

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 10, 2017

**ATHENE HOLDING LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**001-37963**  
(Commission  
file number)

**98-0630022**  
(I.R.S. Employer  
Identification Number)

**96 Pitts Bay Road**  
**Pembroke, HM08, Bermuda**  
(Address of principal executive offices and zip code)

**(441) 279-8400**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition**

On May 10, 2017, Athene Holding Ltd. (the “Company”) issued a press release to announce its financial results for the three months ended March 31, 2017. A copy of the press release containing this information is furnished as Exhibit 99.1 hereto and is incorporated by reference in this Item 2.02. The Company’s financial supplement for the first quarter ended March 31, 2017 is attached as Exhibit 99.2 hereto and is incorporated by reference in this Item 2.02.

The foregoing information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

- 99.1 Press release of Athene Holding Ltd., dated May 10, 2017 (furnished and not filed).
  - 99.2 Quarterly Financial Supplement for Athene Holding Ltd. for first quarter 2017 (furnished and not filed).
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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ATHENE HOLDING LTD.**

Date: May 10, 2017

/s/ Martin P. Klein

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Martin P. Klein

Executive Vice President and Chief Financial Officer

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Athene Holding Ltd., dated May 10, 2017 (furnished and not filed).
99.2	Quarterly Financial Supplement for Athene Holding Ltd. for first quarter 2017 (furnished and not filed).

## News Release

### ATHENE HOLDING LTD. REPORTS FIRST QUARTER 2017 RESULTS

*Q1 net income increased 329% year-over-year to \$373 million*

*Q1 operating income, net of tax, increased 70% year-over-year to \$258 million*

*Q1 ROE of 20.6%, Q1 Retirement Services operating ROE ex. AOCI of 22.8%*

*Q1 new deposits up 22% year-over-year to \$1.9 billion*

*Q1 Retirement Services investment margin of 2.85%, up 22 basis points year-over-year*

PEMBROKE, Bermuda - May 10, 2017 - Athene Holding Ltd. ("Athene") (NYSE: ATH), a leading provider of retirement savings products, today announced financial results for the first quarter 2017.

**Net income** for the first quarter 2017 was \$373 million, or \$1.87 per diluted Class A share ("diluted share"), compared to net income in the first quarter 2016 of \$87 million, or \$0.47 per diluted share.

**Operating income, net of tax** for the first quarter 2017 was \$258 million, or \$1.32 per operating diluted Class A share ("operating diluted share"), compared to operating income, net of tax for the first quarter 2016 of \$152 million, or \$0.82 per operating diluted share.

"Our first quarter results reflect a very strong start to the year," said Jim Belardi, CEO of Athene. "Significant liability growth combined with investment margin expansion drove a large increase in operating income, net income and shareholders' equity. With respect to our financial strength, we continue to have high risk-based capital ratios, more than \$1.5 billion of excess equity capital and no financial leverage."

"We achieved strong organic growth in the first quarter and this year we have already issued \$1.7 billion of funding agreements, which we believe will be a consistent source of attractively priced liabilities and further demonstrates the flexibility of Athene's distribution platform to achieve growth and profitability," Mr. Belardi noted.

"In recognition of our strong financial performance, market leadership, capital growth and superior management team, A.M. Best upgraded the financial strength ratings of Athene's operating companies to "A" on April 13. With this ratings upgrade, we are now even better positioned to expand organically and inorganically and to continue to create significant shareholder value."

## Other Highlights<sup>1</sup>

- Total investments, including related parties, increased 14% year-over-year to \$75.1 billion; total invested assets increased 8% year-over-year to \$73.6 billion
- Athene shareholders' equity increased 35% year-over-year to \$7.6 billion and Athene shareholders' equity ex. AOCI increased 22% year-over-year to \$6.9 billion, as of March 31, 2017
- Estimated Q1 U.S. RBC of 466%, as of March 31, 2017
- Estimated Q1 ALRe RBC of 530%<sup>2</sup> as of March 31, 2017; BSCR of 228%<sup>3</sup> as of December 31, 2016
- Ranked #2 writer of fixed indexed annuity sales for the second half of 2016<sup>4</sup>
- In March, Athene and Apollo agreed, subject to shareholder approval, to implement a new fee framework in support of further prudent growth, reducing fees from 40bps to 30bps on AUM in excess of \$65.8 billion
- Added to the Russell 1000 index, effective March 31, 2017
- In March, priced an upsized secondary offering of 31,625,000 of Class A common shares; Athene did not receive any proceeds from the sale
- A.M. Best upgraded the financial strength ratings of our operating companies to "A" on April 13, 2017

<sup>1</sup> This news release references certain Non-GAAP measures. See *Non-GAAP Measures* for additional discussion.

<sup>2</sup> 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.

<sup>3</sup> 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 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%.

<sup>4</sup> Rankings as of December 31, 2016 per LIMRA.

## First Quarter Results

**Net income** for the first quarter increased by \$286 million, or 329%, over the prior year. The increase was driven by a \$106 million increase in operating income, net of tax, a \$163 million favorable change in FIA derivatives primarily due to equity market performance and the favorable change in discount rates compared to the prior year, as well as \$76 million of favorable investment gains primarily driven by credit spreads tightening.

**Operating income, net of tax** for the first quarter increased by \$106 million, or 70%, over the prior year. The increase was driven by higher fixed, other and alternative investment income as well as favorable rider reserve changes and DAC amortization.

Investment income increased primarily due to the growth in invested assets, proceeds from a bond previously written down, higher interest rates and strength in our alternatives portfolio. In 2016 fixed income and other investment income benefited from bond call income from a large redemption partially offset by lower alternative investment income driven by lower credit fund income due to credit spreads widening and a decline in market value of public equity positions in one of our funds. Cost of crediting increased primarily from growth in the block of business partially offset by recent rate actions and lower option costs. Other liability costs were in line with prior year having benefited from rider reserve changes and favorable DAC amortization driven by strong equity market performance in 2017 compared to 2016, offset by growth in the block of business.

## Deposit Highlights

In the first quarter of 2017, we generated retail sales, new flow reinsurance and funding agreement deposits of \$1.9 billion, an increase of 22% compared to the prior year.

