persistent & Attractively Priced

Overview of Reserve Liabilities



Deferred Annuity Metrics

Weighted-average life	8.2
% Surrender charge protected(3)(4)	86%
% Average surrender charge(3)(5)	7.4%
% Subject to MVA(3)(6)	72%
Cost of crediting(7)	1.88%
Distance to guaranteed minimum crediting rates(8)	80 - 90 bps

Disciplined Underwriting Approach

- **Consolidated reserve liabilities grew ~$6.9 billion or 10%** over the prior year
- **Cost of crediting improved 8 bps** over the prior year due to rate actions and lower option costs
- **Primarily consist of FAs and FIAs**
- **Limited exposure to legacy liabilities**
  - All pricing reflects low interest rate environment
- **Conservative use of riders**
  - ~17% of the deferred annuity business issued in the prior 12-month period contained non-participating guaranteed living withdrawal benefits (rider reserve)

The vast majority of Athene's deferred annuities are surrender charge protected

(1) "Other" primarily consists of German reserves, the AmerUs Closed Block liabilities and other life reserves. (2) Includes Single Premium Immediate Annuities, Supplemental Contracts and Structured Settlements. (3) Based on fixed index annuities and fixed rate annuities only. (4) Refers to the % of account value that is in the surrender charge period. (5) Excluding the impact of MVAs. (6) Refers to the % of account value that is subject to a MVA. (7) For Retirement Services segment. For the quarter ended September 30, 2017, annualized. (8) Average of all deferred annuities including contracts already at minimums.

Unique Investment Capabilities Generating Attractive Risk-Adjusted Returns

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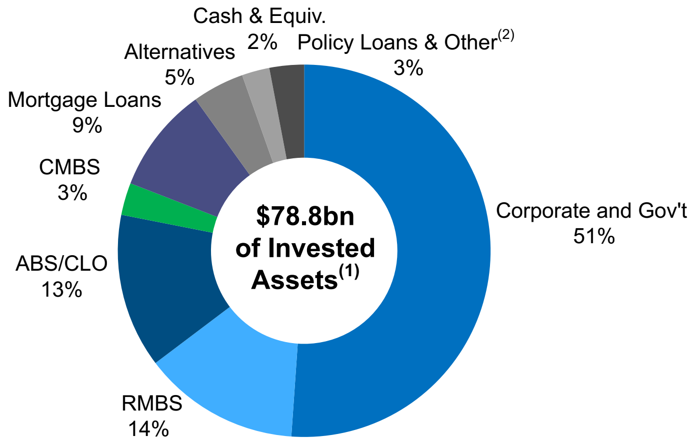
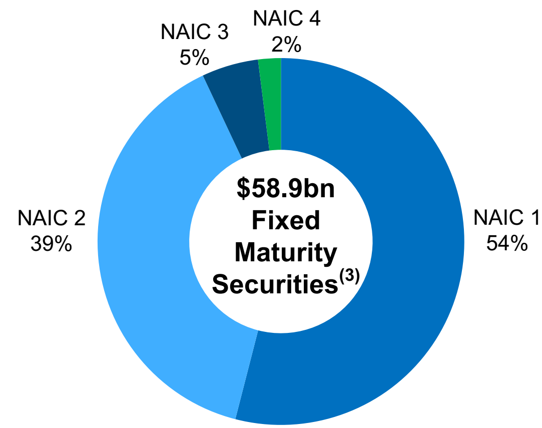
Overview of Total Invested Assets Portfolio



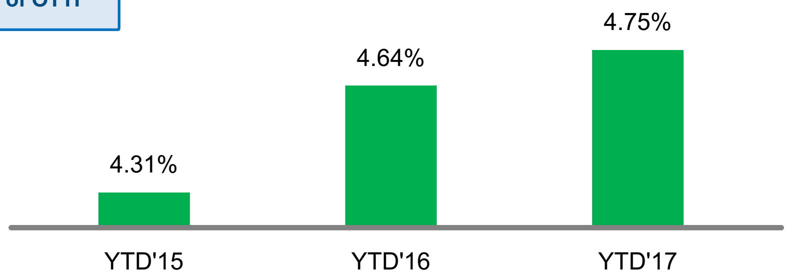
High Quality Fixed Income Investments

93% NAIC 1 or 2[3]



Increasing Net Investment Earned Rate (%)[5]

4 bps of OTTI[4]



Portfolio Update

- Total invested assets increased 10% from prior year, driven by new deposit growth
- Q3'17 YTD net investment earned rate was 4.75%[5], an increase of 11bps over prior year
- 28% of total invested assets in floating rate securities which produce ~$25-30 million of additional operating income, net of tax per year for every 25bps increase in interest rates

