Athene Earnings Presentation
2016 Review

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All information is as of the dates indicated herein.

2016 Highlights – Execution Against Growth Strategy

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Significant Organic Growth	▪ Q4’16 new deposits of $1.8 billion, up 42% YoY ▪ FY’16 new deposits of $8.8 billion, up 127% YoY ▪ Achieved target returns in current rate environment	**127% Deposit Growth YoY**
Asset / Investment Margin Expansion	▪ Q4’16 invested assets of $71.8 billion, up $4.9 billion, or 7% YoY ▪ Q4’16 investment margin of 2.96%, up 37 bps YoY ▪ FY’16 investment margin of 2.77%, up 32 bps YoY	**2016 Retirement Services Investment Margin +32 bps**
Attractive Operating Results	▪ Q4’16 net income of $368 million, up 52% YoY ▪ Q4’16 operating income, net of tax(1) of $284 million, up 16% YoY ▪ FY’16 net income of $805 million, up 43% YoY ▪ FY’16 operating income, net of tax of $760 million, up 12% YoY ex. unlocking and deferred tax valuation allowance release	**20.2% Retirement Services 2016 Op. ROE ex. AOCI(2)**
Strong Capital Position	▪ U.S. RBC ratio of 478% at 12/31/2016 ▪ ALRe BSCR(3) ratio of 228% and RBC(4) ratio of 529% at 12/31/2016 ▪ No financial leverage ▪ More than $1.5 billion of excess equity capital ▪ On December 9, 2016 started trading on NYSE under the symbol “ATH”	**+$1.5bn Excess Equity Capital**

Well Positioned for 2017 and Beyond

(1) This presentation references certain Non-GAAP measures. See *Non-GAAP Measures* for additional discussion. (2) Excludes unlocking and deferred tax valuation allowance release (3) 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%.(4) ALRe risk-based capital (“RBC”) when applying National Association of Insurance Commissioners (“NAIC”) RBC factors.

Straightforward Business Model – 2016 Results

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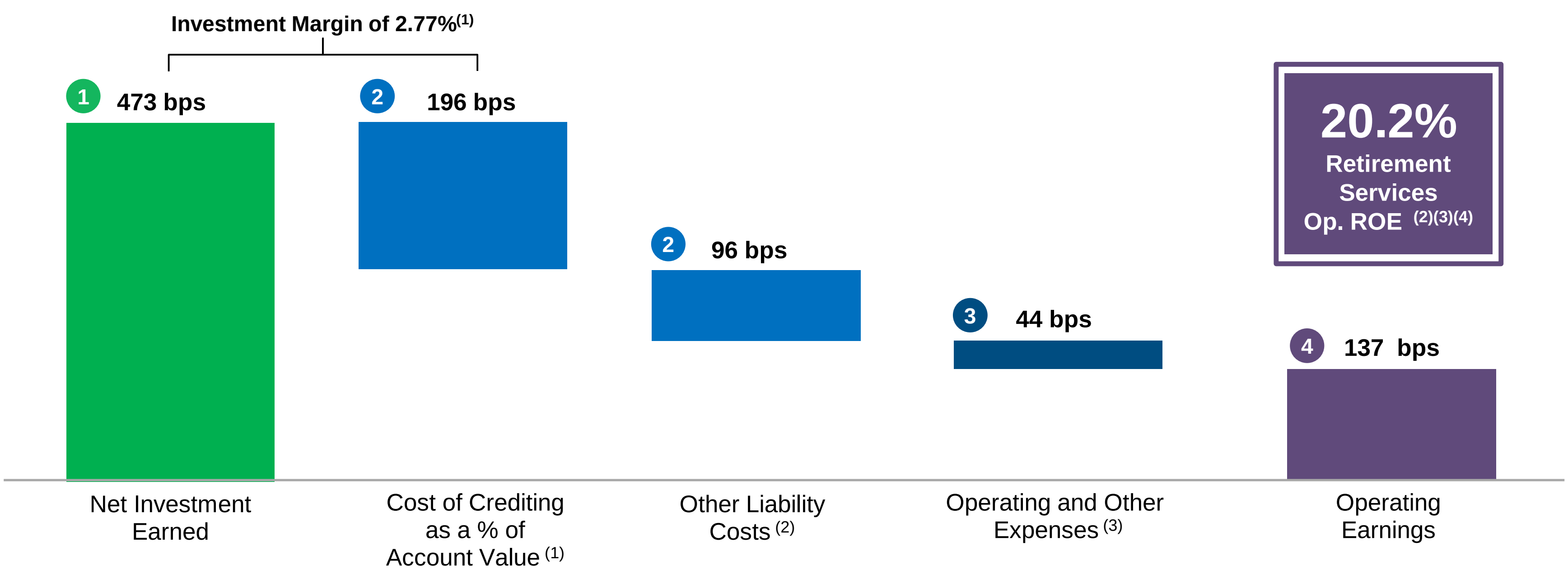
Retirement Services Business Model Targets Mid-teens or Higher Results

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



(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 unlocking expense of $158mm. For illustrative purposes, includes adjustment due to convention of calculating cost of crediting based on average account value of deferred annuities. Excluding this adjustment, other liability costs would be 129 bps. (3) Excludes tax benefit of $102mm related to the release of deferred tax valuation allowance and includes $11mm of tax expense related to the unfavorable unlocking. (4) Actual Retirement Services Operating ROE (ex AOCI) of 19.1% for 2016.

