Athene Earnings Presentation
2017 Review

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All information is as of the dates indicated herein.

Q4'17 Highlights – Delivering Strong Performance

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Q4 2017	Year over Year Change
$3.5bn Total Deposits	+91%
$82.3bn Invested Assets	+15%
2.82% YTD RS Investment Margin	+6 bps
$332mm Adjusted Operating Income[1]	+19%
$7.8bn GAAP Equity (ex. AOCI)	+20%
+$1.5bn Excess Equity Capital	

Execution Against Growth Strategy

Significant & Diversified Organic Growth
- FY'17 record new deposits of $11.5 billion, up 31%
- Expanding and diversifying our distribution channels
  - FY'17 institutional deposits of $5.3 billion

Asset & Investment Margin Expansion
- Asset growth driven by strong growth in new deposits
- Strong investment performance
  - Increased floating rate investment income
- Lower cost of crediting (8 bps)

Attractive Operating Results
- FY'17 record adjusted operating income of $1.1 billion, up 52%
- Retirement Services adjusted operating ROE ex. AOCI of 22.6% in Q4'17 and 22.0% in FY'17
- Result of asset growth, investment margin expansion and efficient and scalable operating platform

Strong Capital Position
- Growth in capital base driven by strong earnings
- U.S. RBC ratio of 490%, ALRe RBC ratio of 562%[2]

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

(1) Definition of adjusted operating income. (2) ALRe RBC ratio, which is used in evaluating our capital position and the amount of capital needed to support our Retirement Services segment, is calculated by applying the NAIC RBC factors to the Statutory Financial Statements of ALRe.
Note: This presentation references certain Non-GAAP measures. See *Non-GAAP Measures* for additional discussion.

Straightforward & Scalable Business Model – 2017 Results

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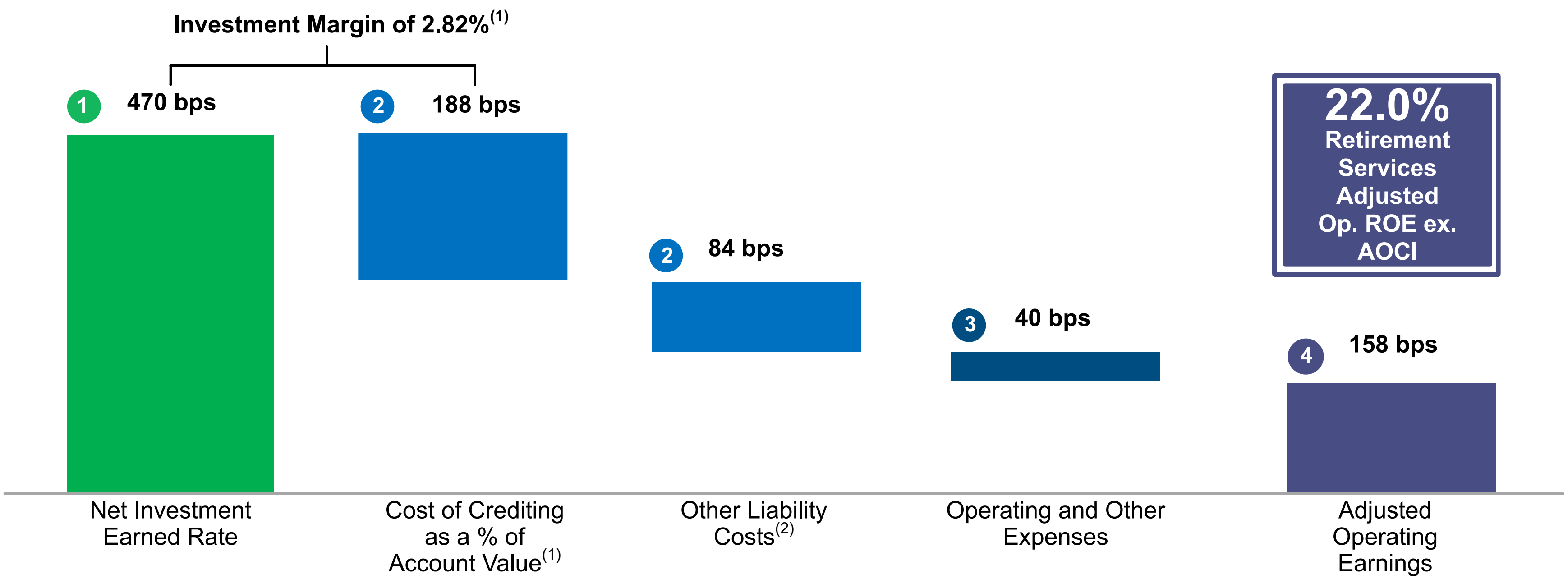
1 Unique Investment Capabilities + **2 Attractively Priced Liabilities** + **3 Efficient & Scalable Structure** = **4 Attractive ROE with Strong Earnings Growth Potential**



Target Mid- to High-teen Adjusted Operating ROE ex. AOCI in Retirement Services

(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) 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 117 bps of average invested assets.