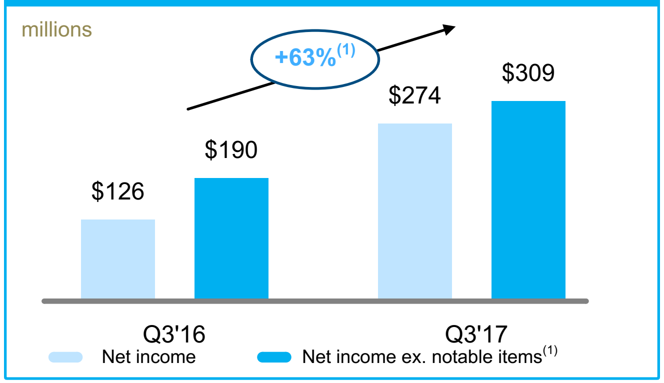
Emphasize earning incremental yield by taking liquidity and complexity risk, not just credit risk

(1) Invested assets as of September 30, 2017, including Germany. (2) Other includes Real Estate held for investment, short-term investments, unit linked assets and equity securities. (3) AFS fixed maturity securities as of 9/30/17. (4) OTTI recognized during the nine months ended September 30, 2017 as percent of average invested assets, annualized. (5) Retirement services net investment earned rate for the nine months ended September 30, 2017, annualized.

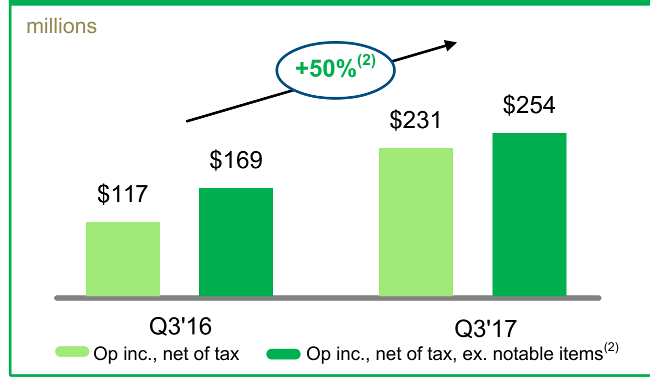
2017 Third Quarter Operating Highlights

2017 third quarter operating income, net of tax driven by strength on both sides of the balance sheet

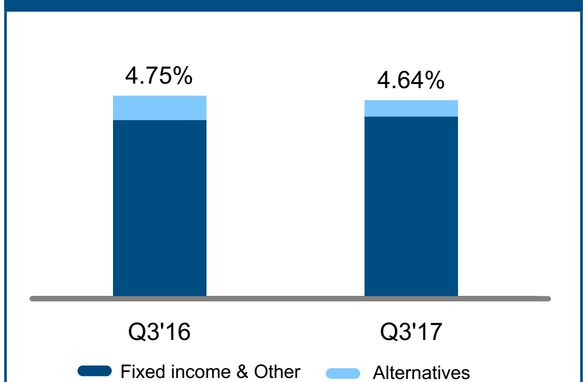
Net Income



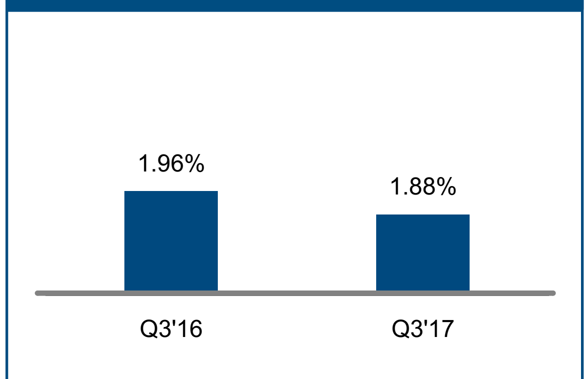
Operating Income, net of tax



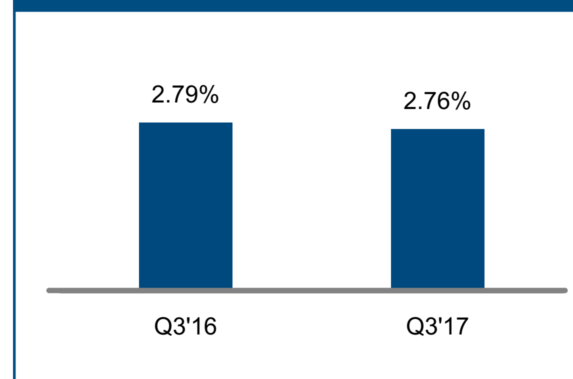
RS Net Investment Earned Rate[3]



RS Cost of Crediting[4]



RS Investment Margin



Retirement Services Operating ROE ex. AOCI of 19.0%[5]

(1) Net income increased 117%. Net income ex. notable items for Q3 2017 adjusts for notable items including unlocking of $(33) million, out of period actuarial adjustments of $13 million, a German operating loss of $(17) million and the tax effects of these items of $2 million. Notable items for Q3 2016 include unlocking of $(171) million, deferred tax valuation allowance release of $102 million, a German operating loss of $(7) million and the tax effects of these items of $12 million. (2) Operating income, net of tax ex. notable items. Operating income, net of tax increased 97%. (3) Net investment earned rate is calculated by taking net investment income divided by average invested assets for the relevant period. Interim periods are annualized. (4) Cost of crediting is calculated by taking the interest credited on fixed strategies and option costs on index annuity strategies divided by average account value of our deferred annuities. Interim periods are annualized. (5) Excluding notable items.