Multiple Distribution Channels a Competitive Advantage

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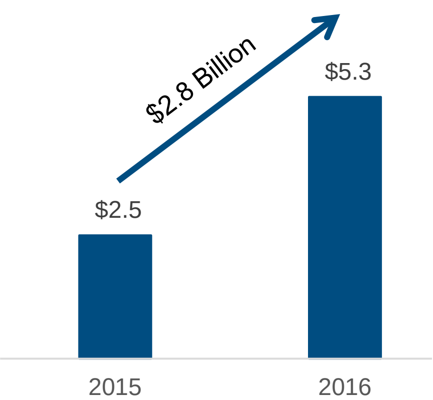
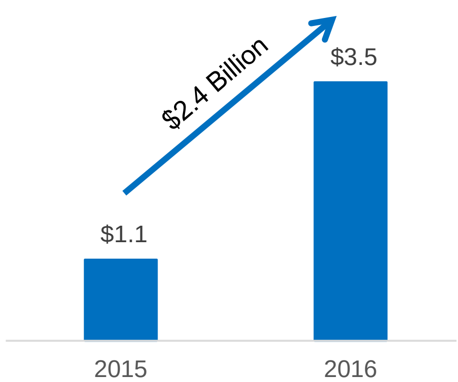
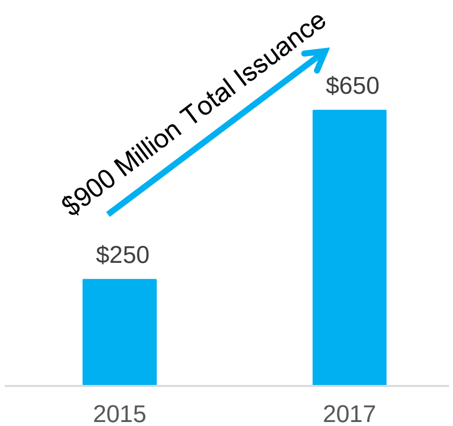
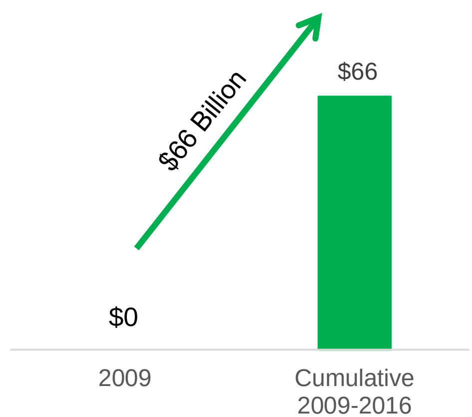
Flexibility to respond to changing market conditions across channels to opportunistically grow liabilities that generate Athene's desired levels of profitability

Organic - Mid-Teens Target Returns Generated $8.8 billion of new deposits in 2016			**Inorganic >Mid-Teens Target Returns**
Retail	**Flow Reinsurance**	**Institutional**	**Block Reinsurance & M&A**
▪ Focused on FAs and FIAs – High growth sector of life industry ▪ In 2016 ranked #3 carrier in FIA sales thru 9/30/16[1] – Launched two new products with sales of $1.9bn – Expanded into Financial Institutions market ▪ Q4 deposits of $1.5bn	▪ A leading reinsurer in the annuity industry – reinsure FA's, FIAs & payout annuities ▪ Leverage Bermuda reinsurance company ▪ 2016 growth driven by ratings upgrade and increased flow with current partners ▪ Q4 deposits of $348mm ▪ Pipeline of potential partners	▪ Funding Agreements – Scalable product without customer ability to surrender prior to maturity – $650mm issued in Q1'17 post-IPO on increased market demand ▪ Pursuing Pension Risk Transfer transactions	▪ Proven track record – 5 acquisitions closed ▪ Ability to consummate complex transactions ▪ Majority of liabilities acquired below book ▪ Look to take advantage of market dislocations









(1) Rankings as of 9/30/16 per LIMRA.

Liabilities Long-Dated, Persistent & Attractively Priced

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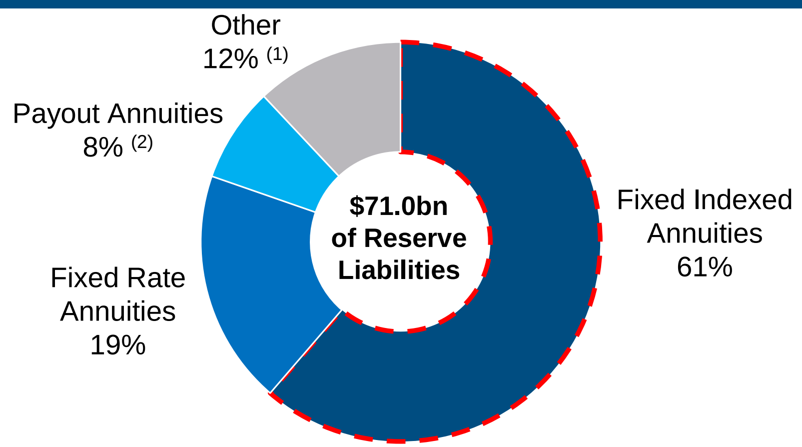
Overview of Reserve Liabilities[1][2]



Deferred Annuity Metrics

Weighted-average life	7.8 years
% Surrender charge protected[3][4]	86%
% Average surrender charge[3][5]	7.6%
% Subject to MVA[3][6]	73%
Cost of crediting [7]	1.96%
Distance to guaranteed minimum crediting rates[8]	75-85 bps

Disciplined Underwriting Approach

- **Consolidated reserve liabilities grew ~$5.7B in 2016**
- **Primarily consist of FAs and FIAs**
  - No variable annuity, long term care or disability insurance business
  - Limited mortality and longevity risk
- **Limited exposure to legacy liabilities**
  - All pricing reflects low interest rate environment
- **Conservative use of riders**
  - ~15% of the deferred annuity business in the prior 12-month period contain 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, funding agreement 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 year ended December 31, 2016. (8) Average of all deferred annuities including contracts already at minimums.

Strong Organic Growth Drives Increase in Assets

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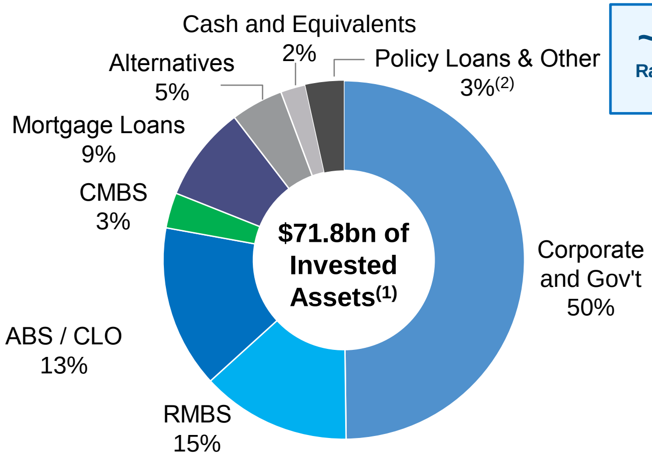
Overview of Total Invested Assets Portfolio

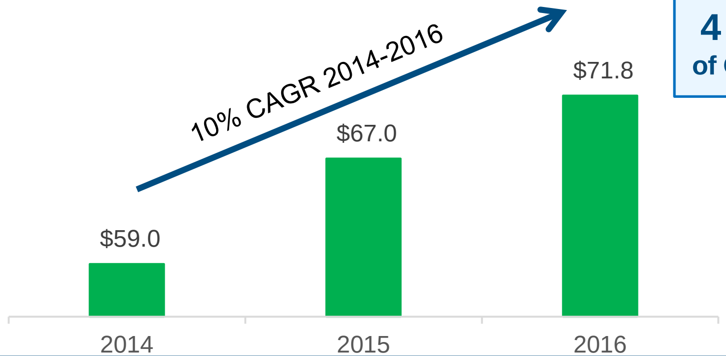


~93%
Rated NAIC 1 or 2[3]