**Retail Sales:** Athene ranked as the #2 writer of fixed indexed annuities for the second half of 2016, based on LIMRA data as of December 31, 2016. For the first quarter, we generated new deposits of \$1.1 billion, an increase of 66% over the prior year. During the quarter, we launched new products, expanded our distribution and added new partners, which drove strong growth over the prior year.

**Flow Reinsurance:** Flow reinsurance deposits were \$166 million in the first quarter, down from the prior year due in part to a decline in the overall fixed-rate deferred annuity market, which is largely comprised of MYGA products. We are pursuing new reinsurance partners and developing new products to diversify our portfolio.

**Institutional:** For the first quarter, funding agreements contributed \$650 million of new deposits within our institutional channel; we did not issue any funding agreements in the prior year. Additionally, in the second quarter of 2017 to date, we have issued more than \$1 billion of funding agreements, and we expect demand will continue for this product.

## Selected Results

<i>(In millions, except percentages and share data)</i>	As of and for the three months ended March 31,	
	2017	2016
Deposits	\$ 1,915	\$ 1,575
Investments, including related parties	75,129	66,071
Invested assets	73,573	67,865
Debt to equity	—%	—%
Book value per share	\$ 39.26	\$ 30.28
Book value per share, ex. AOCI <sup>1</sup>	\$ 35.17	\$ 30.55
Common shares outstanding <sup>2</sup>	193.5	186.2
Operating diluted Class A common shares outstanding <sup>3</sup>	196.8	186.2
Total AHL shareholders' equity	7,597	5,638
Total AHL shareholders' equity excluding AOCI	6,924	5,690
ROE	20.6%	6.3%
ROE ex. AOCI	22.2%	6.2%
Operating ROE ex. AOCI	15.3%	10.8%
<b>Retirement Services</b>		
Operating income, net of tax	\$ 267	\$ 197
Operating ROE ex. AOCI	22.8%	19.7%
Investment margin on deferred annuities	2.85%	2.63%

<sup>1</sup>Book value per share, ex AOCI is calculated as the ending AHL shareholders' equity excluding AOCI divided by the operating diluted Class A common shares outstanding.

<sup>2</sup>Represents common shares outstanding for all classes eligible to participate in dividends for each period presented. Utilized for the book value per share calculation.

<sup>3</sup>Operating diluted Class A common shares outstanding assumes conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares outstanding on a one-for-one basis, the impacts of all Class M common shares outstanding net of the conversion price and any other stock-based awards outstanding. Our Class B common shares are economically equivalent to Class A common shares and can be converted to Class A common shares on a 1-for-1 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. We believe this non-GAAP measure is an appropriate economic representation of our share counts for use in an economic view of book value metrics.

(In millions, except share data)	Three months ended March 31,	
	2017	2016
<b>Operating income, net of tax by segment</b>		
Retirement Services	\$ 267	\$ 197
Corporate and Other	(9)	(45)
<b>Operating income, net of tax</b>	<b>258</b>	<b>152</b>
Investment gains (losses), net of offsets	57	(19)
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	94	(69)
Integration, restructuring and other non-operating expenses	(9)	(1)
Stock compensation expense	(13)	15
Income tax (expense) benefit - non-operating	(14)	9
<b>Total non-operating adjustments</b>	<b>115</b>	<b>(65)</b>
<b>Net income available to AHL shareholders</b>	<b>\$ 373</b>	<b>\$ 87</b>
Earnings per share - basic <sup>1</sup>	\$ 1.94	\$ 0.47
Earnings per share - diluted Class A <sup>2</sup>	\$ 1.87	\$ 0.47
Operating earnings per share - operating diluted Class A <sup>3</sup>	\$ 1.32	\$ 0.82
Weighted average shares outstanding - basic <sup>1</sup>	192.5	186.0
Weighted average shares outstanding - diluted Class A <sup>2</sup>	81.3	50.1
Weighted average shares outstanding - operating diluted Class A <sup>3</sup>	195.6	186.0

<sup>1</sup> Basic earnings per share, including basic weighted average shares outstanding includes all classes eligible to participate in dividends for each period presented.

<sup>2</sup> Diluted earnings per share on a GAAP basis for Class A common shares, including diluted Class A weighted average shares outstanding, includes the dilutive impacts, if any, of Class B common shares, Class M common shares and any other stock-based awards, which totaled 3.1 million weighted average shares in the quarter. Diluted earnings per share on a GAAP basis for Class A common shares are based on allocated net income of \$152 million (41% of net income) and \$23 million (27% of net income) for the three months ended March 31, 2017 and 2016, respectively.

<sup>3</sup> Weighted average shares outstanding - operating diluted Class A assumes conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of 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. Our Class B common shares are economically equivalent to Class A common shares and can be converted to Class A common shares on a 1-for-1 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. We believe this non-GAAP measure is an appropriate economic representation of our share counts for use in an economic view of diluted operating earnings per share.

## Segment Results

### Retirement Services

#### Q1 Results

In the first quarter, our Retirement Services segment generated an operating ROE excluding AOCI of 22.8% and operating income, net of tax of \$267 million, an increase of \$70 million over the prior year. Operating income, net of tax was driven by strong fixed, other and alternative investment income as well as favorable rider reserve changes and DAC amortization.

Higher investment income was driven mainly by earnings from growth in invested assets of \$5.8 billion, proceeds of \$14 million from a bond previously written down, higher interest rates and strength in the alternatives portfolio. In 2016, fixed income and other investment income benefited from \$45 million of bond call income from a large redemption partially offset by lower alternative investment income driven by lower credit fund income due to credit spreads widening. Cost of crediting increased \$20 million, primarily driven by growth in the block of business partially offset by recent rate actions and lower option costs. Other liability costs were in line with the prior year having benefited from approximately \$40 million of rider reserve changes and favorable DAC amortization driven by strong equity market performance in 2017 compared to 2016, offset by growth in the block of business.

Investment margin on deferred annuities was 2.85%, an increase of 22 basis points over the prior year, which includes 9 basis points from the proceeds on a bond previously written down, as compared to 30 basis points in the prior year of bond call income from a large redemption. The net investment earned rate was 4.76%, an increase of



17 basis points over the prior year. Cost of crediting decreased by 5 basis points compared to the prior year due to recent rate actions and lower option costs.