Supported by a Strong Capital Base

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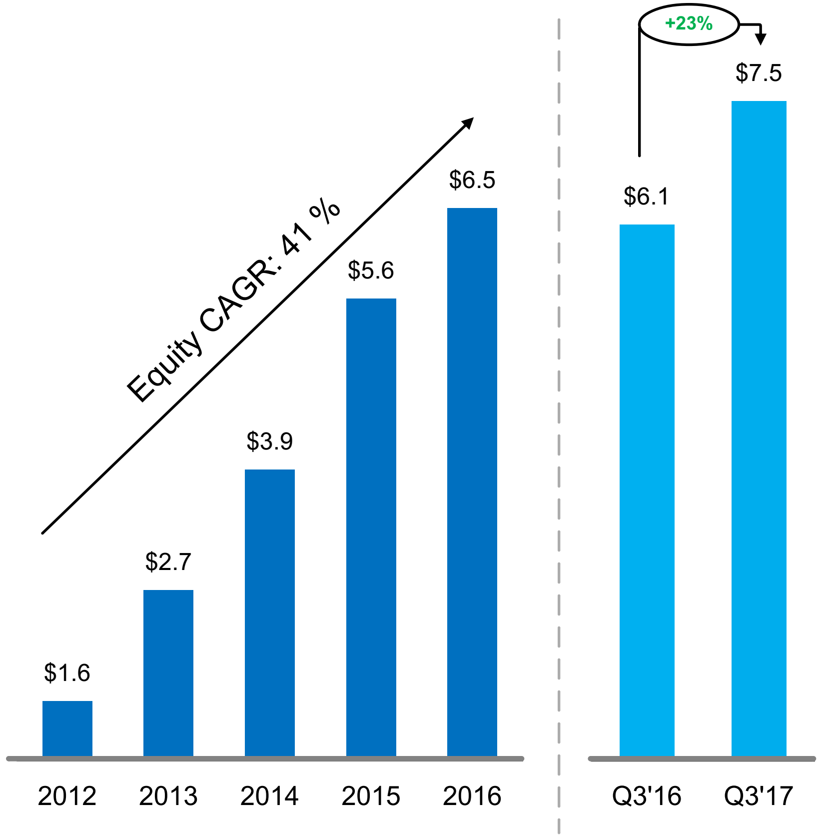
AHL Shareholders' Equity (ex. AOCI) (bn)(1)



Levers for Incremental Growth

- Expect earnings will be able to fund current organic growth
- More than $1.5bn of excess equity capital to support incremental growth
  - Large scale acquisition
  - Opportunistic organic growth above plan
- Estimated U.S. RBC ratio of 478%(2)
- Estimated ALRe RBC ratio of 545%(2)(3)
- No financial leverage
- Seek to deploy capital as opportunities arise

Athene's strong capital base provides multiple levers for future growth

(1) Includes the $1.3bn private placement drawn in 2014 and 2015. (2) As of September 30, 2017. (3) ALRe RBC ratio, which is used in evaluating our capital position and the amount of capital needed to support our segment, is calculated by applying the NAIC RBC factors to the Statutory Financial Statements of ALRe.

Long Term Growth Strategy

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Steady and Significant Base of Earnings

- Large in-force business with long-dated liabilities
  - Reserve liabilities of $77.9bn[1]
- Target annual investment margin of 2-3%

Deposit Growth

- Deposits outpace liability outflows, resulting in reserve liability growth of $6.9bn[2]
- Leverage multi-channel distribution platform to identify attractive growth opportunities across market environments
- Growth in account value and earnings on invested assets

Scale Benefits on Margins

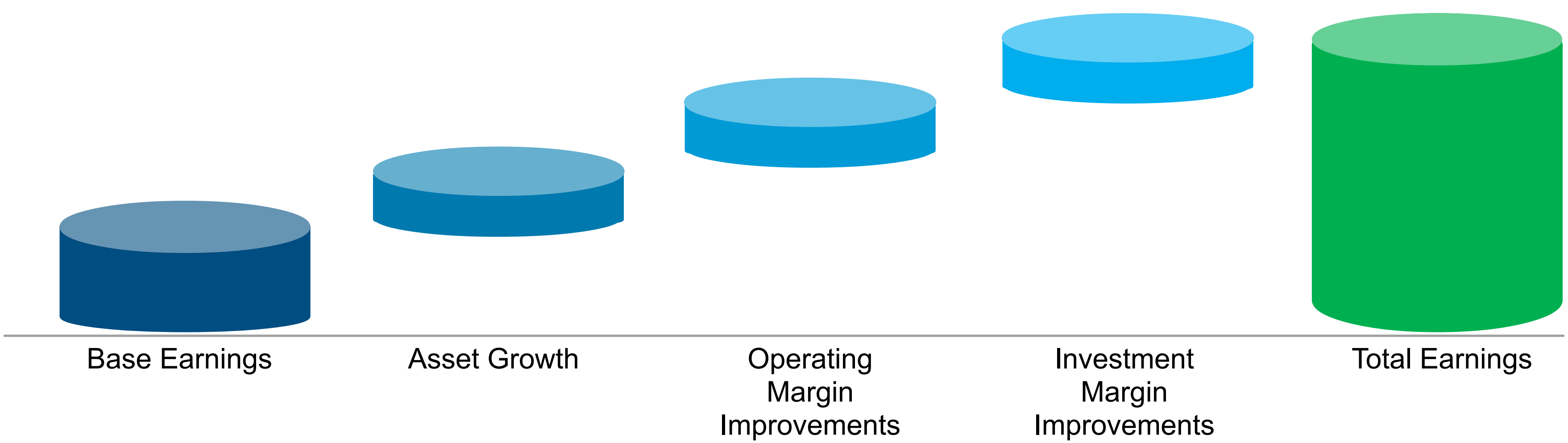
- Operating leverage as assets grow
  - Highly scalable platform
- Expect to convert significant portion of new business spread to operating income