Portfolio Update & Fee Reduction

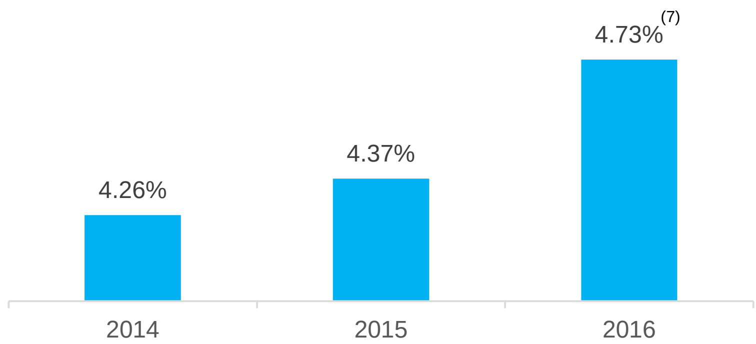
- Total invested assets increased 7% compared to 12/31/15, driven by growth in our Retail and Flow Reinsurance channels in 2016.
- We successfully deployed significantly higher assets than prior year, in a challenging environment driven by strong deposit growth.
- We hold 29% of total invested assets in floating rate securities.
- Q4 2016 net investment earned rate was 4.91% an increase of 38 bps over the prior year, which includes 17 bps from removal of liquidity discounts for certain investments compared to 2 bps in the prior year.[5]
- **Reduction of Investment Management Fee**
  - To support prudent growth, Athene and Apollo have agreed to a new fee framework that is expected to result in a lower level of fees for Athene as it grows its business. Investment management fees reduced from 40bps to 30bps on AUM over $65.8bn. Will be retroactive to January 1, 2017, and will continue until otherwise amended.[6]

Increasing Total Invested Assets ($bn)



4 bps
of OTTI[4]

Increasing Net Investment Earned Rate (%)[5]

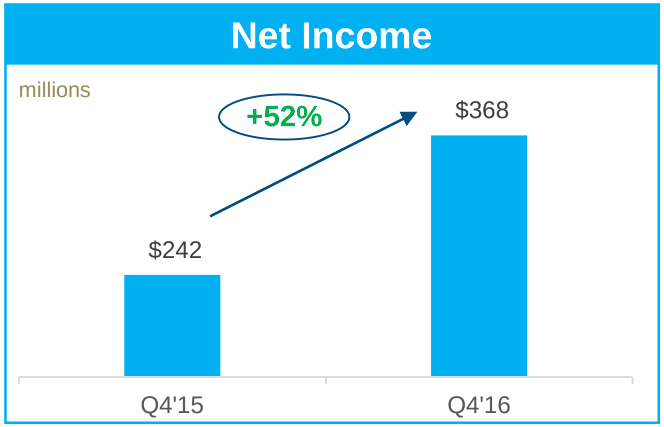


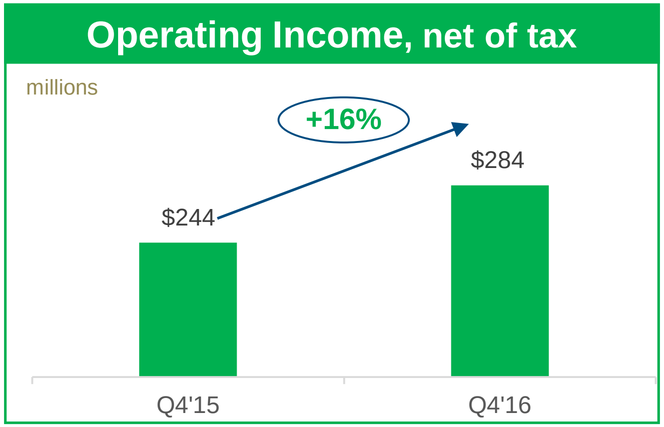
Emphasize earning incremental yield by taking liquidity and complexity risk, not just credit risk

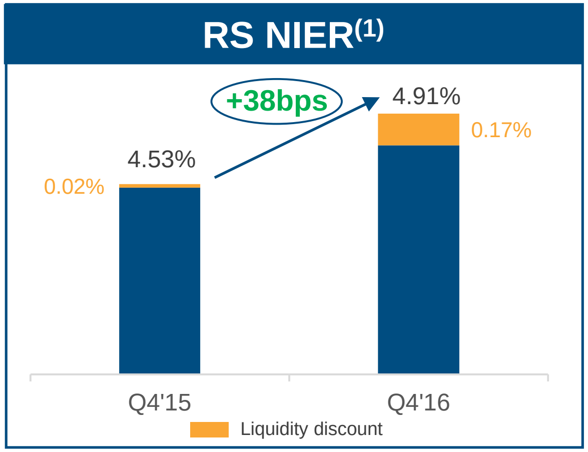
(1) Invested assets as of December 31, 2016, including Germany. (2) Other includes Real Estate held for investment, short-term investments, unit linked assets and equity securities. (3) AFS fixed maturity securities as of 12/31/16. (4) OTTI recognized during the FY 2016 as percent of average invested assets for the year ended 12/31/16. (5) Net Investment Earned Rate for Retirement Services Segment. (6) Subject to approval of certain changes to Athene's bye-laws by Athene's shareholders at its annual shareholders meeting later this year (7) Includes 8 bps of bond call income for two large redemptions and 8 bps from removal of liquidity discounts for certain investments compared to 2 bps in prior year.

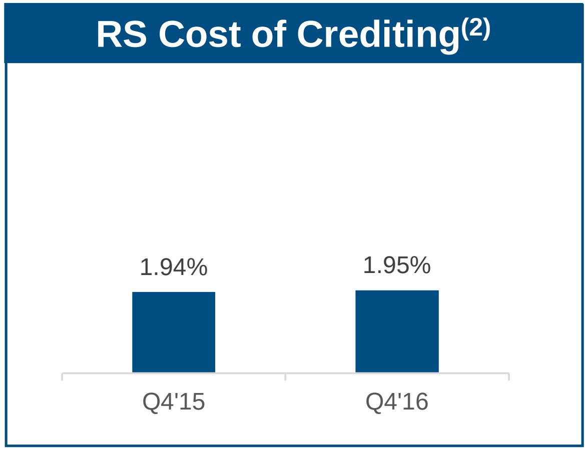
Fourth Quarter Operating Highlights Results

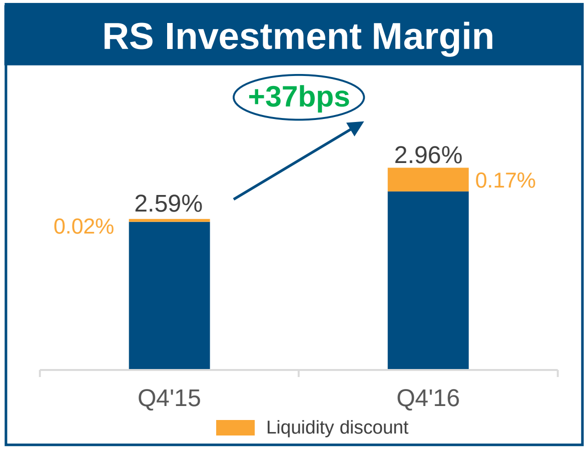
Fourth quarter operating income, net of tax driven by strong fixed, other and alternative investment income as a result of growth in invested assets, higher credit fund income and a favorable increase in the fair value of three investment funds.