## **Corporate Segment**

### **Q1 Results**

For the first quarter of 2017, Corporate and Other operating loss, net of tax was \$9 million, as compared to a loss of \$45 million in the prior year. The improvement was largely driven by higher alternative investment income, partially offset by an \$11 million unfavorable change in fair value within one of our funds in 2017. Additionally, in 2016 we had lower credit fund income due to credit spreads widening and a decline in the market value of public equity positions in one of our funds. For the first quarter, results for our German business were in line with the prior year.

Subsequent to the quarter Athene's Bermuda subsidiary (AGER), that holds our business in Germany, received binding subscriptions for a capital raise that was conducted through a private placement of common equity securities. The offering received subscriptions representing approximately €2.2 billion from a number of global institutional investors, including Athene and Apollo, and is intended to support capital and reinsurance transactions in the German and European guaranteed life insurance market. The capital raised is permanent equity capital, does not include any financial leverage and will result in the deconsolidation of our business in Germany once capital is drawn. At that time, AGER and its subsidiaries will be separately managed from Athene.

As capital is drawn by AGER under the subscription agreement, Athene will become a large minority shareholder in AGER and AGER will no longer be a consolidated subsidiary. In addition, Athene expects to be a long-term strategic partner for AGER and will support its business in a number of ways. As part of the long-term partnership, Athene is expected to be a preferred reinsurer for AGER's spread liabilities.

### **Conference Call Information**

This press release and the first quarter 2017 financial supplement will be posted to the Company's website at [ir.athene.com](http://ir.athene.com).

Athene will conduct a conference call on Thursday, May 11, 2017 at 9:00 a.m. ET to discuss first quarter 2017 results. Additionally, the company will post an earnings presentation deck on the [ir.athene.com](http://ir.athene.com) website prior to market open on May 11, 2017.

- Live conference call: Toll-free at 1-888-317-6003 (domestic) or 1-412-317-6061 (international)
- Participant entry number: 2435204
- Replay available through May 25, 2017 at 1-877-344-7529 (domestic) or 1-412-317-0088 (international)
- Replay access code: 10103915
- Live and archived webcast available at [ir.athene.com](http://ir.athene.com)

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### **About Athene Holding Ltd.**

Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products offered by Athene include:

- Retail fixed and fixed indexed annuity products;
- Reinsurance arrangements with third-party annuity providers; and
- Institutional products, such as funding agreements.

Athene's principal subsidiaries include Athene Annuity & Life Assurance Company, a Delaware-domiciled insurance company, Athene Annuity and Life Company, an Iowa-domiciled insurance company, Athene Annuity & Life Assurance Company of New York and Athene Life Insurance Company of New York, New York-domiciled insurance companies, Athene Life Re Ltd., a Bermuda-domiciled reinsurer and Athene Lebensversicherung AG, a German-based life insurance company.

Further information about our companies can be found at [www.athene.com](http://www.athene.com).

### Non-GAAP Measures

In addition to our results presented in accordance with GAAP, our results of operations include certain non-GAAP measures commonly used in our industry. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides a better understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers or likely to re-occur in the foreseeable future, as such items fluctuate from period-to-period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures. See *Non-GAAP Measure Reconciliations* for the appropriate reconciliations to the 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 (collectively, the "non-operating adjustments"):

- Investment Gains (Losses), Net of Offsets
- Change in Fair Values of Derivatives and Embedded Derivatives - FIAs, Net of Offsets
- Integration, Restructuring, and Other Non-operating Expenses
- Stock Compensation Expense
- Bargain Purchase Gain
- 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 available 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, weighted average shares outstanding - operating diluted Class A common shares and book value per share excluding AOCI are non-GAAP measures used to evaluate our financial performance and financial condition. The non-GAAP measures adjust the number of shares included in the corresponding GAAP measures to reflect the conversion or settlement of all shares and other stock-based awards outstanding. We believe 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. Book value per share excluding AOCI is calculated as the ending AHL shareholders' equity excluding AOCI divided by the operating diluted Class A common shares outstanding. 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 and operating diluted Class A common shares outstanding assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Operating earnings per share - operating diluted Class A, weighted average shares outstanding - operating diluted Class A common shares and book value per share excluding AOCI should not be used as a substitute for basic earnings per share - Class A common shares, basic weighted average shares outstanding - Class A or book value per share. However, we believe the adjustments to the shares and equity are significant to gaining an understanding of our overall results of operations and financial condition.

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.

In managing our business we analyze invested assets, which do not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. 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.

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).

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

This press release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of AHL's management and the management of AHL's subsidiaries. Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of our assumptions and estimates; our ability to maintain or improve financial strength ratings; our ability to manage our business in a highly regulated industry; regulatory changes or actions; the impact of our reinsurers failing to meet their assumed obligations; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; our ability to protect our intellectual property; the ability to maintain or obtain approval of the Delaware Department of Insurance, the Iowa Insurance Division and other regulatory authorities as required for our operations; and other factors discussed from time to time in AHL's filings with the SEC, including our annual report on Form 10-K for the year ended December 31, 2016, which can be found at the SEC's website [www.sec.gov](http://www.sec.gov).

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

###

<i>(In millions)</i>	March 31, 2017	December 31, 2016
<b>Assets</b>		
<b>Investments</b>		
Available-for-sale securities, at fair value		
Fixed maturity securities	\$ 54,225	\$ 52,033
Equity securities	422	353
Trading securities, at fair value	2,595	2,581
Mortgage loans, net of allowances	5,453	5,470
Investment funds	689	689
Policy loans	579	602
Funds withheld at interest	6,593	6,538
Derivative assets	1,708	1,370
Real estate	553	542
Short-term investments, at fair value	166	189
Other investments	82	81
Total investments	73,065	70,448
Cash and cash equivalents	2,563	2,445
Restricted cash	73	57
<b>Investments in related parties</b>		
Available-for-sale securities, at fair value		
Fixed maturity securities	361	335
Equity securities	—	20
Trading securities, at fair value	169	195
Investment funds	1,276	1,198
Short-term investments	20	—
Other investments	238	237
Accrued investment income	575	554
Reinsurance recoverable	5,960	6,001
Deferred acquisition costs, deferred sales inducements, and value of business acquired	2,895	2,964
Current income tax recoverable	12	107
Deferred tax assets	233	369
Other assets	817	869
<b>Assets of consolidated variable interest entities:</b>		
<b>Investments</b>		
Available-for-sale securities, at fair value		
Equity securities - related party	191	161
Trading securities, at fair value – related party	166	167
Investment funds	599	573
Cash and cash equivalents	2	14
Other assets	5	6
<b>Total assets</b>	<b>\$ 89,220</b>	<b>\$ 86,720</b>