Enhanced Investment Margins

- Investment margin expansion
- Supported by long-dated and attractively priced liabilities

Strong Achievable Earnings Growth Potential

- Significant organic asset growth achievable, with upside from inorganic opportunities
- Ability to further grow earnings through margin improvement
- Balance sheet growth increases base of recurring earnings for future years



(1) As of September 30, 2017. (2) Year-over-year change from September 30, 2016 to September 30, 2017.

2017 Business Overview

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Business	▪ Generally, target mid-teens returns on organic sales and mid-teens or higher returns on opportunistic inorganic growth ▪ Expect new deposits to surpass 2016 results, significantly exceeding liability outflows and driving asset growth ▪ Cost of crediting rate is expected to remain lower than prior year due to rate actions and lower option costs
Investment Portfolio	▪ In 2017, expect to allocate 5-6% of total invested assets to alternatives ▪ Target investment margin between 2-3%
Operating Expense & Corp. & Other	▪ 2017 consolidated G&A operating expenses expected to be in line with 2016 as a percentage of average invested assets ▪ 2017 other liability costs, excluding unlocking, expected to be higher than in 2016 ▪ 2017 Corporate and Other, including Germany, operating income expected to be positive in 2017 ▪ Expect to deconsolidate AGER upon drawdown of capital to fund the acquisition of Aegon Ireland in early 2018
Operating Results	▪ Estimate +/- $25-30mm impact to operating income, net of tax for every +/- 25bps of change in interest rates ▪ Project mid to high-teen operating ROE ex. AOCI for Retirement Services for the remainder of 2017
Non-operating	▪ Weighted average shares outstanding – operating diluted Class A share count expected to be between 196mm-198mm ▪ Embedded derivatives on assumed reinsurance investments generally move with the market, where unrealized gains/ losses on the underlying AFS securities flow through our net income. While the economics on these investments are similar to those of directly written business, the GAAP net income treatment is different, with changes in fair value related to AFS securities on direct-written business flow through AOCI, not net income. ▪ We hedge our FIA embedded derivatives primarily with options that align with index terms for our FIA products. On an economic basis we are essentially hedged as policyholder accounts are credited with index performance at the end of index term, but because the value of the embedded derivative is longer-dated, there can be a temporary accounting mismatch.
Capital	▪ Excess equity capital viewed as capital in excess of 400% RBC ▪ Earnings expected to fund organic growth

Appendix

Consolidated Results of Operations

(In millions, except percentages and per share data)	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
Operating income, net of tax by segment				
Retirement Services	$ 244	$ 142	$ 786	$ 535
Corporate and Other	(13)	(25)	(9)	(87)
Operating income, net of tax	**231**	**117**	**777**	**448**
Non-operating adjustments:				
Investment gains (losses), net of offsets	25	58	140	98
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	46	(1)	155	(88)
Integration, restructuring and other non-operating expenses	(14)	(2)	(34)	(8)
Stock compensation expense	(7)	(46)	(30)	(59)
Income tax (expense) benefit - non-operating	(7)	—	(24)	13
Total non-operating adjustments	**43**	**9**	**207**	**(44)**
Net income available to AHL shareholders	**$ 274**	**$ 126**	**$ 984**	**$ 404**
Notable items	23	52		
Operating income, net of tax, excluding notable items	**$ 254**	**$ 169**		
ROE	13.0%	7.5%	16.9%	8.7%
ROE excluding AOCI	14.9%	8.4%	18.7%	9.2%
Operating ROE excluding AOCI	12.5%	7.9%	14.8%	10.2%
Earnings per share - diluted Class A(1)	$ 1.39	$ 0.68	$ 5.00	$ 2.17
Operating earnings per share - operating diluted Class A(2)	$ 1.18	$ 0.64	$ 3.97	$ 2.41
Weighted average shares outstanding - diluted Class A(1)	120	50	105	50
Weighted average shares outstanding - operating diluted Class A(2)	196	186	196	186

Third Quarter Highlights

Net income was $274 million, an increase of $148 million, or 117%, over the prior year. The increase was driven by a $114 million increase in operating income, net of tax, a favorable change in FIA derivatives primarily due to strong equity market performance and higher stock compensation expense in the prior year.