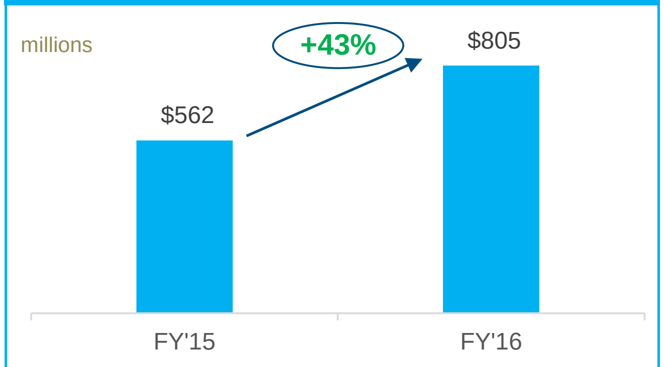
Retirement Services Operating ROE ex. AOCI of 21.8%

(1) Net investment earned rate is calculated by taking net investment income 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.

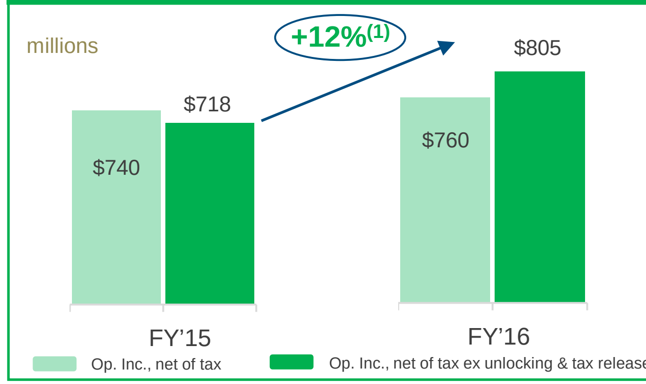
Full Year 2016 Operating Highlights

Full year 2016 operating income, net of tax driven by strong fixed, other and alternative investment income as a result of strong growth in deposits, the reinvestment of Aviva acquired investments, higher bond call income and a deferred tax valuation allowance release.

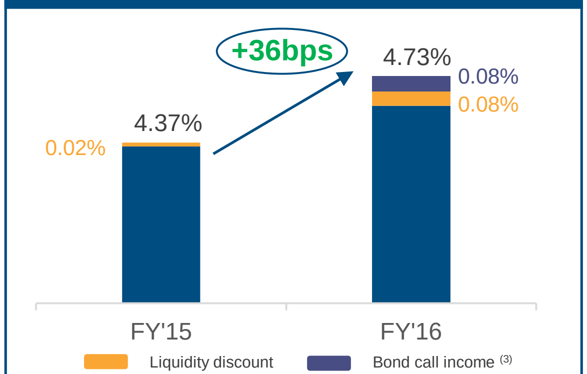
Net Income



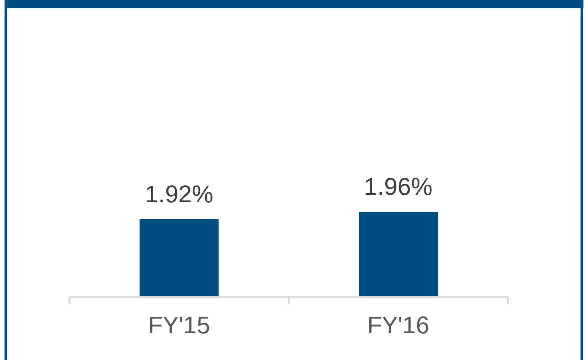
Operating Income, net of tax



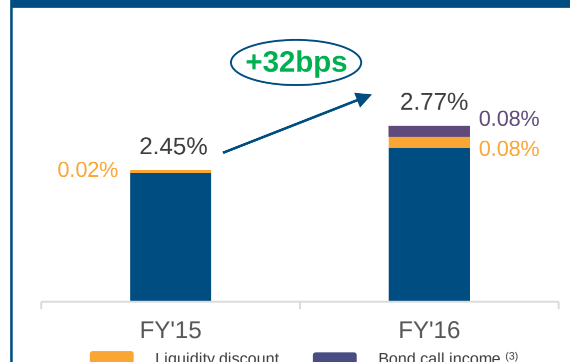
RS NIER[2]



RS Cost of Crediting[4]



RS Investment Margin

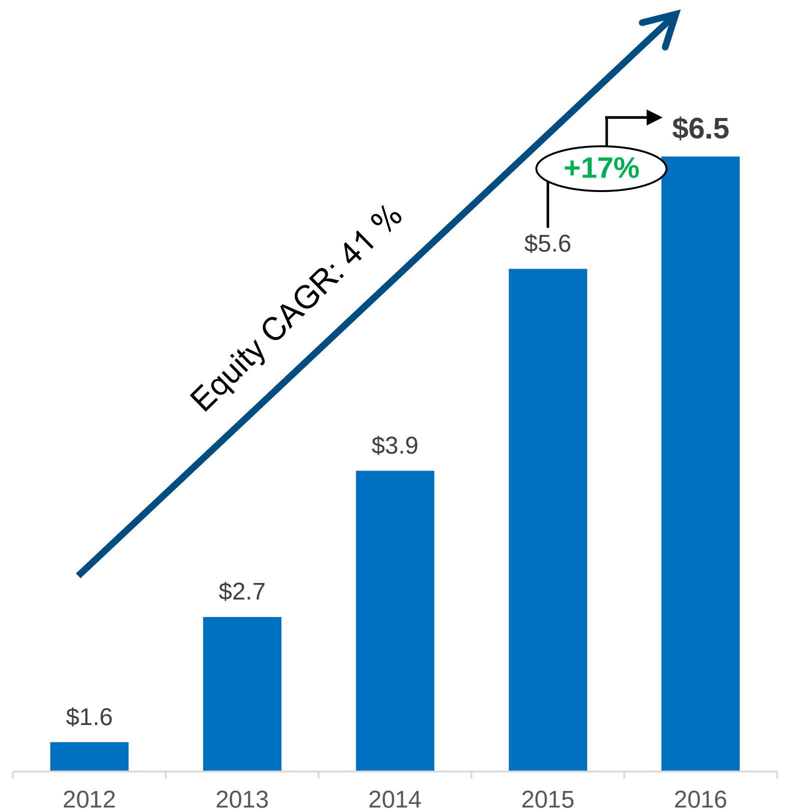


Retirement Services Operating ROE ex. AOCI of 19.1%

(1) Operating income, net of tax ex. unlocking and deferred tax valuation allowance release up12% to $805 million for FY'16 compared to $718 million for FY"15 (2) Net investment earned rate is calculated by taking net investment income divided by average invested assets for the relevant period. (3) Bond call income related to two large redemptions in the first two quarters of 2016 (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.