<i>(In millions)</i>	March 31, 2017	December 31, 2016
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Interest sensitive contract liabilities	\$ 62,634	\$ 61,532
Future policy benefits	14,727	14,569
Other policy claims and benefits	214	217
Dividends payable to policyholders	917	974
Derivative liabilities	32	40
Payables for collateral on derivatives	1,681	1,383
Funds withheld liability	382	380
Other liabilities	999	685
Liabilities of consolidated variable interest entities	37	34
<b>Total liabilities</b>	<b>81,623</b>	<b>79,814</b>
<b>Equity</b>		
Common stock	—	—
Additional paid-in capital	3,436	3,421
Retained earnings	3,488	3,117
Accumulated other comprehensive income	673	367
<b>Total Athene Holding Ltd. shareholders' equity</b>	<b>7,597</b>	<b>6,905</b>
Noncontrolling interest	—	1
<b>Total equity</b>	<b>7,597</b>	<b>6,906</b>
<b>Total liabilities and equity</b>	<b>\$ 89,220</b>	<b>\$ 86,720</b>

<i>(In millions, except per share data)</i>	Three months ended March 31,	
	2017	2016
<b>Revenue</b>		
Premiums	\$ 52	\$ 60
Product charges	81	66
Net investment income	786	692
Investment related gains (losses)	682	(82)
OTTI investment losses:		
OTTI losses	—	(22)
OTTI losses (gains) recognized in OCI	(1)	12
Net OTTI losses	(1)	(10)
Other revenues	8	8
Revenues of consolidated variable interest entities:		
Net investment income	10	11
Investment related gains (losses)	1	(23)
Total revenues	1,619	722
<b>Benefits and Expenses</b>		
Interest sensitive contract benefits	696	253
Amortization of DSI	18	4
Future policy and other policy benefits	214	224
Amortization of DAC and VOBA	108	28
Dividends to policyholders	32	17
Policy and other operating expenses	156	104
Operating expenses of consolidated variable interest entities	—	4
Total benefits and expenses	1,224	634
<b>Income before income taxes</b>	395	88
Income tax expense	22	1
<b>Net income</b>	373	87
Less: Net income attributable to noncontrolling interests	—	—
<b>Net income available to AHL shareholders</b>	\$ 373	\$ 87

## Non-GAAP Measure Reconciliations

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

	Three months ended March 31,	
	2017	2016
<b>Operating income, net of tax – per operating dilutive Class A common share</b>	\$ 1.32	\$ 0.82
Investment gains (losses), net of offsets	0.30	(0.10)
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	0.48	(0.36)
Integration, restructuring and other non-operating expenses	(0.05)	(0.01)
Stock compensation expense	(0.07)	0.08
Income tax (expense) benefit - non-operating	(0.07)	0.04
<b>Total non-operating adjustments</b>	<b>0.59</b>	<b>(0.35)</b>
<b>Effect of items convertible to or settled in Class A common shares</b>	<b>0.03</b>	<b>—</b>
<b>Basic earnings per share – Class A common shares</b>	<b>\$ 1.94</b>	<b>\$ 0.47</b>

The reconciliation of basic weighted average Class A shares to weighted average operating diluted Class A shares is as follows:

<i>(In millions)</i>	Three months ended March 31,	
	2017	2016
Basic weighted average shares outstanding - Class A	78.2	50.0
Conversion of Class B shares to Class A shares	110.8	136.0
Conversion of Class M shares to Class A shares	6.2	—
Effect of other stock compensation plans	0.4	—
<b>Weighted average shares outstanding - operating diluted Class A common shares</b>	<b>195.6</b>	<b>186.0</b>

The reconciliation of AHL shareholders' equity to AHL shareholders' equity excluding AOCI included in ROE excluding AOCI, operating income ROE excluding AOCI and book value per share excluding AOCI is as follows:

<i>(In millions)</i>	March 31,	
	2017	2016
Total AHL shareholders' equity	\$ 7,597	\$ 5,638
Less: AOCI	673	(52)
<b>Total AHL shareholders' equity excluding AOCI</b>	<b>\$ 6,924</b>	<b>\$ 5,690</b>
Retirement Services	\$ 4,853	\$ 4,071
Corporate and Other	2,071	1,619
<b>Total AHL shareholders' equity excluding AOCI</b>	<b>\$ 6,924</b>	<b>\$ 5,690</b>



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

<i>(In millions)</i>	March 31,	
	2017	2016
Class A common shares outstanding	101.3	50.2
Conversion of Class B shares to Class A shares	87.8	136.0
Conversion of Class M shares to Class A shares	6.8	—
Effect of other stock compensation plans	0.9	—
Operating diluted Class A common shares outstanding	196.8	186.2

The reconciliation of book value per share to book value per share, excluding AOCI is as follows:

	March 31,	
	2017	2016
Book value per share	\$ 39.26	\$ 30.28
AOCI	(3.48)	0.27
Effect of items convertible to or settled in Class A common shares	(0.61)	—
Book value per share, excluding AOCI	\$ 35.17	\$ 30.55

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

<i>(In millions)</i>	Three months ended March 31,			
	2017		2016	
	Dollar	Rate	Dollar	Rate
GAAP net investment income	\$ 786	4.32 %	\$ 692	4.10 %
Reinsurance embedded derivative impacts	45	0.25 %	36	0.21 %
Net VIE earnings	11	0.06 %	(16)	(0.09)%
Alternative income gain (loss)	(13)	(0.07)%	(32)	(0.19)%
Other	(15)	(0.08)%	—	— %
Total adjustments to arrive at net investment earnings/earned rate	28	0.16 %	(12)	(0.07)%
Total net investment earnings/earned rate	\$ 814	4.48 %	\$ 680	4.03 %
Retirement Services	\$ 780	4.76 %	\$ 691	4.59 %
Corporate and Other	34	1.88 %	(11)	(0.62)%
Total net investment earnings/earned rate	\$ 814	4.48 %	\$ 680	4.03 %
Retirement Services average invested assets	\$ 65,580		\$ 60,259	
Corporate and Other average invested assets	7,123		7,153	
Average invested assets	\$ 72,703		\$ 67,412	