Our annual process of unlocking assumptions resulted in a decrease in pre-tax income of $33 million, compared to a decrease of $171 million in 2016.

Operating income, net of tax, was $231 million, an increase of $114 million, or 97%, over the prior year. Operating income, net of tax, excluding notable items was $254 million, an increase of $85 million, or 50%, which was driven by higher investment income due to invested asset growth.

(1) Diluted earnings per share on Class A common shares, including diluted Class A weighted average shares outstanding, includes the dilutive impacts, if any, of Class B and Class M common shares and any other stock-based awards. Based on allocated net income of $167 million (61%) and $34 million (27%) diluted Class A common shares for the three months ended September 30, 2017 and 2016, respectively. (2) Represents weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B and Class M common shares outstanding and any other stock-based awards outstanding, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date.

Retirement Services Operating Results

(In millions, except percentages)	Three months ended September 30,				Nine months ended September 30,			
	2017	%[1]	2016	%[1]	2017	%[1]	2016	%[1]
Fixed income and other investment income	$ 745	4.44 %	$ 664	4.36 %	$ 2,196	4.50 %	$ 1,957	4.38 %
Alternatives investment income	66	9.79 %	90	14.26 %	216	10.86 %	198	10.85 %
Net investment income	**811**	**4.64 %**	**754**	**4.75 %**	**2,412**	**4.75 %**	**2,155**	**4.64 %**
Cost of crediting on deferred annuities	(268)	(1.88)%	(259)	(1.96)%	(795)	(1.89)%	(755)	(1.97)%
Other liability costs	(229)	(0.96)%	(389)	(2.13)%	(635)	(0.92)%	(774)	(1.33)%
Other operating expenses	(51)	(0.29)%	(50)	(0.31)%	(157)	(0.31)%	(150)	(0.32)%
Operating income before tax	263	1.51 %	56	0.35 %	825	1.63 %	476	1.02 %
Income tax (expense) benefit - operating income	(19)	(0.11)%	86	0.54 %	(39)	(0.08)%	59	0.13 %
Operating income, net of tax	**$ 244**	**1.40 %**	**$ 142**	**0.89 %**	**$ 786**	**1.55 %**	**$ 535**	**1.15 %**
Notable items	6	0.03 %	45	0.28 %				
Operating income, net of tax, excluding notable items	**$ 250**	**1.43 %**	**$ 187**	**1.18 %**				
Net Investment Earned Rate	4.64%		4.75%		4.75%		4.64%	
Cost of crediting	1.88%		1.96%		1.89%		1.97%	
Investment margin	**2.76%**		**2.79%**		**2.86%**		**2.67%**	
Operating ROE excluding AOCI	18.5%		13.0%		21.3%		16.8%	
Operating ROE excluding AOCI and notable items	19.0%		17.0%					

Third Quarter Highlights:

Retirement Services operating ROE excluding AOCI was 18.5% and operating income, net of tax, was $244 million, an increase of $102 million, or 72%, over the prior year.

Operating income, net of tax, excluding notable items was $250 million, an increase of $63 million, or 34%, resulting in an **operating ROE excluding AOCI** of 19.0%. The increase was driven by higher fixed and other investment income, partially offset by lower alternative investment income.

Investment income increased due to invested asset growth and higher short-term interest rates increasing floating rate investment income. Our annual process of unlocking assumptions resulted in an increase in other liability costs of $20 million, compared to an increase of $158 million in 2016.

Investment margin on deferred annuities was 2.76%, a decrease of 3 bps over the prior year. The net investment earned rate was 4.64%, a decrease of 11 bps over the prior year. Although short-term interest rates increased fixed and other investment returns in the quarter, this was more than offset by lower alternative returns. Alternative returns were lower as the prior year benefited from higher credit fund income due to more favorable credit spread tightening. Cost of crediting was 1.88%, a favorable decrease of 8 bps over prior year, as a result of recent rate actions and lower option costs.

(1) Net investment earned rate is calculated by taking net investment income divided by average invested assets for the relevant period. Cost of crediting is calculated by taking the interest credited on fixed strategies and option costs on index annuity strategies divided by average account value of our deferred annuities. Other liability costs, for illustrative purposes, include adjustment due to convention of calculating cost of crediting based on average account value of deferred annuities. Other operating expenses and income tax (expense) benefit use average invested assets as the denominator in the calculation. Interim periods are annualized.

Reserve Liability Roll-forward

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Reserve Liability Roll-forward

		Three months ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
1	Retirement Services reserve liabilities - beginning	$ 69,719	$ 62,651	$ 65,745	$ 59,854
2	Deposits	2,910	2,979	8,276	7,196
3	Liability outflows	(1,311)	(1,413)	(4,389)	(4,048)
4	Other reserve changes	782	880	2,468	2,095
	Retirement Services reserve liabilities - ending	72,100	65,097	72,100	65,097
	Germany reserve liabilities	5,921	5,982	5,921	5,982
	Intersegment eliminations	(171)	(163)	(171)	(163)
	Consolidated reserve liabilities - ending	$ 77,850	$ 70,916	$ 77,850	$ 70,916

Reserve Liability Roll-forward Commentary

Consolidated reserve liabilities grew ~$6.9 billion from Q3'16 to Q3'17.