Multiple Distribution Channels a Competitive Advantage

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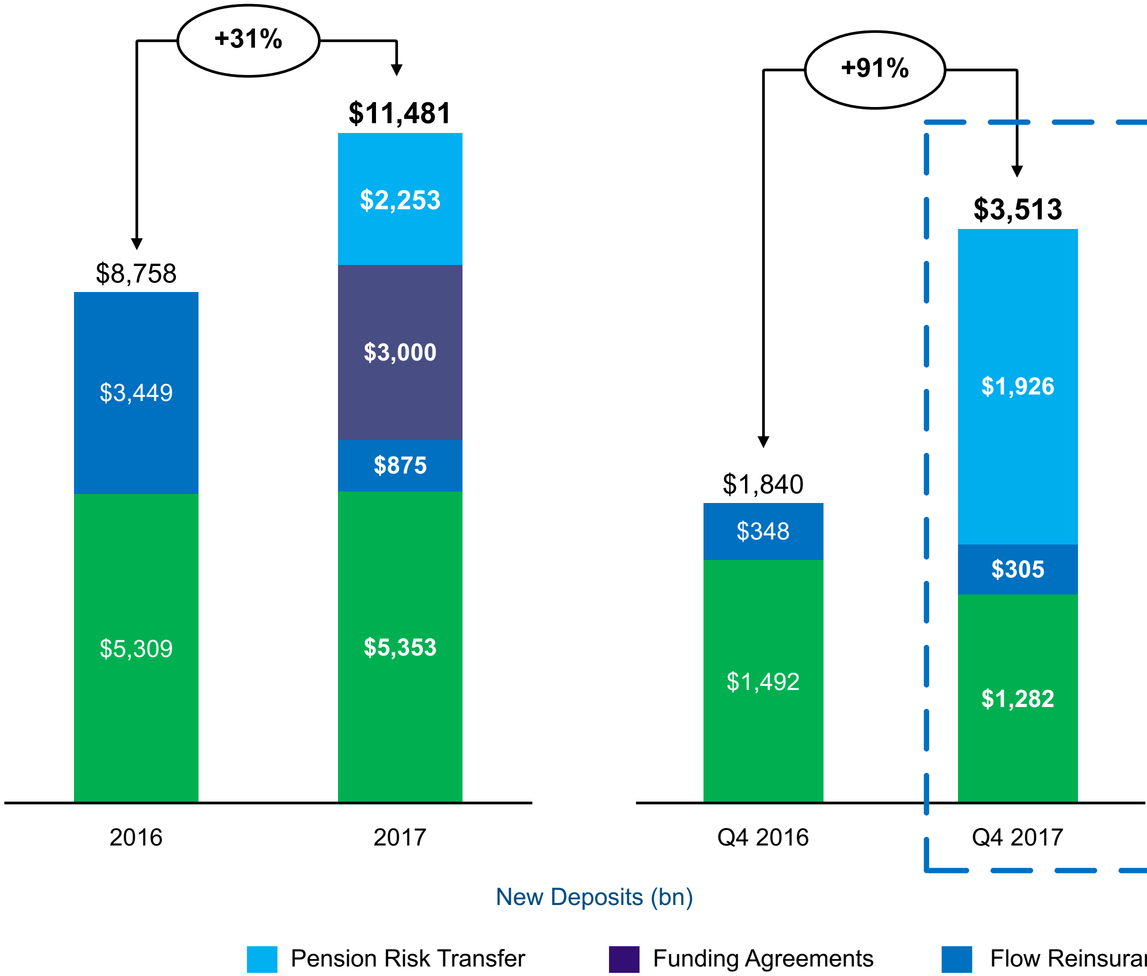
Flexibility to respond to changing market conditions across channels to opportunistically grow liabilities that generate Athene's desired levels of profitability



Pension Risk Transfer deals of $1.9bn

- Executed three deals covering over 36,000 retirees
- Establishing position as a leader in the market

Flow reinsurance sequentially higher

- Increased flow from new reinsurance partners
- Market pressured by strong equity markets

Retail sales of $1.3bn

- Expanded distribution with addition of new bank and broker-dealer partners
- Strong equity markets increase market focus on accumulation products

2017 Record Total New Deposits of $11.5 billion, up 31% YoY

Liabilities Long-Dated, Persistent & Attractively Priced

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Overview of Reserve Liabilities

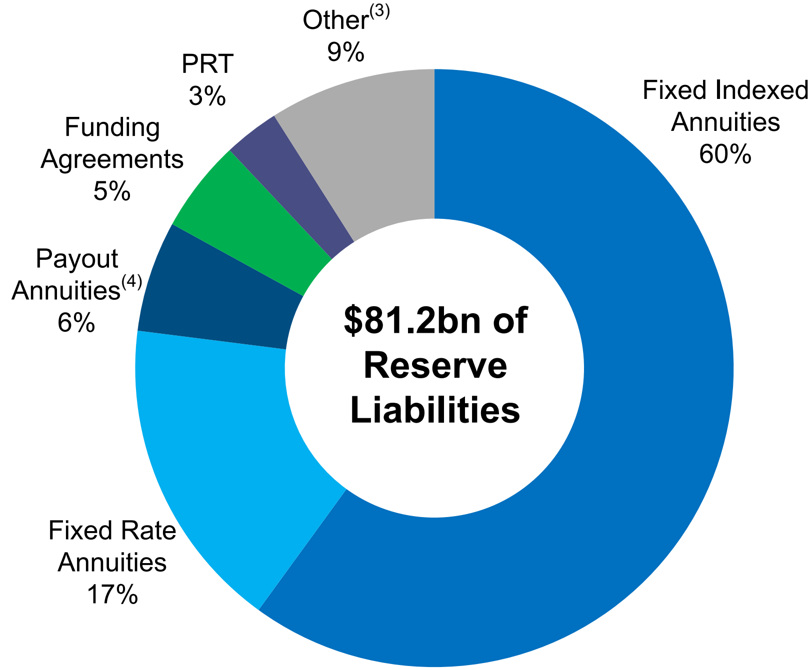
- Consolidated reserve liabilities grew $10.2 billion or 14% over the prior year
- Limited exposure to legacy liabilities
  - All pricing reflects low interest rate environment
- Expansion of institutional products diversifies risk and increases predictability of liability outflows
- Cost of crediting for FAs and FIAs improved 8 bps[1] over the prior year due to rate actions and lower option costs

Predictable Liability Outflow Stream

86%
Deferred Annuities Surrender Charge Protected[2]

100%
Funding Agreements, PRT & Payout Annuities Non-Surrenderable

Diversified Liability Sourcing



9.2 years
Weighted Average Life[5]

Disciplined underwriting complements unique investment capabilities

(1) For Retirement Services segment deferred annuities for the year ended December 31, 2017. (2) Based on fixed index annuities and fixed rate annuities only. Refers to percentage of account value that is in the surrender charge period. (3) "Other" primarily consists of German reserves of $6.0 billion, the AmerUs Closed Block liabilities and other life reserves. (4) Includes Single Premium Immediate Annuities, Supplemental Contracts and Structured Settlements. (5) Weighted average life of total reserve liabilities, excluding Germany; weighted average life on deferred annuity reserve liabilities of 8.2 years.