Supported by a Strong Capital Base

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
- U.S. RBC ratio of 478%
- ALRe BSCR ratio of 228%, RBC ratio of 529%
- 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.

Long Term Growth Strategy

Steady and Significant Base of Earnings

- Large in-force business with long-dated liabilities
  - Reserve liabilities of $71.0bn
- Target annual investment margin of 2-3%

Deposit Growth

- Deposits significantly outpace withdrawals, resulting in reserve liability growth of $5.7bn in 2016
- Ranked #3 carrier[1] in fixed indexed annuity sales YTD thru 9/30/16
- Growth in account value and earnings on invested assets

Scale Benefits on Margins

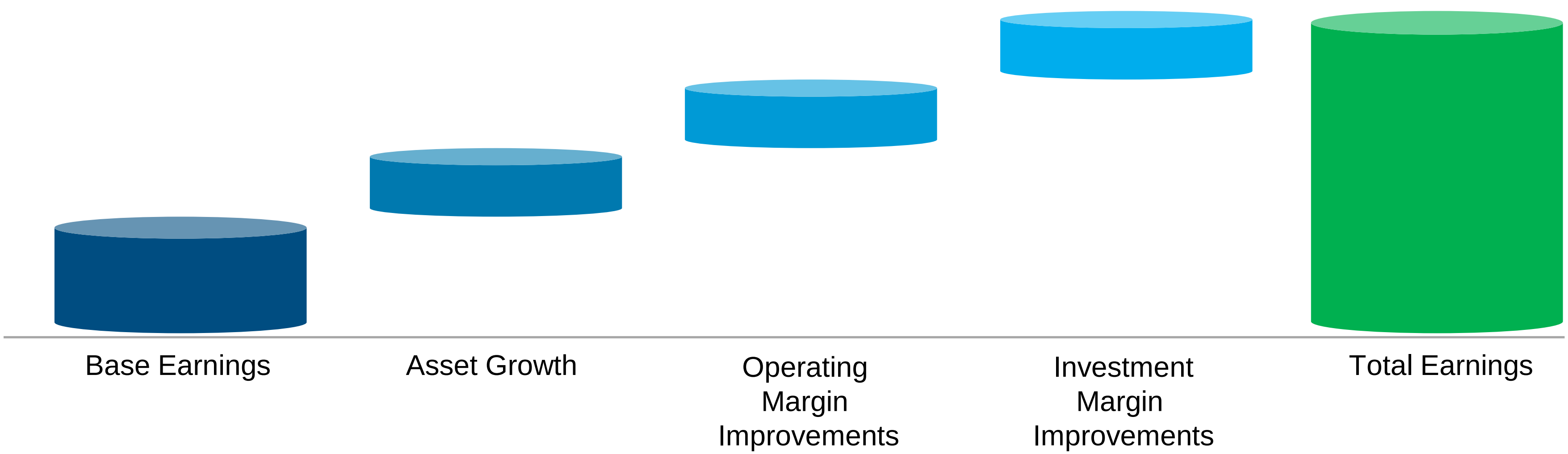
- Operating leverage as assets grow
  - Highly scalable platform
- Expect to convert significant portion of new business spread to operating income

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) Rankings as of 9/30/16 per LIMRA.

2017 Business Overview

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Business

- Target mid-teens returns on organic sales and mid-teens or higher returns on opportunistic inorganic growth
- Plan for new deposits in line with or better than 2016 results, significantly exceeding withdrawals and driving asset growth
  - Prioritize return targets over volume, which will drive new deposit mix
  - First quarter is typically the lightest for new deposits
- Expect cost of crediting to be relatively stable

Investment Portfolio

- In 2017 expect to allocate 5-6% of total invested assets to alternatives
- Target investment margin between 2-3%
- Subject to approval, new fee structure on North American assets will be 40bps per year for AUM up to $65.8bn, and 30bps per year in excess of that
  - Fee structure retroactive beginning January 1, 2017 and will continue unless otherwise amended
- Discount on organic deposits generated in 2016 above $5.1bn will remain in place

Operating Expense & Corp. & Other

- 2017 consolidated G&A operating expenses expected to be in line with 2016 as a percentage of average invested assets
  - Q1 operating expenses modestly higher over prior year due to accelerated spending as we enter new markets
- 2017 other liability costs, excluding unlocking, expected to be higher than in 2016
- 2017 Corporate and Other, including Germany, operating income expected to be slightly positive in 2017

Operating Results

- Estimate +/- $25mm impact to operating income, net of tax for every +/- 25bps of change in interest rates
- Project mid-teen operating ROE ex. AOCI for Retirement Services

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 capital of more than $1.5bn
- 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 December 31, 2016	Three months ended December 31, 2015	Years ended December 31, 2016	Years ended December 31, 2015
Operating income, net of tax by segment				
Retirement Services	$ 246	$ 256	$ 809	$ 769
Corporate and Other	38	(12)	(49)	(29)
Operating income, net of tax	**284**	**244**	**760**	**740**
Non-operating adjustments:				
Investment gains (losses), net of offsets	(50)	(36)	47	(56)
Change in fair values of derivatives and embedded derivatives - FIA, net of offsets	179	65	97	(27)
Integration, restructuring and other non-operating expenses	(14)	(27)	(22)	(58)
Stock compensation expense	(20)	(16)	(79)	(67)
Income tax (expense) benefit - non-operating	(11)	12	2	30
Total non-operating adjustments	**84**	**(2)**	**45**	**(178)**
Net income available to AHL shareholders	**$ 368**	**$ 242**	**$ 805**	**$ 562**
Operating income, net of tax			**$ 760**	**$ 740**
Unlocking of assumptions, net of tax			158	(24)
Deferred tax valuation allowance release			(102)	-
Tax (expense) benefit - related to unlocking			(11)	2
Total adjustments, net of tax			**45**	**(22)**
Operating income, net of tax - ex. unlocking and tax adjustments			**$ 805**	**$ 718**
ROE	21.0%	17.8%	13.1%	11.3%
ROE excluding AOCI	23.2%	17.7%	13.3%	11.8%
Operating ROE excluding AOCI	17.9%	17.9%	12.5%	15.6%
Earnings per share - diluted Class A (1)	$ 1.80	$ 1.30	$ 4.21	$ 3.21
Operating earnings per share - operating diluted Class A (2)	$ 1.46	$ 1.32	$ 3.93	$ 4.23
Weighted average shares outstanding - diluted Class A (1)	64	50	54	41
Weighted average shares outstanding - operating diluted Class A (2)	194	186	193	175