1 Retirement Services reserve liabilities include deferred annuity, immediate annuity, funding agreements and life products.

2 Deposits include $2.8 billion of new deposits on retail, flow reinsurance and institutional products, as well as renewal premiums, internal product exchanges and annuitizations.

3 Liability outflows includes full surrenders, partial withdrawals, death benefits and interest payments and maturities on funding agreement products.

4 Other reserve changes primarily include fixed and bonus interest credits, change in fair value of embedded derivatives, change in rider reserves, product charges and change in life reserves.

Non-GAAP Measures and Definitions

Non-GAAP Measures:

- **Operating income net of tax**, a commonly used term in the life insurance industry, and operating income, net of tax excluding notable items are non-GAAP measures used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation, and other expenses. Our operating income, net of tax, equals net income available to AHL's shareholders adjusted to eliminate the impact of the following: (a) investment gains (losses), (b) change in fair values of derivatives and embedded derivatives - FIA, net of offsets, net of offsets, (c) integration, restructuring, and other non-operating expenses, (d) stock compensation expense, (e) bargain purchase gain and (f) income tax (expense) benefit - non-operating.

We consider these non-operating adjustments to be meaningful adjustments to net income available to AHL's shareholders and we believe using these measures which excludes the impact of these items is effective in analyzing the trends in our results of operations. Together with net income available to AHL's shareholders, we believe operating income, net of tax, and operating income, net of tax excluding notable items provide meaningful financial metrics that helps investors understand our underlying results and profitability. Operating income, net of tax, and operating income, net of tax excluding notable items should not be used as a substitute for net income attributable to AHL's shareholders. Operating income, net of tax excluding notable items equals net income available to AHL's shareholders adjusted for non-operating adjustments and certain notable items in the period that facilitate the analyze of our underlying profitability.

- **ROE excluding AOCI** and **operating ROE excluding AOCI** are non-GAAP measures used to evaluate our financial performance excluding the impacts of AOCI. AOCI fluctuates period-to-period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Once we have reinvested acquired blocks of businesses, we typically buy and hold AFS investments to maturity throughout the duration of market fluctuations, therefore, the period-over-period impacts in unrealized gains and losses are not necessarily indicative of current operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI is useful in analyzing the trends of our operations. To enhance the ability to analyze these measures across periods, interim periods are annualized. ROE excluding AOCI and operating ROE excluding AOCI should not be used as a substitute for ROE. However, we believe the adjustments to equity are significant to gaining an understanding of our overall results of operations.

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

- **Investment margin** is a key measurement of the financial health of our Retirement Services core deferred annuities. Investment margin on our deferred annuities is generated from the excess of our net investment earned rate over the cost of crediting to our policyholders. Net investment earned rate is a key measure of investment returns and cost of crediting is a key measure of the policyholder benefits on our deferred annuities. Net investment earned rate, cost of crediting and investment margin on deferred annuities are non-GAAP measures we use to evaluate the profitability of our core deferred annuities business. We believe measures like net investment earned rate, cost of crediting and investment margin on deferred annuities are effective in analyzing the trends of our core business operations, profitability and pricing discipline. While we believe net investment earned rate, cost of crediting and investment margin on deferred annuities are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for net investment income and interest sensitive contract benefits presented under GAAP.

    - **Net investment earned rate** is a non-GAAP measure we use to evaluate the performance of our invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our invested assets divided by the average invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to arrive at our net investment earned rate add alternative investment gains and losses, gains and losses related to trading securities for CLOs, net VIE impacts (revenues, expenses and noncontrolling interest) and the change in reinsurance embedded derivatives. We include the income and assets supporting our assumed reinsurance by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of reinsurance embedded derivatives. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.

    - **Cost of crediting** is the interest credited to the policyholders on our fixed strategies as well as the option costs on the index annuity strategies. With respect to FIAs, the cost of providing index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. The interest credited on fixed strategies and option costs on index annuity strategies are divided by the average account value of our deferred annuities. Our average account values are averaged over the number of quarters in the relevant period to obtain our cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.

- **Invested assets** represent the investments that directly back our policyholder liabilities as well as surplus assets. Invested assets is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) the consolidated VIE assets, liabilities and noncontrolling interest, (f) net investment payables and receivables and (g) policy loans ceded (which offset the direct policy loans in total investments). Invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Our invested assets are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period.

- **Reserve liabilities** represents our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Reserve liabilities includes (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverables, excluding policy loans ceded. Reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and therefore we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction.

- **Sales** statistics do not correspond to revenues under GAAP, but are used as relevant measures to understand our business performance as it relates to deposits generated during a specific period of time. Our sales statistics include deposits for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers).