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

<i>(In millions)</i>	Three months ended March 31,			
	2017		2016	
	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	\$ 696	5.05 %	\$ 253	2.03 %
Interest credited other than deferred annuities	(30)	(0.22)%	(29)	(0.23)%
FIA option costs	145	1.04 %	136	1.11 %
Product charges (strategy fees)	(17)	(0.12)%	(11)	(0.09)%
Reinsurance embedded derivative impacts	9	0.07 %	6	0.05 %
Change in fair values of embedded derivatives - FIAs	(534)	(3.87)%	(136)	(1.10)%
Negative VOBA amortization	12	0.09 %	9	0.07 %
Unit linked change in reserve	(18)	(0.13)%	15	0.12 %
Total adjustments to arrive at cost of crediting on deferred annuities	(433)	(3.14)%	(10)	(0.07)%
Retirement Services cost of crediting on deferred annuities	\$ 263	1.91 %	\$ 243	1.96 %
Average account value on deferred annuities	\$ 55,154		\$ 49,626	

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

<i>(In millions)</i>	March 31,	
	2017	2016
Total investments, including related parties	\$ 75,129	\$ 66,071
Derivative assets	(1,708)	(835)
Cash and cash equivalents (including restricted cash)	2,636	2,798
Accrued income	575	519
Derivative collateral	(1,681)	(761)
Reinsurance funds withheld and modified coinsurance	(410)	(179)
VIE assets, liabilities and noncontrolling interest	926	1,061
AFS unrealized (gain) loss	(1,561)	(459)
Ceded policy loans	(333)	(350)
Total adjustments to arrive at invested assets	(1,556)	1,794
Total invested assets	\$ 73,573	\$ 67,865



# Financial Supplement

First Quarter 2017

March 31, 2017

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
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#### Key Operating and Non-GAAP Measures

In addition to our results presented in accordance with GAAP, our results of operations include certain non-GAAP measures commonly used in our industry. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides a better understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers or likely to re-occur in the foreseeable future, as such items fluctuate from period-to-period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures. See *Non-GAAP Measure Reconciliations* for the appropriate reconciliations to the GAAP measures.

#### Operating Income, Net of Tax

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 (collectively, the "non-operating adjustments"):

- **Investment Gains (Losses), Net of Offsets** - Investment gains (losses), net of offsets, consist of the realized gains and losses on the sale of AFS securities, the change in assumed modco and funds withheld reinsurance embedded derivatives, unrealized gains and losses, impairments, and other investment gains and losses. Unrealized, impairments and other investment gains and losses are comprised of the fair value adjustments of trading securities (other than CLOs) and investments held under the fair value option, derivative gains and losses not hedging FIA index credits, and the net OTTI impacts recognized in operations net of the change in AmerUs Closed Block fair value reserve related to the corresponding change in fair value of investments and the change in unit linked reserves related to the corresponding trading securities. Investment gains and losses are net of offsets related to DAC, DSI, and VOBA amortization and changes to GLWB and guaranteed minimum death benefits (GMDB) reserves as well as the MVAs associated with surrenders or terminations of contracts.
- **Change in Fair Values of Derivatives and Embedded Derivatives - FIAs, Net of Offsets** - Impacts related to the fair value accounting for derivatives hedging the FIA index credits and the related embedded derivative liability fluctuate from period-to-period. The index reserve is measured at fair value for the current period and all periods beyond the current policyholder index term. However, the FIA hedging derivatives are purchased to hedge only the current index period. Upon policyholder renewal at the end of the period, new FIA hedging derivatives are purchased to align with the new term. The difference in duration between the FIA hedging derivatives and the index credit reserves creates a timing difference in earnings. This timing difference of the FIA hedging derivatives and index credit reserves is included as a non-operating adjustment, net of offsets related to DAC, DSI, and VOBA amortization and changes to GLWB and GMDB reserves.

We primarily hedge with options that align with the index terms of our FIA products (typically 1-2 years). From an economic basis, we believe this is suitable because policyholder accounts are credited with index performance at the end of each index term. However, because the "value of an embedded derivative" in an FIA contract is longer-dated, there is a duration mismatch which may lead to mismatches for accounting purposes.

- **Integration, Restructuring, and Other Non-operating Expenses** - Integration, restructuring, and other non-operating expenses consist of restructuring and integration expenses related to mergers and acquisitions as well as certain other expenses which are not part of our core operations or likely to re-occur in the foreseeable future.
- **Stock Compensation Expense** - To date, stock compensation expenses associated with our share incentive plans, excluding our long term incentive plan, are not part of our core operating expenses and fluctuate from time to time due to the structure of our plans.
- **Bargain Purchase Gain** - Bargain purchase gains associated with acquisitions are adjustments to net income as they are not consistent with our core operations.
- **Provision for Income Taxes - Non-operating** - The non-operating income tax expense is comprised of the appropriate jurisdiction's tax rate applied to the non-operating adjustments that are subject to income tax.

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 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 available to AHL's shareholders.

***ROE Excluding AOCI and Operating ROE Excluding AOCI***

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, Weighted Average Shares Outstanding - Operating Diluted Class A Common Shares and Book Value Per Share Excluding AOCI***

Operating earnings per share - operating diluted Class A, weighted average shares outstanding - operating diluted Class A common shares and book value per share excluding AOCI are non-GAAP measures used to evaluate our financial performance and financial condition. The non-GAAP measures adjust the number of shares included in the corresponding GAAP measures to reflect the conversion or settlement of all shares and other stock-based awards outstanding. We believe 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. Book value per share excluding AOCI is calculated as the ending AHL shareholders' equity excluding AOCI divided by the operating diluted Class A common shares outstanding. 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 and operating diluted Class A common shares outstanding assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Operating earnings per share - operating diluted Class A, weighted average shares outstanding - operating diluted Class A common shares and book value per share excluding AOCI should not be used as a substitute for basic earnings per share - Class A common shares, basic weighted average shares outstanding - Class A or book value per share. However, we believe the adjustments to the shares and equity are significant to gaining an understanding of our overall results of operations and financial condition.