Fourth Quarter Highlights:

Net income was $368 million, $126 million or 52% higher than Q4 2015 net income of $242 million. The increase was driven primarily by a $40 million increase in operating income, net of tax and a favorable net change in FIA derivatives due to an increase in discount rates in Q4. **Operating income, net of tax** was $284 million, $40 million or 16% higher than Q4 2015 operating income of $244 million. The increase was driven by higher fixed, other and alternative investment income and higher earnings from our German business. This was partially offset by higher liability costs driven by an increase in rider reserve movements due to growth and higher than expected persistency. Additionally, in the fourth quarter of 2015 we had favorable mortality gains and a favorable deferred tax valuation allowance release.

Full Year Highlights:

Net income was $805 million, $243 million higher than FY 2015 net income of $562 million. The increase was driven by a $20 million increase in operating income, net of tax, a favorable net change in FIA derivatives due to equity market performance and a favorable change in assumed reinsurance embedded derivatives related to credit spreads tightening. **Operating income, net of tax** was $760 million, $20 million or 3% higher than FY 2015 operating income of $740 million and up 12% excluding the impact of unlocking and deferred tax valuation allowance release. The increase was primarily driven by favorable fixed, other and alternative investment income as well as a deferred tax valuation allowance release. The increase in investment income was primarily driven by strong growth in deposits, the reinvestment of Aviva acquired investments as well as higher bond call income. Partially offsetting was an increase in liability costs primarily driven by our annual unlocking of assumptions, an increase in rider reserve movements due to growth and higher than expected persistency, an increase in amortization driven by higher gross profits and continued growth, and a decline in the market value of public equity positions in one of our funds. Increase in **weighted average shares outstanding** primarily attributed to shares issued in the 2015 capital raise were outstanding for the full year in 2016 compared to just part of the year in 2015 as well as certain shares were not dilutive prior to our IPO

(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 $115 million (31%) and $65 million (27%) diluted Class A common shares for the three months ended 12/31/16 and 12/31/15, respectively, and allocated net income of $225 million (28%) and $132 million (23%) to diluted Class A commons shares for the years ended 12/31/16 and 12/31/15, 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.

Retirement Services Operating Results

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(In millions, except percentages)	Three months ended December 31,			Years ended December 31,			
	2016	%(1)	2015	%(1)	2016	%(1)	2015	%(1)
Fixed income and other investment income	$ 689	4.44%	$ 627	4.37%	$ 2,651	4.41%	$ 2,365	4.17%
Alternatives investment income	104	16.25%	48	8.67%	304	12.34%	207	9.40%
Net investment income	**793**	**4.91%**	**675**	**4.53%**	**2,955**	**4.73%**	**2,572**	**4.37%**
Cost of crediting on deferred annuities	(264)	(1.95%)	(238)	(1.94%)	(1,019)	(1.96%)	(940)	(1.92%)
Other liability costs	(217)	(1.03%)	(141)	(0.60%)	(967)	(1.22%)	(656)	(0.79%)
Other operating expenses	(56)	(0.35%)	(53)	(0.36%)	(206)	(0.33%)	(166)	(0.28%)
Operating income before tax	256	1.58%	243	1.63%	763	1.22%	810	1.38%
Income tax (expense) benefit - operating income	(10)	(0.06%)	13	0.09%	46	0.07%	(41)	(0.07%)
Operating income, net of tax	**$ 246**	**1.52%**	**$ 256**	**1.72%**	**$ 809**	**1.29%**	**$ 769**	**1.31%**
Unlocking of assumptions					158	0.26%	(24)	(0.04%)
Deferred tax valuation allowance release					(102)	(0.16%)	-	-
Tax (expense) benefit - related to unlocking					(11)	(0.02%)	2	-
Total adjustments, net of tax					45	0.08%	(22)	(0.04%)
Operating income, net of tax - ex. unlocking and tax adjustments					**$ 854**	**1.37%**	**$ 747**	**1.27%**
Net Investment Earned Rate	4.91%		4.53%		4.73%		4.37%	
Cost of crediting	(1.95%)		(1.94%)		(1.96%)		(1.92%)	
Investment margin	**2.96%**		**2.59%**		**2.77%**		**2.45%**	
Operating ROE excluding AOCI	21.8%		26.8%		19.1%		22.7%	
Operating ROE excluding AOCI - excluding unlocking and tax valuation allowance release					20.2%		22.1%	

Fourth Quarter Highlights:

Retirement Services operating ROE excluding AOCI was 21.8% and operating income, net of tax was $246 million as compared to $256 million in Q4 2015. **Operating income, net of tax** in Q4 2016 was driven by strong fixed, other and alternative investment income. Higher investment income was a result of growth in invested assets, higher credit fund income and a favorable increase in the fair value of two of the segment's investment funds, reflecting the removal of liquidity discounts related to marketability assumptions used in the determination of the fair value of certain of the investments, resulting in $28 million of investment income in 2016 compared to $3 million in 2015. The increase was somewhat offset by higher liability costs primarily driven by an increase in rider reserve movements due to growth and higher than expected persistency. Additionally, the fourth quarter of 2015 benefited from favorable mortality gains of $26 million and a $20 million favorable deferred tax valuation allowance release. **Investment margin** on deferred annuities was 2.96%, an increase of 37 bps over the prior period, which includes 17 bps from removal of liquidity discounts for certain investments compared to 2 bps in prior year.