Unique Investment Capabilities Generating Attractive Risk-Adjusted Returns

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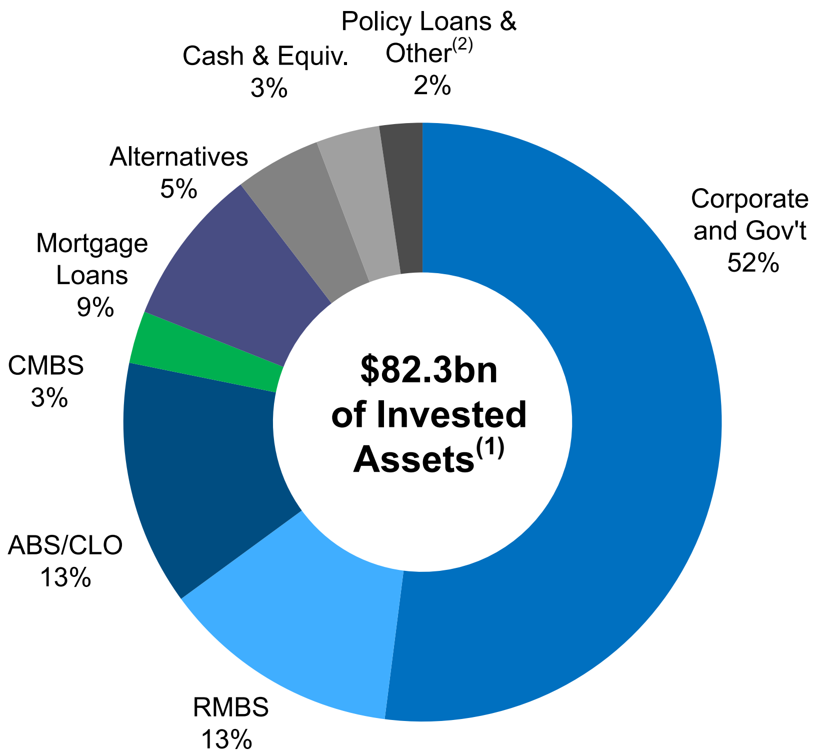
Overview of Total Invested Assets Portfolio



4.47%(3)

2017 Net Investment Earned Rate

Portfolio Update

- Total invested assets increased 15% from prior year, driven by new deposit growth
- Retirement Services 2017 net investment earned rate was 4.70%(4)
- 28% of total invested assets in floating rate securities which produce ~$25-30 million of additional adjusted operating income per year for every 25 bps increase in interest rates

High Quality Fixed Income Investments

94%

Rated NAIC 1 or 2 of AFS Fixed Maturity Securities(5)

4 bps

of OTTI on Total Average Invested Assets(6)

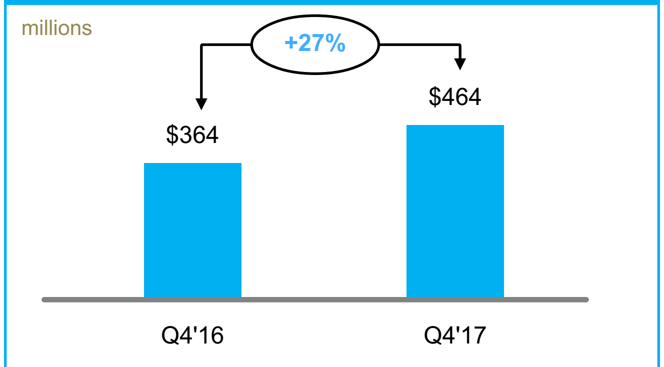
Emphasize earning incremental yield by taking liquidity and complexity risk, not just credit risk

(1) Invested assets as of December 31, 2017, including Germany of $6.0 billion. (2) Other includes Real Estate held for investment, short-term investments, unit linked assets and equity securities. (3) Consolidated net investment earned rate for the year ended December 31, 2017. (4) Retirement Services net investment earned rate for the year ended December 31, 2017. (5) As of December 31, 2017, including related parties. (6) OTTI recognized during the year ended December 31, 2017.

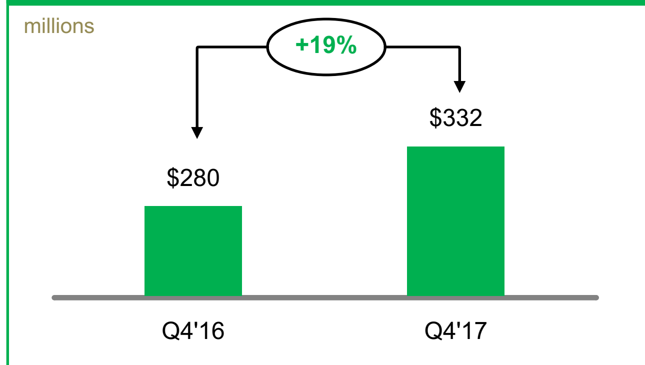
2017 Fourth Quarter Operating Highlights

2017 fourth quarter adjusted operating income driven by strength on both sides of the balance sheet