***Retirement Services Net Investment Earned Rate, Cost of Crediting and Investment Margin on Deferred Annuities***

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 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.

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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. Deferred annuities include our fixed rate annuities and FIAs, which account for approximately 80% of our Retirement Services reserve liabilities as of December 31, 2016. 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.

***Invested Assets***

In managing our business we analyze invested assets, which do not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. 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***

In managing our business we also analyze reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. 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***

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).



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**Financial Highlights**

Unaudited (In millions, except percentages and per share data)

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
<b>Deposits</b>							
\$ 1,099	\$ 663	Retail sales	\$ 1,099	\$ 1,492	\$ 2,011	\$ 1,143	\$ 663
166	912	Flow reinsurance	166	348	871	1,318	912
650	—	FABN	650	—	—	—	—
<u>\$ 1,915</u>	<u>\$ 1,575</u>	<b>Total deposits</b>	<u>\$ 1,915</u>	<u>\$ 1,840</u>	<u>\$ 2,882</u>	<u>\$ 2,461</u>	<u>\$ 1,575</u>
<b>Consolidated results of operations</b>							
\$ 373	\$ 87	Net income	\$ 373	\$ 368	\$ 158	\$ 192	\$ 87
258	152	Operating income, net of taxes	258	284	146	178	152
20.6%	6.3%	ROE	20.6%	21.0%	9.4%	12.7%	6.3%
22.2%	6.2%	ROE excluding AOCI	22.2%	23.2%	10.5%	13.3%	6.2%
15.3%	10.8%	Operating ROE excluding AOCI	15.3%	17.9%	9.7%	12.3%	10.8%
<b>Retirement Services</b>							
\$ 267	\$ 197	Operating income, net of taxes	\$ 267	\$ 246	\$ 171	\$ 195	\$ 197
22.8%	19.7%	Operating ROE excluding AOCI	22.8%	21.8%	15.4%	18.6%	19.7%
<b>Earnings per share</b>							
\$ 1.94	\$ 0.47	Basic <sup>1</sup>	\$ 1.94	\$ 1.94	\$ 0.85	\$ 1.03	\$ 0.47
\$ 1.87	\$ 0.47	Diluted - Class A <sup>2</sup>	\$ 1.87	\$ 1.80	\$ 0.85	\$ 1.03	\$ 0.47
\$ 1.32	\$ 0.82	Operating earnings per share - operating diluted Class A <sup>3</sup>	\$ 1.32	\$ 1.46	\$ 0.78	\$ 0.95	\$ 0.82
<b>Book Value per share:</b>							
\$ 39.26	\$ 30.28	Book value per share	\$ 39.26	\$ 35.91	\$ 38.00	\$ 34.62	\$ 30.28
\$ 35.17	\$ 30.55	Book value per share, excluding AOCI <sup>3</sup>	\$ 35.17	\$ 33.29	\$ 31.76	\$ 31.46	\$ 30.55
<b>Balance sheet items:</b>							
\$ 89,220	\$ 81,601	Total assets	\$ 89,220	\$ 86,720	\$ 87,000	\$ 84,301	\$ 81,601
73,573	67,865	Invested assets	73,573	71,834	71,595	69,859	67,865
81,623	75,962	Total liabilities	81,623	79,814	79,926	77,863	75,962
72,202	66,461	Reserve liabilities	72,202	70,951	70,892	68,335	66,461
7,597	5,638	Total Athene Holding Ltd. shareholders' equity	7,597	6,905	7,073	6,437	5,638
6,924	5,690	Athene Holding Ltd. shareholders' equity excluding AOCI	6,924	6,538	6,153	5,868	5,690
—%	—%	Debt to equity (excluding AOCI) ratio	—%	—%	—%	—%	—%
<b>Share data:</b>							
192.5	186.0	Weighted average shares outstanding - basic <sup>1</sup>	192.5	189.2	185.8	186.0	186.0
81.3	50.1	Weighted average shares outstanding - diluted - Class A common shares <sup>2</sup>	81.3	63.9	49.9	50.1	50.1
195.6	186.0	Weighted average shares outstanding - operating diluted Class A common shares <sup>3</sup>	195.6	194.2	185.9	186.1	186.0
193.5	186.2	Common shares outstanding <sup>4</sup>	193.5	192.3	185.9	185.9	186.2
196.8	186.2	Operating diluted Class A common shares outstanding <sup>3</sup>	196.8	196.4	193.8	186.5	186.2

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Financial Measures Reconciliations for discussion on operating income, net of taxes, ROE excluding AOCI, operating ROE excluding AOCI and book value per share excluding AOCI.

<sup>1</sup> During the three months ended December 31, 2016, we recorded out-of-period adjustments that affected the consolidated statements of income for the three months ended September 30, 2016. These adjustments primarily related to DAC and VOBA amortization. In addition, during the three months ended September 30, 2016, we recorded out-of-period adjustments that primarily affected the consolidated statements of income for the year ended December 31, 2015. These out-of-period adjustments were primarily related to actuarial reserves, net of DAC and VOBA amortization. As a result of these out-of-period adjustments, the consolidated net income for the three months ended December 31, 2016 was understated by \$5 million while the operating income, net of tax was understated by \$1 million and the consolidated net income for the three months ended September 30, 2016 was overstated by \$23 million while the operating income, net of tax was overstated by \$19 million.

<sup>2</sup> Basic earnings per share, including basic weighted average shares outstanding, includes all classes eligible to participate in dividends for each period presented.

<sup>3</sup> Diluted earnings per share on a GAAP basis for Class A common shares, including diluted Class A weighted average shares outstanding, includes the dilutive impacts, if any, of Class B common shares, Class M common shares and any other stock-based awards.

<sup>4</sup> Represents Class A common shares outstanding or 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 common shares, Class M common shares and any other stock-based awards. For September 30, 2016 and prior, Class M shares were not included due to issuance restrictions which were contingent upon our IPO, except for the Class M share agreements impacted by the modification as of September 30, 2016.