Full Year Highlights:

Retirement Services operating income, net of tax was $809 million as compared to FY 2015 operating income, net of tax of $769 million; excluding the unlocking and the deferred tax valuation allowance release, operating income was $107 million or 14% higher than FY 2015 resulting in an **operating ROE ex. AOCI** of 20.2%. The increase was primarily driven by favorable investment income and a deferred tax valuation allowance release of $102 million. The increase in fixed income and other investment income was driven by strong growth in deposits, the reinvestment of Aviva acquired investments and $58 million in bond call income related to two large redemptions in the first two quarters of 2016. Alternative investment income increased primarily by higher credit fund income and a favorable increase in the fair value of two of the segment's investment funds, reflecting the removal of liquidity discounts used in the determination of their fair value, resulting in $52 million of investment income in 2016 compared to $11 million in 2015. Partially offsetting this was an increase in liability costs primarily driven by our annual unlocking of assumptions of $158 million, an increase in rider reserve movements due to growth and higher than expected persistency, increased amortization driven by higher gross profits and growth, as well as increased operating expenses as we invest in our growth initiatives. **Investment margin** on deferred annuities was 2.77%, an increase of 32 bps over the prior period, which includes 8 bps of bond call income from two large redemptions and 8 bps from removal of liquidity discounts for certain investments as compared to 2 bps in prior year.

(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. Excluding these adjustments, other liability costs would be: Q4'16: (1.33%), Q4'15: (0.95%), 2016: (1.54%), 2015: (1.10%). Other operating expenses and income tax (expense) benefit use average invested assets as the denominator in the calculation. Interim periods are annualized.

Earnings per Share Calculations

Weighted Average Share Count - Dividend Eligible

	Q4'16		FY'16	
	(mm shares)	% total	(mm shares)	% total
Class A	58.3	31%	52.1	28%
Class B	130.0	69%	134.5	72%
Class M-1	0.9	0%	0.2	0%
Total	189.2	100%	186.8	100%

Metric(1)	Q4'16	FY'16	Description
Net Income	$368	$805	
Weighted Avg. Shares Outstanding – Basic	189.2	186.8	Per GAAP, only **shares that are eligible for dividends** currently should be included in basic EPS. This includes the sum of basic weighted average shares for Class A, B, and M1 and excludes Class M2, M3 and M4 shares. Class M shares are only eligible to receive dividends if ROI condition has been satisfied. As of 12/31, only Class M-1 shares had satisfied the condition. (see table)
Earnings per Share - Basic	**$1.94**	**$4.31**	
Allocated Net Income to diluted Class A shares	$115	$225	Allocated net income to diluted Class A shares was 31% of total net income in Q4 and 28% in 2016 (see table).
Weighted Avg. Shares Outstanding – diluted Class A	63.9	53.5	Per GAAP, to calculate earnings per diluted Class A share rules we use Class A shares and equity instruments convertible into Class A shares that are considered dilutive. As of 12/31, for the quarter and full year, dilutive securities included Class M1, M2, M3 and M4 shares as well as certain LTIP incentive awards. As of 12/31, for the quarter and full year, the Class B shares are excluded from the calculation as they are considered anti-dilutive. Per GAAP, we allocate a portion of total net income to each class of shares eligible to receive dividends (see table above). Each Class A and B share is eligible to receive dividends. Class M shares are only eligible to receive dividends to the extent that an ROI condition has been satisfied. As of 12/31, that condition had been satisfied for only the Class M-1 shares. The net income allocated to each class is based on their respective basic weighted average share count in relation to the total basic weighted average share count of dividend eligible classes outstanding (see table). Additionally, on a diluted basis for Class A, the allocated net income is adjusted to reflect the inclusion of any equity instruments convertible into Class A shares and considered dilutive. For example, for 2016 Class A shares received 28% of $805M or $225M, which when divided by the 53.5M diluted weighted average shares results in diluted EPS of $4.21/share. The reason why Class B's are anti-dilutive is that the Class B EPS is $4.31 and as the marginal impact of $4.31 is greater than the diluted A value of $4.21, adding B's to the calculation would result in an increase to EPS.
Class A	58.3	52.1	
Dilutive effect of Class M and other stock compensation plans	5.6	1.4	
Total	63.9	53.5	
Earnings per Share – Diluted Class A	**$1.80**	**$4.21**	
Operating Income, net of tax	$284	$760	
Weighted Avg. Shares Outstanding – operating diluted Class A	194.2	193.4	A non-GAAP method for calculating weighted average share count which assumes conversion or settlement of all outstanding items that are able to be converted to or settled into Class A shares, including the weighted average of all Class B and M shares and all other stock awards on a net basis assuming settlement at the conversion price.
Operating earnings per share, operating diluted Class A	**$1.46**	**$3.93**	

(1) Net income, operating income, net of tax and share counts all presented in millions.

Reserve Liability Roll-forward

Reserve Liability Roll-forward

(In millions)	Three months ended December 31, 2016	Three months ended December 31, 2015	Years ended December 31, 2016	Years ended December 31, 2015
1 Retirement Services Reserve Liabilities (BoP)	$ 65,073	$ 59,394	$ 59,854	$ 60,024
2 Deposits	1,884	1,504	9,080	4,358
3 Withdrawals	(1,350)	(1,359)	(5,396)	(5,344)
4 Other Reserve Changes	115	315	2,184	816
Retirement Services Reserve Liabilities (EoP)	65,722	59,854	65,722	59,854
Germany Reserve Liabilities	5,381	5,542	5,381	5,542
Intersegment Eliminations	(152)	(125)	(152)	(125)
Consolidated Reserve Liabilities	$ 70,951	$ 65,271	$ 70,951	$ 65,271

Reserve Liability Roll-forward Commentary

Consolidated reserve liabilities grew ~$5.7B in 2016.

1. Retirement Services reserve liabilities include deferred annuity, immediate annuity, funding agreement, and life products.
2. Deposits include $8.8B of new deposits on retail, flow reinsurance, and institutional products as well as renewal premiums, internal product exchanges, and annuitizations.
3. Withdrawals include full surrenders, partial withdrawals, and death benefits on annuity and life products 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 GLWB and GMDB reserves, product charges and change in life reserves.

Non-GAAP Measures and Definitions

Non-GAAP Measures:

- **Operating income net of tax**, a commonly used operating measure in the life insurance industry, 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 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 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 operating income, net of tax, provides a meaningful financial metric that helps investors understand our underlying results and profitability. Operating income, net of tax, should not be used as a substitute for net income attributable to AHL's shareholders.