Non-GAAP Measure Reconciliations

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Reconciliation of operating earnings, net of tax excluding notable items to net income available to AHL shareholders

(In millions)	Three months ended September 30, 2017	2016
Operating income, net of tax excluding notable items by segment		
Retirement Services operating income, net of tax excluding notable items	$ 250	$ 187
Unlocking	(20)	(158)
Actuarial out of period adjustments	13	—
Deferred tax valuation allowance release	—	102
Tax effects of notable items	1	11
Retirement Services notable items	(6)	(45)
Retirement Services operating income, net of tax	244	142
Corporate and Other operating income, net of tax excluding notable items	4	(18)
Germany operating loss, net of tax	(17)	(7)
Corporate and Other operating income, net of tax	(13)	(25)
Operating income, net of tax	231	117
Total non-operating adjustments	43	9
Net income available to AHL shareholders	$ 274	$ 126

Reconciliation of net income excluding notable items to net income available to AHL shareholders

(In millions)	Three months ended September 30, 2017	2016
Net income excluding notable items	$ 309	$ 190
Unlocking	(33)	(171)
Actuarial out of period adjustments	13	—
Deferred tax valuation allowance release	—	102
Germany operating loss, net of tax	(17)	(7)
Tax effects of notable items	2	12
Total notable items	(35)	(64)
Net income available to AHL shareholders	$ 274	$ 126

Non-GAAP Measure Reconciliations

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

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Operating income, net of tax – per operating dilutive Class A common share	$ 1.18	$ 0.64	$ 3.97	$ 2.41
Investment gains (losses), net of offsets	0.13	0.31	0.71	0.53
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	0.23	—	0.79	(0.49)
Integration, restructuring and other non-operating expenses	(0.07)	(0.02)	(0.17)	(0.05)
Stock compensation expense	(0.04)	(0.25)	(0.15)	(0.32)
Income tax (expense) benefit - non-operating	(0.03)	0.01	(0.12)	0.08
Total non-operating adjustments	0.22	0.05	1.06	(0.25)
Effect of items convertible to or settled in Class A common shares	—	(0.01)	0.02	0.02
Basic earnings per share – Class A common shares	$ 1.40	$ 0.68	$ 5.05	$ 2.18

Reconciliation of basic weighted average Class A shares to weighted average operating diluted Class A shares

(In millions)	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Basic weighted average shares outstanding - Class A	119.5	49.8	101.5	50.0
Conversion of Class B shares to Class A shares	69.9	136.0	87.7	135.9
Conversion of Class M shares to Class A shares	6.1	—	6.2	—
Effect of other stock compensation plans	0.5	0.1	0.4	0.1
Weighted average shares outstanding - operating diluted Class A common shares	196.0	185.9	195.8	186.0

Reconciliation of AHL shareholders' equity to AHL shareholders' equity excluding AOCI

(In millions)	September 30, 2017	September 30, 2016
Total AHL shareholders' equity	$ 8,669	$ 7,031
Less: AOCI	1,162	920
Total AHL shareholders' equity excluding AOCI	$ 7,507	$ 6,111
Retirement Services	$ 5,371	$ 4,542
Corporate and Other	2,136	1,569
Total AHL shareholders' equity excluding AOCI	$ 7,507	$ 6,111

Non-GAAP Measure Reconciliations

ATHENE

Reconciliation of GAAP net investment income to net investment earnings

(In millions)	Three months ended September 30, 2017 Dollar	2017 Rate	2016 Dollar	2016 Rate	2015 Dollar	2015 Rate	Nine months ended September 30, 2017 Dollar	2017 Rate	2016 Dollar	2016 Rate
GAAP net investment income	$ 820	4.23 %	$ 743	4.20 %	$ 651	4.27 %	$ 2,427	4.31 %	$ 2,137	4.12 %
Reinsurance embedded derivative impacts	40	0.20 %	55	0.31 %	24	0.16 %	137	0.25 %	144	0.28 %
Net VIE earnings	27	0.14 %	(13)	(0.07)%	9	0.06 %	59	0.10 %	(43)	(0.08)%
Alternative income gain (loss)	(4)	(0.02)%	(2)	(0.01)%	(12)	(0.08)%	(11)	(0.02)%	(34)	(0.07)%
Held for trading amortization	(20)	(0.10)%	(6)	(0.03)%	(2)	(0.01)%	(50)	(0.09)%	(21)	(0.04)%
Total adjustments to arrive at net investment earnings/earned rate	43	0.22 %	34	0.20 %	19	0.13 %	135	0.24 %	46	0.09 %
Total net investment earnings	$ 863	4.45 %	$ 777	4.40 %	$ 670	4.40 %	$ 2,562	4.55 %	$ 2,183	4.21 %
Retirement Services	$ 811	4.64 %	$ 708	4.75 %	$ 670	4.52 %	$ 2,412	4.75 %	$ 2,155	4.64 %
Corporate and Other	52	2.72 %	16	1.26 %	—	0.02 %	150	2.71 %	28	0.53 %
Total net investment earnings	$ 863	4.45 %	$ 777	4.40 %	$ 670	4.40 %	$ 2,562	4.55 %	$ 2,183	4.21 %
Retirement Services average invested assets	$ 69,868		$ 63,641		$ 59,271		$ 67,722		$ 62,009	
Corporate and Other average invested assets	7,673		7,089		1,618		7,398		7,120	
Average invested assets	$ 77,541		$ 70,730		$ 60,889		$ 75,120		$ 69,129	