<sup>5</sup> Represents common shares outstanding for all classes eligible to participate in dividends for each period presented.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Capitalization and Equity**  
Unaudited (In millions, except percentages)

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
<b>Capitalization</b>							
\$ —	\$ —	<b>Total debt<sup>1</sup></b>	\$ —	\$ —	\$ —	\$ —	\$ —
7,597	5,638	<b>Total Athene Holding Ltd. shareholders' equity</b>	7,597	6,905	7,073	6,437	5,638
7,597	5,638	<b>Total capitalization</b>	7,597	6,905	7,073	6,437	5,638
673	(52)	Less: AOCI	673	367	920	569	(52)
\$ 6,924	\$ 5,690	<b>Total capitalization excluding AOCI</b>	\$ 6,924	\$ 6,538	\$ 6,153	\$ 5,868	\$ 5,690
<b>Equity by segment</b>							
\$ 4,853	\$ 4,071	Retirement Services	\$ 4,853	\$ 4,495	\$ 4,584	\$ 4,243	\$ 4,071
2,071	1,619	Corporate and Other	2,071	2,043	1,569	1,625	1,619
6,924	5,690	<b>Total AHL shareholders' equity excluding AOCI</b>	6,924	6,538	6,153	5,868	5,690
673	(52)	AOCI	673	367	920	569	(52)
\$ 7,597	\$ 5,638	<b>Total AHL shareholders' equity</b>	\$ 7,597	\$ 6,905	\$ 7,073	\$ 6,437	\$ 5,638
—%	—%	<b>Debt to equity (excluding AOCI) ratio</b>	—%	—%	—%	—%	—%

<sup>1</sup> Total debt is not including debt within a consolidated VIE.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Condensed Consolidated Balance Sheets**  
Unaudited *(In millions)*

	March 31, 2017	December 31, 2016
<b>Assets</b>		
Investments:		
Available-for-sale securities, at fair value		
Fixed maturity securities	\$ 54,225	\$ 52,033
Equity securities	422	353
Trading securities, at fair value	2,595	2,581
Mortgage loans, net of allowances	5,453	5,470
Investment funds	689	689
Policy loans	579	602
Funds withheld at interest	6,593	6,538
Derivative assets	1,708	1,370
Real estate	553	542
Short-term investments, at fair value	166	189
Other investments	82	81
<b>Total investments</b>	<b>73,065</b>	<b>70,448</b>
Cash and cash equivalents	2,563	2,445
Restricted cash	73	57
Investments in related parties		
Available-for-sale securities, at fair value		
Fixed maturity securities	361	335
Equity securities	—	20
Trading securities, at fair value	169	195
Investment funds	1,276	1,198
Short-term investments	20	—
Other investments	238	237
Accrued investment income	575	554
Reinsurance recoverable	5,960	6,001
Deferred acquisition costs, deferred sales inducements, and value of business acquired	2,895	2,964
Current income tax recoverable	12	107
Deferred tax assets	233	369
Other assets	817	869
Assets of consolidated variable interest entities		
Investments		
Available-for-sale securities, at fair value		
Equity securities	191	161
Trading securities, at fair value	166	167
Investment funds	599	573
Cash and cash equivalents	2	14
Other assets	5	6
<b>Total assets</b>	<b>\$ 89,220</b>	<b>\$ 86,720</b>

*(Continued)*

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Condensed Consolidated Balance Sheets**  
Unaudited *(In millions)*

	March 31, 2017	December 31, 2016
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Interest sensitive contract liabilities	\$ 62,634	\$ 61,532
Future policy benefits	14,727	14,569
Other policy claims and benefits	214	217
Dividends payable to policyholders	917	974
Derivative liabilities	32	40
Payables for collateral on derivatives	1,681	1,383
Funds withheld liability	382	380
Other liabilities	999	685
Liabilities of consolidated variable interest entities	37	34
<b>Total liabilities</b>	<b>81,623</b>	<b>79,814</b>
<b>Equity</b>		
Common Stock	—	—
Additional paid-in-capital	3,436	3,421
Retained earnings	3,488	3,117
Accumulated other comprehensive income (loss)	673	367
<b>Total Athene Holding Ltd. shareholders' equity</b>	<b>7,597</b>	<b>6,905</b>
Noncontrolling interests	—	1
<b>Total equity</b>	<b>7,597</b>	<b>6,906</b>
<b>Total liabilities and equity</b>	<b>\$ 89,220</b>	<b>\$ 86,720</b>

*(Concluded)*

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Statements of Income**  
Unaudited *(In millions)*

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
<b>Revenue:</b>							
\$ 52	\$ 60	Premiums	\$ 52	\$ 35	\$ 85	\$ 60	\$ 60
81	66	Product charges	81	75	71	69	66
786	692	Net investment income	786	773	747	704	692
682	(82)	Investment related gains (losses)	682	129	380	225	(82)
Other-than-temporary impairment investment losses							
—	(22)	Other-than-temporary impairment losses	—	(1)	(7)	(2)	(22)
(1)	12	Other-than-temporary impairment losses recognized in other comprehensive income	(1)	(2)	1	(9)	12
(1)	(10)	Net other-than-temporary impairment losses	(1)	(3)	(6)	(11)	(10)
8	8	Other revenues	8	9	8	9	8
Revenues related to consolidated variable interest entities							
10	11	Net investment income	10	27	7	22	11
1	(23)	Investment related gains (losses)	1	17	(16)	(31)	(23)
1,619	722	<b>Total revenues</b>	1,619	1,062	1,276	1,047	722
<b>Benefits and expenses:</b>							
696	253	Interest sensitive contract benefits	696	225	482	333	253
18	4	Amortization of deferred sales inducements	18	20	14	2	4
214	224	Future policy and other policy benefits	214	181	377	261	224
108	28	Amortization of deferred acquisition costs and value of business acquired	108	101	113	62	28
32	17	Dividends to policyholders	32	(28)	35	13	17
156	104	Policy and other operating expenses	156	177	180	163	104
—	4	Operating expenses of consolidated variable interest entities	—	—	4	5	4
1,224	634	<b>Total benefits and expenses</b>	1,224	676	1,205	839	634
395	88	<b>Income before income taxes</b>	395	386	71	208	88
22	1	Income tax expense (benefit)	22	18	(87)	16	1
373	87	<b>Net income</b>	373	368	158	192	87
—	—	Less: Net income attributable to noncontrolling interests	—	—	—	—	—
\$ 373	\$ 87	<b>Net income available to Athene Holding Ltd. shareholders</b>	\$ 373	\$ 368	\$ 158	\$ 192	\$ 87