- **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 more effective 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. For December 31, 2015 and prior, 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. Under GAAP, deposits and withdrawals for fixed indexed and fixed rate annuities are reported as deposit liabilities (or policyholder funds). 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 and (f) 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. Reserve liabilities 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 of understanding our business performance. Our sales statistics include 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

ATHENE

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

	Three months ended December 31, 2016	Three months ended December 31, 2015	Years ended December 31, 2016	Years ended December 31, 2015
Operating income, net of tax - per operating dilutive Class A common share	$ 1.46	$ 1.32	$ 3.93	$ 4.23
Investment gains (losses), net of offsets	(0.25)	(0.20)	0.24	(0.33)
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	0.92	0.36	0.51	(0.15)
Integration, restructuring and other non-operating expenses	(0.07)	(0.15)	(0.12)	(0.33)
Stock compensation expense	(0.10)	(0.09)	(0.41)	(0.38)
Income tax (expense) benefit - non-operating	(0.07)	0.06	0.01	0.17
Total non-operating adjustments	0.43	(0.02)	0.23	(1.02)
Effect of items convertible to or settled in Class A common shares	0.05	-	0.15	-
Basic earnings per share - Class A common share	$ 1.94	$ 1.30	$ 4.31	$ 3.21

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

(In millions)	Three months ended December 31, 2016	Three months ended December 31, 2015	Years ended December 31, 2016	Years ended December 31, 2015
Basic weighted average shares outstanding - Class A	58.3	49.9	52.1	41.2
Conversion of Class B shares to Class A shares	130.0	136.0	134.5	133.9
Conversion of Class M shares to Class A shares	5.5	-	6.6	-
Effect of other stock compensation plans	0.4	0.1	0.2	0.1
Weighted average shares outstanding - operating diluted Class A common shares	194.2	186.0	193.4	175.2

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

(In millions)	2016	2015
Total AHL shareholders' equity	$ 6,905	$ 5,362
Less: AOCI	367	(237)
Total AHL shareholders' equity excluding AOCI	**$ 6,538**	**$ 5,599**
Retirement Services	$ 4,495	$ 3,974
Corporate and Other	2,043	1,625
Total AHL shareholders' equity excluding AOCI	**$ 6,538**	**$ 5,599**

Non-GAAP Measure Reconciliations

Reconciliation of GAAP net investment income to net investment earnings

(In millions, except percentages)	Three Months Ended				Twelve Months Ended			
	December 31, 2016		December 31, 2015		December 31, 2016		December 31, 2015	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP net investment income	**$ 773**	**4.30%**	**$ 678**	**4.05%**	**$ 2,916**	**4.19%**	**$ 2,508**	**4.06%**
Reinsurance embedded derivative impacts	45	0.25%	26	0.16%	189	0.27%	84	0.15%
Net VIE earnings	44	0.25%	26	0.16%	1	0.00%	67	0.11%
Alternative income gain (loss)	(4)	-0.02%	(40)	-0.24%	(39)	-0.06%	(42)	-0.07%
Other	(16)	-0.09%	-	0.00%	(35)	-0.05%	(9)	-0.01%
Total adjustments to arrive at net investment earnings/earned rate	69	0.39%	12	0.08%	116	0.16%	100	0.18%
Total net investment earnings/earned rate	**$ 842**	**4.69%**	**$ 690**	**4.13%**	**$ 3,032**	**4.35%**	**$ 2,608**	**4.24%**
Retirement Services	$ 793	4.91%	$ 675	4.53%	$ 2,955	4.73%	$ 2,572	4.37%
Corporate and Other	49	2.76%	15	0.83%	77	1.08%	36	1.38%
Total net investment earnings/earned rate	**$ 842**	**4.69%**	**$ 690**	**4.13%**	**$ 3,032**	**4.35%**	**$ 2,608**	**4.24%**
Retirement Services average invested assets	$ 64,639		$ 59,587		$ 62,509		$ 58,917	
Corporate and Other average invested assets	7,074		7,246		7,113		2,567	
Average invested assets	**$ 71,713**		**$ 66,833**		**$ 69,622**		**$ 61,484**	

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

(In millions, except percentages)	Three Months Ended				Twelve Months Ended			
	December 31, 2016		December 31, 2015		December 31, 2016		December 31, 2015	
	Dollar	Rate	Dollar	Rate	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	**$ 225**	**1.65%**	**$ 417**	**3.39%**	**$ 1,293**	**2.48%**	**$ 690**	**1.42%**
Interest credited other than deferred annuities	(21)	-0.15%	(30)	-0.24%	(110)	-0.21%	(94)	-0.19%
FIA option costs	143	1.05%	133	1.08%	559	1.08%	510	1.04%
Product charges (strategy fees)	(15)	-0.11%	(10)	-0.08%	(53)	-0.10%	(33)	-0.07%
Reinsurance embedded derivative impacts	8	0.06%	5	0.04%	29	0.06%	18	0.04%
Change in fair values of embedded derivatives - FIAs	(72)	-0.53%	(269)	-2.19%	(730)	-1.41%	(174)	-0.36%
Negative VOBA amortization	12	0.09%	17	0.14%	48	0.09%	68	0.14%
Unit linked change in reserve	(14)	-0.10%	(27)	-0.22%	(15)	-0.03%	(27)	-0.06%
Other changes in interest sensitive contract liabilities	(2)	-0.01%	2	0.02%	(2)	0.00%	(18)	-0.04%
Total adjustments to arrive at cost of crediting on deferred annuities	39	0.30%	(179)	-1.45%	(274)	-0.52%	250	0.50%
Retirement Services cost of crediting on deferred annuities	**$ 264**	**1.95%**	**$ 238**	**1.94%**	**$ 1,019**	**1.96%**	**$ 940**	**1.92%**
Average account value on deferred annuities	$ 54,358		$ 49,139		$ 51,921		$ 48,956	

Non-GAAP Measure Reconciliations

ATHENE

Reconciliation of total investments, including related parties to total invested assets		
(In millions)	2016	2015
Total investments, including related parties	**$ 72,433**	**$ 64,525**
Derivative assets	(1,370)	(871)
Cash and cash equivalents (including restricted cash)	2,502	2,830
Accrued investment income	554	520
Payables for collateral on derivatives	(1,383)	(867)
Reinsurance funds withheld and modified coinsurance	(414)	(214)
VIE assets, liabilities and noncontrolling interest	886	1,073
AFS unrealized (gain) loss	(1,030)	362
Ceded policy loans	(344)	(399)
Total adjustments to arrive at invested assets	(599)	2,434
Total invested assets	**$ 71,834**	**$ 66,959**

Reconciliation of total liabilities to total reserve liabilities		
(In millions)	2016	2015
Total liabilities	**$ 79,814**	**$ 75,491**
Derivative liabilities	(40)	(17)
Payables for collateral on derivatives	(1,383)	(867)
Funds withheld liability	(380)	(388)
Other liabilities	(685)	(776)
Liabilities of consolidated VIEs	(34)	(517)
Reinsurance ceded receivables	(6,001)	(7,257)
Policy loans ceded	(344)	(399)
Other	4	1
Total adjustments to arrive at reserve liabilities	(8,863)	(10,220)
Total reserve liabilities	**$ 70,951**	**$ 65,271**

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