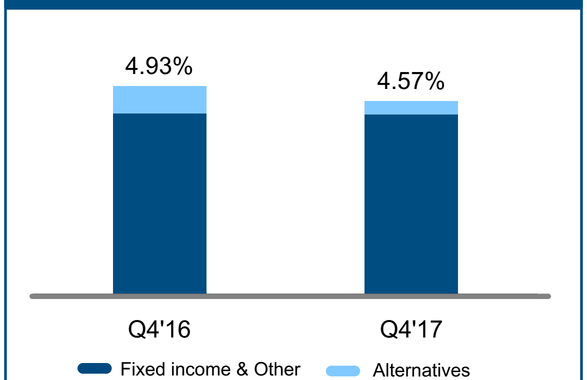
Net Income



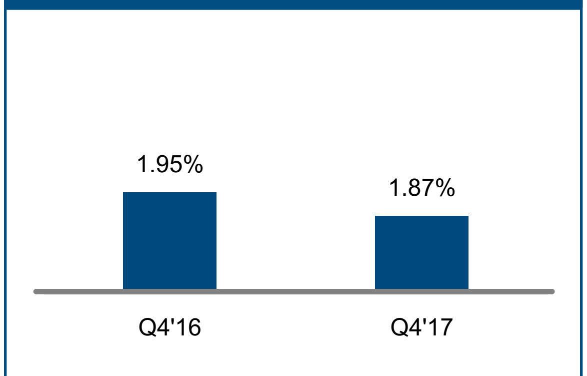
Adjusted Operating Income



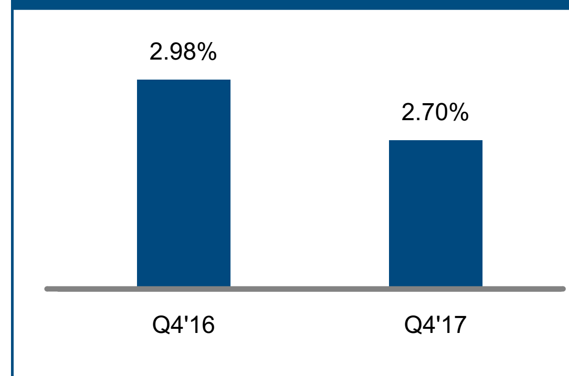
RS Net Investment Earned Rate[1]



RS Cost of Crediting[2]



RS Investment Margin



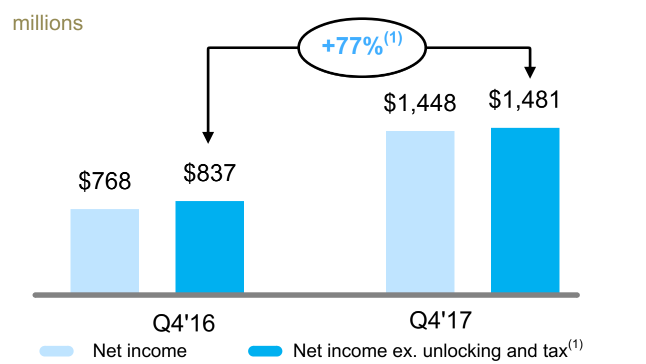
Retirement Services Adjusted Operating ROE ex. AOCI of 22.6%

(1) Net investment earned rate is calculated by taking net investment earnings divided by average invested assets for the relevant period. Interim periods are annualized. (2) 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.

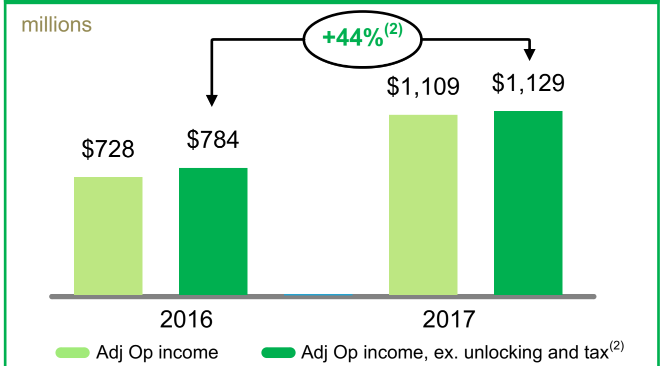
2017 Full Year Operating Highlights

2017 adjusted operating income driven by strength on both sides of the balance sheet

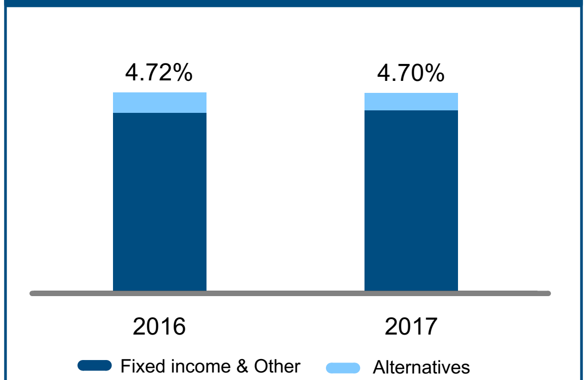
Net Income



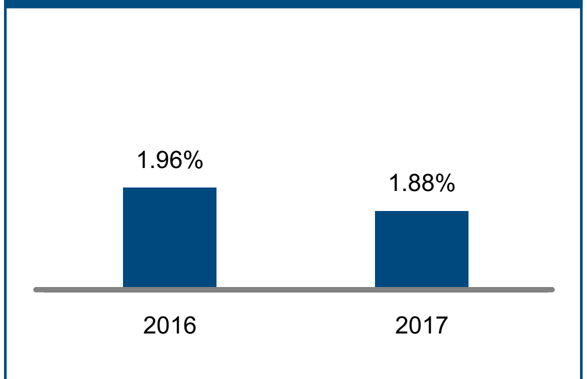
Adjusted Operating Income



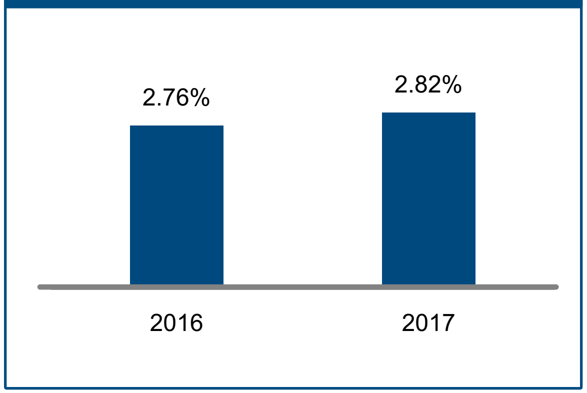
RS Net Investment Earned Rate[3]