Reconciliation GAAP interest sensitive contract benefits to Retirement Services' cost of crediting on deferred annuities

(In millions)	Three months ended September 30, 2017 Dollar	2017 Rate	2016 Dollar	2016 Rate	Nine months ended September 30, 2017 Dollar	2017 Rate	2016 Dollar	2016 Rate
GAAP interest sensitive contract benefits	$ 621	4.35 %	$ 491	3.72 %	$ 1,866	4.43 %	$ 1,081	2.83 %
Interest credited other than deferred annuities	(41)	(0.29)%	(34)	(0.26)%	(109)	(0.26)%	(91)	(0.24)%
FIA option costs	154	1.08 %	141	1.07 %	448	1.08 %	416	1.08 %
Product charges (strategy fees)	(19)	(0.13)%	(14)	(0.11)%	(53)	(0.13)%	(38)	(0.10)%
Reinsurance embedded derivative impacts	9	0.06 %	8	0.06 %	27	0.06 %	21	0.05 %
Change in fair values of embedded derivatives - FIAs	(464)	(3.25)%	(326)	(2.47)%	(1,397)	(3.32)%	(669)	(1.74)%
Negative VOBA amortization	8	0.06 %	12	0.09 %	30	0.07 %	36	0.09 %
Unit linked change in reserve	—	— %	(20)	(0.15)%	(17)	(0.04)%	(1)	— %
Other changes in interest sensitive contract liabilities	—	— %	1	0.01 %	—	— %	—	— %
Total adjustments to arrive at cost of crediting on deferred annuities	(353)	(2.47)%	(232)	(1.76)%	(1,071)	(2.54)%	(326)	(0.86)%
Retirement Services cost of crediting on deferred annuities	$ 268	1.88 %	$ 259	1.96 %	$ 795	1.89 %	$ 755	1.97 %
Average account value on deferred annuities	$ 57,050		$ 52,739		$ 56,102		$ 51,183	

Non-GAAP Measure Reconciliations

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

(In millions)	September 30, 2017	September 30, 2016
Total investments, including related parties	$ 81,183	$ 73,077
Derivative assets	(1,982)	(1,169)
Cash and cash equivalents (including restricted cash)	3,707	2,626
Accrued investment income	626	543
Payables for collateral on derivatives	(1,896)	(1,121)
Reinsurance funds withheld and modified coinsurance	(537)	(392)
VIE assets, liabilities and noncontrolling interest	918	837
AFS unrealized (gain) loss	(2,594)	(2,450)
Ceded policy loans	(325)	(349)
Net investment receivables (payables)	(296)	—
Total adjustments to arrive at invested assets	(2,379)	(1,475)
Total invested assets	$ 78,804	$ 71,602

Reconciliation of total liabilities to total reserve liabilities

(In millions)	September 30, 2017	September 30, 2016
Total liabilities	$ 87,392	$ 79,964
Derivative liabilities	(92)	(29)
Payables for collateral on derivatives	(1,896)	(1,121)
Funds withheld liability	(394)	(394)
Other liabilities	(1,024)	(978)
Liabilities of consolidated VIEs	(47)	(9)
Reinsurance ceded receivables	(5,768)	(6,174)
Policy loans ceded	(325)	(349)
Other	4	6
Total adjustments to arrive at reserve liabilities	(9,542)	(9,048)
Total reserve liabilities	$ 77,850	$ 70,916

Lock-up Release Schedule

ATHENE

We have successfully created liquidity for our pre-IPO shareholders through our IPO, two follow-on offerings as well as our lock-up release events, increasing our public float by approximately 65 million shares in the past year.

(In millions)	Early Release		Scheduled Release	
	Nov 10, 2017	**Dec 1, 2017**	**Dec 8, 2017**	**Mar 3, 2018**
Direct Pre-IPO Shareholders	3.7	3.7	-	-
AAA Shareholders				
Non-Affiliate	-	-	11.9	9.9
Affiliate[1]	-	-	12.8	14.9
Directors and Executive Officers of Athene	-	-	-	11.4
Other employees of Athene and Apollo	-	-	-	11.3
Total Shares Released	**3.7**	**3.7**	**24.7**	**47.5**

Affiliates, which include directors and executive officers of Athene, are subject to volume limitations on the resale of their shares under Rule 144. All directors, officers and employees of Athene and Apollo are subject to trading window restrictions.

(1) Affiliates as defined by Rule 144A, includes AHL directors, Section 16 reporting persons and, generally, beneficial owners of 10% or more of shares. Shares held by affiliates is approximate and based on our estimation of which institutional shareholders would be considered affiliates.