RS Cost of Crediting[4]



RS Investment Margin



Retirement Services Adjusted Operating ROE ex. AOCI of 22.0%

(1) Net income increased 89%. Net income ex. unlocking and tax for 2017 adjusts for unlocking of $(33) million. Unlocking and tax for 2016 include unlocking of $(171) million and deferred tax valuation allowance release of $102 million. (2) Adjusted operating income, ex. unlocking and tax adjusts 2017 for unlocking of $(20) million and 2016 for unlocking of $(158) million and deferred tax valuation allowance of $102 million. Adjusted operating income increased 52%. (3) Net investment earned rate is calculated by taking net investment earnings 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.

Strong Balance Sheet with a Growing Capital Base

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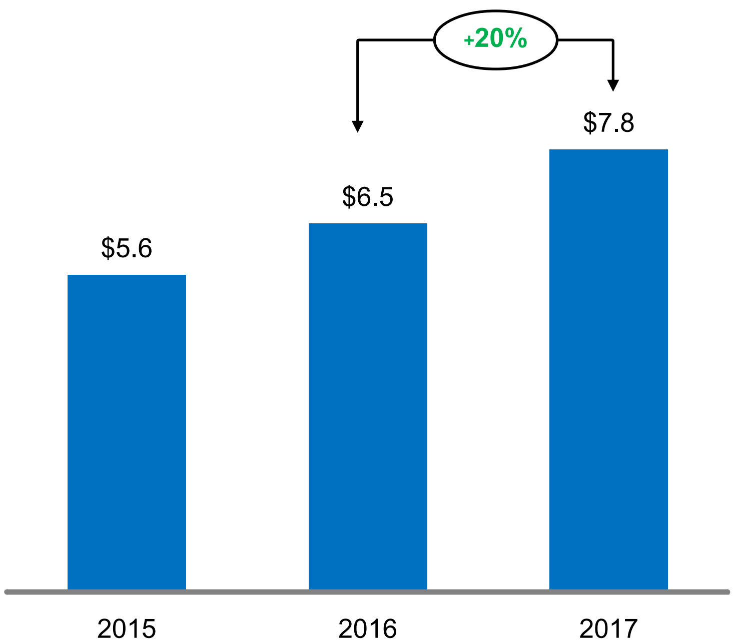
Low financial leverage helps maintain strong rating profile and enables us to deploy capital as opportunities arise

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



Levers for Incremental Growth

- Expect earnings will fund current organic growth
- More than $1.5bn of excess capital to support incremental growth
  - Inaugural debt issuance in January will fund the $1bn of capital used for Voya transaction
- Large scale acquisitions or block reinsurance transactions
- Opportunistic organic growth above plan

Strong Capital Position

490%	562%
U.S. RBC Ratio(1)	ALRe RBC Ratio(1)(2)

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

(1) As of December 31, 2017. (2) 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. BSCR of 354% as of December 31, 2017.

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 $81.2bn(1)
- Target annual investment margin of 2-3%

Deposit Growth

- Deposits outpace liability outflows
- 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

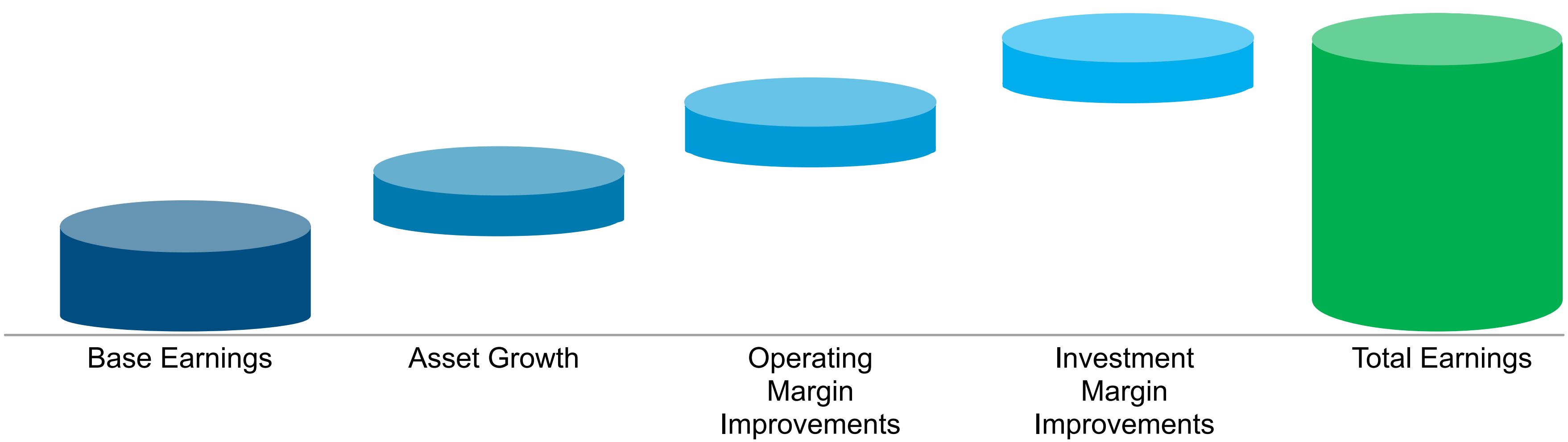
- Operating leverage as assets grow
  - Highly scalable platform
- Expect to convert significant portion of new business spread to operating income

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 December 31, 2017.

2018 Business Outlook

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Organic Growth

- Expect new deposits to surpass 2017 results, significantly exceeding liability outflows and driving asset growth
  - Liability outflows expected to be higher than in 2017 due to aging of the in-force block
- Deposit mix will reflect our flexibility to pivot between channels

Investment Portfolio

- Target investment margin on deferred annuities between 2-3%
- Consolidated Fixed and Other income NIER expected to be slightly higher than in 2017, benefiting from the deconsolidation of ~$6 billion of German invested assets offset by mid-year onboarding of lower NIER Voya assets
- Increase dollars invested to alternatives, maintaining 5-6% allocation of total invested assets, including redeployment of Voya assets
- Retirement Services Alternative NIER expected to be approximately 10%, with quarterly volatility

Adjusted Operating Results

- Consolidated G&A operating expenses expected to decrease slightly as a percentage of invested assets, due to efficient operating platform and mid-year closing of Voya transaction
- Retirement Services other liability costs expected to increase from 2017 which benefited by 15-20 bps primarily due to equity market performance above expectations
- Estimate +/- $25-30 million impact to adjusted operating income for every +/- 25 bps of change in interest rates
- Project mid to high-teen adjusted operating ROE ex. AOCI for Retirement Services
- Corporate and Other adjusted operating income expected to be break even, and will include debt servicing costs

Capital

- Excess capital viewed as capital in excess of 400% RBC
- Earnings expected to fund organic growth

U.S. Tax Reform

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21%
U.S. Corporate Income Tax Rate

15-20%
Unaffiliated Business Not Subject to BEAT

12-16%
Estimated Overall Tax Rate

14-15%
Currently Anticipated 2018 Overall Tax Rate

10-15%
Potential Impact to Overall RBC Ratio

U.S. Tax Cuts and Jobs Act

- Reduced corporate income tax rate from 35% to 21% as of January 1, 2018
- BEAT (base erosion and anti-abuse tax) imposes new global minimum rate to modified taxable income and would apply to payments to Bermuda from U.S. affiliates
  - 5% tax rate to modified taxable income in 2018, moving to 10% in 2019 and 12.5% in 2026
- BEAT does not apply to income from unrelated reinsurance arrangements (15-20% of pre-tax income)
- 1% excise tax continues to apply to reinsurance of U.S. risk

Tax Rate Guidance

- Significant uncertainty on whether BEAT is to apply to net reinsurance settlement payments comprised of premiums and investment income net of reimbursements including claims, reserve increases or expenses, or to apply to gross payments without reimbursements
- Depending on the ultimate interpretation of the tax bill, overall tax rate, combining US income tax, the continuance of the excise tax, and the BEAT is estimated to be between 12-16%
- Until there is more clarity on the tax code changes, currently anticipate 2018 annual results to reflect an overall tax rate of approximately 14-15%

Excess Capital & RBC

- Capital levels not materially impacted by new tax rates
- Adjustments to NAIC RBC factors for the new tax rates would decrease overall RBC ratio by approximately 10-15%
- Capital ratios under rating agency models not materially impacted
- Preliminary assessment indicates no impact to excess capital levels

Appendix

Consolidated Results of Operations

(In millions, except percentages and per share data)	Three months ended December 31,				Years ended December 31,			
	2017		2016		2017		2016	
Adjusted operating income by segment								
Retirement Services	$	306	$	242	$	1,092	$	777
Corporate and Other		26		38		17		(49)
Adjusted operating income		**332**		**280**		**1,109**		**728**
Non-operating adjustments:								
Investment gains (losses), net of offsets		59		(51)		199		47
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets		111		183		266		95
Integration, restructuring and other non-operating expenses		(34)		(14)		(68)		(22)
Stock compensation expense		(3)		(23)		(33)		(82)
Income tax (expense) benefit - non-operating		(1)		(11)		(25)		2
Total non-operating adjustments		**132**		**84**		**339**		**40**
Net income available to AHL shareholders	**$**	**464**	**$**	**364**	**$**	**1,448**	**$**	**768**
ROE		20.8%		20.9%		18.0%		12.6%
ROE excluding AOCI		24.2%		23.1%		20.3%		12.7%
Adjusted operating ROE excluding AOCI		17.4%		17.7%		15.5%		12.1%
Earnings per share - diluted Class A(1)	$	2.35	$	1.78	$	7.37	$	4.02
Adjusted operating earnings per share(2)	$	1.69	$	1.43	$	5.66	$	3.77
Weighted average shares outstanding - diluted Class A(1)		126		64		111		54
Weighted average shares outstanding - adjusted operating(2)		196		194		196		193

Fourth Quarter and Full Year 2017 Highlights

Q4 net income was $464 million, an increase of $100 million, or 27%, over the prior year. The increase was driven by a $52 million increase in adjusted operating income and realized gains. Additionally, 2016 had unfavorable impacts from assumed reinsurance embedded derivatives related to increases in U.S. Treasury rates. The fourth quarter of 2017 included a benefit from the decrease in net deferred tax liabilities attributed to the lower future tax rate.

Q4 adjusted operating income was $332 million, an increase of $52 million, or 19%, over the prior year, driven by higher fixed and other investment income due to invested asset growth, increased floating rate investment income due to higher short-term interest rates and lower other liability costs primarily due to favorable equity market performance and immaterial out of period actuarial adjustments.

2017 net income was $1.4 billion, an increase of $680 million, or 89%, over the prior year. The increase was driven by a $381 million increase in adjusted operating income, a favorable change in FIA derivatives resulting from strong equity market performance and favorable assumed reinsurance embedded derivative impacts and realized gains.

2017 adjusted operating income was $1.1 billion, an increase of $381 million, or 52%, over the prior year. The increase was was driven by higher investment income due to invested asset growth and lower other liability costs.

(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 $297 million (64%) and $114 million (31%) and $818 million (56%) and $215 million (28%) diluted Class A common shares for the three and twelve months ended December 31, 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 Adjusted Operating Results

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(In millions, except percentages)	Three months ended December 31,				Years ended December 31,			
	2017	%[1]	2016	%[1]	2017	%[1]	2016	%[1]
Fixed income and other investment income	$ 772	4.43 %	$ 694	4.47 %	$ 2,968	4.48 %	$ 2,651	4.41 %
Alternatives investment income	57	7.92 %	104	16.25 %	273	10.01 %	302	12.26 %
Net investment earnings	**829**	**4.57 %**	**798**	**4.93 %**	**3,241**	**4.70 %**	**2,953**	**4.72 %**
Cost of crediting on deferred annuities	(271)	(1.87)%	(264)	(1.95)%	(1,066)	(1.88)%	(1,019)	(1.96)%
Other liability costs	(172)	(0.58)%	(223)	(1.05)%	(807)	(0.84)%	(997)	(1.26)%
Other operating expenses	(55)	(0.30)%	(56)	(0.35)%	(212)	(0.31)%	(206)	(0.33)%
Pre-tax adjusted operating income	331	1.82 %	255	1.58 %	1,156	1.67 %	731	1.17 %
Income tax (expense) benefit - operating	(25)	(0.14)%	(13)	(0.08)%	(64)	(0.09)%	46	0.07 %
Adjusted operating income	**$ 306**	**1.68 %**	**$ 242**	**1.50 %**	**$ 1,092**	**1.58 %**	**$ 777**	**1.24 %**
Net Investment Earned Rate	4.57%		4.93%		4.70%		4.72%	
Cost of crediting	1.87%		1.95%		1.88%		1.96%	
Investment margin	**2.70%**		**2.98%**		**2.82%**		**2.76%**	
Adjusted operating ROE excluding AOCI	22.6%		21.6%		22.0%		18.5%	

Fourth Quarter and Full Year 2017 Highlights

Q4 Retirement Services adjusted operating ROE excluding AOCI was 22.6% and **adjusted operating income** was $306 million, an increase of $64 million, or 26%, over the prior year. The increase was driven by higher fixed and other investment income and lower other liability costs, partially offset by lower alternative investment income.

Q4 fixed and other investment income increased due to invested asset growth and increased floating rate investment income due to higher short-term interest rates. The decrease in other liability costs was primarily due to lower rider reserves and DAC amortization due to favorable equity market performance. This was partially offset by growth in the block of business.

Q4 investment margin on deferred annuities was 2.70%, a decrease of 28 bps over the prior year. The net investment earned rate was 4.57%, a decrease of 36 bps over the prior year which benefited from higher alternative investment income. Cost of crediting was 1.87%, a favorable decrease of 8 bps over prior year, as a result of rate actions and lower option costs.

2017 Retirement Services adjusted operating ROE excluding AOCI was 22.0% and **adjusted operating income** was $1.1 billion, an increase of $315 million, or 41%, over the prior year. The increase was driven by higher fixed and other investment income and lower other liability costs, partially offset by higher income tax expense and lower alternative investment income.

2017 fixed and other investment income increased due to invested asset growth and increased floating rate investment income due to higher short-term interest rates. Other liability costs were lower due to a favorable variance in unlocking of assumptions, lower rider reserves and DAC amortization primarily due to favorable equity market performance, partially offset by growth in the block of business.

2017 investment margin on deferred annuities was 2.82%, an increase of 6 bps over the prior year. The net investment earned rate was 4.70%, a slight decrease of 2 bps over the prior year. Cost of crediting was 1.88%, a favorable decrease of 8 bps over prior year, as a result of rate actions and lower option costs.

(1) Net investment earned rate is calculated by taking net investment earnings 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 December 31,		Years ended December 31,	
	2017	2016	2017	2016
1 Retirement Services reserve liabilities - beginning	$ 72,100	$ 65,097	$ 65,745	$ 59,854
2 Deposits	3,592	1,884	11,868	9,080
3 Liability outflows	(1,361)	(1,351)	(5,750)	(5,399)
4 Other reserve changes	1,047	115	3,515	2,210
Retirement Services reserve liabilities - ending	75,378	65,745	75,378	65,745
Germany reserve liabilities	5,979	5,381	5,979	5,381
Intersegment eliminations	(174)	(152)	(174)	(152)
Consolidated reserve liabilities - ending	$ 81,183	$ 70,974	$ 81,183	$ 70,974

Reserve Liability Roll-forward Commentary

Consolidated reserve liabilities grew $10.2 billion from 2016 to 2017.

1. Retirement Services reserve liabilities include deferred annuity, immediate annuity, funding agreements and life products.
2. Deposits include $11.5 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:

- **Adjusted operating income** is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation, and other expenses. Our adjusted operating income, 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 for the reasons discussed in greater detail above. Accordingly, we believe using a measure 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 adjusted operating income, provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income, should not be used as a substitute for net income available to AHL's shareholders.

- **ROE excluding AOCI** and **adjusted 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 adjusted 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.

- **Adjusted operating earnings per share and weighted average shares outstanding - adjusted operating** 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. Adjusted operating earnings per share is calculated as the adjusted operating income over the weighted average shares outstanding - adjusted operating. 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 - adjusted operating assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Adjusted operating earnings per share and weighted average shares outstanding - adjusted operating 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

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

	Three months ended December 31,		Years ended December 31,	
	2017	2016	2017	2016
Adjusted operating earnings per share	$ 1.69	$ 1.43	$ 5.66	$ 3.77
Investment gains (losses), net of offsets	0.30	(0.25)	1.02	0.24
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	0.57	0.95	1.36	0.50
Integration, restructuring and other non-operating expenses	(0.18)	(0.07)	(0.35)	(0.12)
Stock compensation expense	(0.02)	(0.10)	(0.17)	(0.42)
Income tax (expense) benefit - non-operating	(0.01)	(0.07)	(0.13)	0.01
Total non-operating adjustments	0.66	0.46	1.73	0.21
Effect of items convertible to or settled in Class A common shares	0.01	0.03	0.02	0.13
Basic earnings per share – Class A common shares	$ 2.36	$ 1.92	$ 7.41	$ 4.11

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

	Three months ended December 31,		Years ended December 31,	
(In millions)	2017	2016	2017	2016
Basic weighted average shares outstanding - Class A	126.0	58.3	107.7	52.1
Conversion of Class B shares to Class A shares	63.5	130.0	81.6	134.5
Conversion of Class M shares to Class A shares	6.1	5.5	6.1	6.6
Effect of other stock compensation plans	0.5	0.4	0.5	0.2
Weighted average shares outstanding – adjusted operating	196.1	194.2	195.9	193.4

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

	December 31,	
(In millions)	2017	2016
Total AHL shareholders' equity	$ 9,208	$ 6,858
Less: AOCI	1,415	367
Total AHL shareholders' equity excluding AOCI	$ 7,793	$ 6,491
Retirement Services	$ 5,465	$ 4,448
Corporate and Other	2,328	2,043
Total AHL shareholders' equity excluding AOCI	$ 7,793	$ 6,491

Non-GAAP Measure Reconciliations

ATHENE

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

	Three months ended December 31,				Years ended December 31,			
	2017		2016		2017		2016	
(In millions)	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP net investment income	$ 842	4.18 %	$ 777	4.33 %	$ 3,269	4.27 %	$ 2,914	4.19 %
Reinsurance embedded derivative impacts	54	0.27 %	45	0.25 %	191	0.25 %	189	0.27 %
Net VIE earnings	18	0.09 %	44	0.25 %	77	0.10 %	1	— %
Alternative income gain (loss)	(9)	(0.04)%	(5)	(0.03)%	(20)	(0.03)%	(39)	(0.06)%
Held for trading amortization	(44)	(0.22)%	(14)	(0.08)%	(94)	(0.12)%	(35)	(0.05)%
Total adjustments to arrive at net investment earnings/earned rate	19	0.10 %	70	0.39 %	154	0.20 %	116	0.16 %
Total net investment earnings	$ 861	4.28 %	$ 847	4.72 %	$ 3,423	4.47 %	$ 3,030	4.35 %
Retirement Services	$ 829	4.57 %	$ 798	4.93 %	$ 3,241	4.70 %	$ 2,953	4.72 %
Corporate and Other	32	1.61 %	49	2.76 %	182	2.42 %	77	1.08 %
Total net investment earnings	$ 861	4.28 %	$ 847	4.72 %	$ 3,423	4.47 %	$ 3,030	4.35 %
Retirement Services average invested assets	$ 72,587		$ 64,643		$ 69,016		$ 62,558	
Corporate and Other average invested assets	7,964		7,074		7,541		7,113	
Average invested assets	$ 80,551		$ 71,717		$ 76,557		$ 69,671	

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

	Three months ended December 31,				Years ended December 31,			
	2017		2016		2017		2016	
(In millions)	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	$ 960	6.62 %	$ 215	1.59 %	$ 2,826	4.99 %	$ 1,296	2.49 %
Interest credited other than deferred annuities	(37)	(0.26)%	(17)	(0.13)%	(146)	(0.26)%	(108)	(0.21)%
FIA option costs	159	1.10 %	143	1.05 %	607	1.07 %	559	1.08 %
Product charges (strategy fees)	(20)	(0.14)%	(15)	(0.11)%	(73)	(0.13)%	(53)	(0.10)%
Reinsurance embedded derivative impacts	10	0.07 %	8	0.06 %	37	0.07 %	29	0.06 %
Change in fair values of embedded derivatives - FIAs	(799)	(5.51)%	(66)	(0.49)%	(2,196)	(3.88)%	(735)	(1.42)%
Negative VOBA amortization	10	0.07 %	12	0.09 %	40	0.07 %	48	0.09 %
Unit linked change in reserve	(12)	(0.08)%	(14)	(0.10)%	(29)	(0.05)%	(15)	(0.03)%
Other changes in interest sensitive contract liabilities	—	— %	(2)	(0.01)%	—	— %	(2)	— %
Total adjustments to arrive at cost of crediting on deferred annuities	(689)	(4.75)%	49	0.36 %	(1,760)	(3.11)%	(277)	(0.53)%
Retirement Services cost of crediting on deferred annuities	$ 271	1.87 %	$ 264	1.95 %	$ 1,066	1.88 %	$ 1,019	1.96 %
Average account value on deferred annuities	$ 58,033		$ 54,358		$ 56,589		$ 51,921	

Non-GAAP Measure Reconciliations

ATHENE

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

	December 31,	
(In millions)	2017	2016
Total investments, including related parties	$ 84,367	$ 72,433
Derivative assets	(2,551)	(1,370)
Cash and cash equivalents (including restricted cash)	4,993	2,502
Accrued investment income	652	554
Payables for collateral on derivatives	(2,323)	(1,383)
Reinsurance funds withheld and modified coinsurance	(579)	(414)
VIE assets, liabilities and noncontrolling interest	862	886
AFS unrealized (gain) loss	(2,794)	(1,030)
Ceded policy loans	(296)	(344)
Net investment receivables (payables)	(33)	—
Total adjustments to arrive at invested assets	(2,069)	(599)
Total invested assets	$ 82,298	$ 71,834

Reconciliation of total liabilities to total reserve liabilities

	December 31,	
(In millions)	2017	2016
Total liabilities	$ 90,423	$ 79,840
Derivative liabilities	(134)	(40)
Payables for collateral on derivatives	(2,323)	(1,383)
Funds withheld liability	(407)	(380)
Other liabilities	(1,222)	(688)
Liabilities of consolidated VIEs	(2)	(34)
Reinsurance ceded receivables	(4,856)	(6,001)
Policy loans ceded	(296)	(344)
Other	—	4
Total adjustments to arrive at reserve liabilities	(9,240)	(8,866)
Total reserve liabilities	$ 81,183	$ 70,974