\* During the three months ended December 31, 2016, we recorded out-of-period adjustments that affected the consolidated statements of income for the three months ended September 30, 2016. These adjustments primarily related to DAC and VOBA amortization. In addition, during the three months ended September 30, 2016, we recorded out-of-period adjustments that primarily affected the consolidated statements of income for the year ended December 31, 2015. These out-of-period adjustments were primarily related to actuarial reserves, net of DAC and VOBA amortization. As a result of these out-of-period adjustments, the consolidated net income for the three months ended December 31, 2016 was understated by \$5 million and the consolidated net income for the three months ended September 30, 2016 was overstated by \$23 million.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Segment Results of Operations**  
Unaudited (In millions, except per share data)

**Results of operations by segment**

Year-to-date			2017	2016			
2017	2016		Q1	Q4	Q3	Q2	Q1
		<b>Operating income, net of tax by segment</b>					
\$ 267	\$ 197	Retirement Services	\$ 267	\$ 246	\$ 171	\$ 195	\$ 197
(9)	(45)	Corporate and Other	(9)	38	(25)	(17)	(45)
258	152	<b>Operating income, net of tax</b>	258	284	146	178	152
11	8	Realized gains (losses) on sale of AFS securities	11	40	18	11	8
3	(25)	Unrealized, impairments, and other investment gains (losses)	3	(19)	(13)	1	(25)
68	(3)	Assumed modco and funds withheld reinsurance embedded derivatives	68	(76)	73	74	(3)
(25)	1	Offsets to investment gains (losses)	(25)	5	(21)	(27)	1
57	(19)	Investment gains (losses), net of offsets	57	(50)	57	59	(19)
94	(69)	Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	94	179	3	(16)	(69)
(9)	(1)	Integration, restructuring and other non-operating expenses	(9)	(14)	(2)	(5)	(1)
(13)	15	Stock compensation expense	(13)	(20)	(46)	(28)	15
(14)	9	Income tax (expense) benefit - non-operating	(14)	(11)	—	4	9
115	(65)	<b>Total non-operating adjustments</b>	115	84	12	14	(65)
\$ 373	\$ 87	<b>Net income available to AHL shareholders</b>	\$ 373	\$ 368	\$ 158	\$ 192	\$ 87
		<b>Operating income, net of tax – per operating dilutive Class A common share</b>	\$ 1.32	\$ 1.46	\$ 0.78	\$ 0.95	\$ 0.82
0.07	0.06	Realized gains (losses) on sale of AFS securities	0.07	0.21	0.09	0.05	0.06
0.02	(0.14)	Unrealized, impairments, and other investment gains (losses)	0.02	(0.10)	(0.07)	0.01	(0.14)
0.34	(0.02)	Assumed modco and funds withheld reinsurance embedded derivatives	0.34	(0.39)	0.40	0.40	(0.02)
(0.13)	—	Offsets to investment gains (losses)	(0.13)	0.03	(0.11)	(0.14)	—
0.30	(0.10)	Investment gains (losses), net of offsets	0.30	(0.25)	0.31	0.32	(0.10)
0.48	(0.36)	Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	0.48	0.92	0.02	(0.09)	(0.36)
(0.05)	(0.01)	Integration, restructuring and other non-operating expenses	(0.05)	(0.07)	(0.02)	(0.02)	(0.01)
(0.07)	0.08	Stock compensation expense	(0.07)	(0.10)	(0.25)	(0.16)	0.08
(0.07)	0.04	Income tax (expense) benefit - non-operating	(0.07)	(0.07)	0.01	0.03	0.04
0.59	(0.35)	<b>Total non-operating adjustments</b>	0.59	0.43	0.07	0.08	(0.35)
0.03	—	<b>Effect of items convertible to or settled in Class A common shares</b>	0.03	0.05	—	—	—
\$ 1.94	\$ 0.47	<b>Basic earnings per share – Class A common shares</b>	\$ 1.94	\$ 1.94	\$ 0.85	\$ 1.03	\$ 0.47

\* Please refer to Note to the Financial Supplement section for discussion on operating income, net of taxes.

\* During the three months ended December 31, 2016, we recorded out-of-period adjustments that affected the consolidated statements of income for the three months ended September 30, 2016. These adjustments primarily related to DAC and VOBA amortization. In addition, during the three months ended September 30, 2016, we recorded out-of-period adjustments that primarily affected the consolidated statements of income for the year ended December 31, 2015. These out-of-period adjustments were primarily related to actuarial reserves, net of DAC and VOBA amortization. As a result of these out-of-period adjustments, the consolidated net income for the three months ended December 31, 2016 was understated by \$5 million while the operating income, net of tax was understated by \$1 million and the consolidated net income for the three months ended September 30, 2016 was overstated by \$23 million while the operating income, net of tax was overstated by \$19 million.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Segment Results of Operations**  
Unaudited *(In millions, except per share data)*

**Consolidated summary of operating income, net of tax**

Year-to-date			2017		2016			
2017	2016		Q1	Q4	Q3	Q2	Q1	
\$ 745	\$ 683	Fixed income and other investment income	\$ 745	\$ 720	\$ 696	\$ 668	\$ 683	
69	(3)	Alternative investment income	69	122	86	60	(3)	
814	680	Net investment earnings	814	842	782	728	680	
(263)	(243)	Cost of crediting on deferred annuities	(263)	(264)	(259)	(253)	(243)	
(211)	(206)	Other liability costs <sup>1</sup>	(211)	(213)	(396)	(206)	(206)	
(74)	(69)	Operating expenses	(74)	(74)	(68)	(71)	(69)	
266	162	Operating income, before tax	266	291	59	198	162	
(8)	(10)	Income tax (expense) benefit - operating income	(8)	(7)	87	(20)	(10)	
<u>\$ 258</u>	<u>\$ 152</u>	<b>Operating income, net of tax</b>	<u>\$ 258</u>	<u>\$ 284</u>	<u>\$ 146</u>	<u>\$ 178</u>	<u>\$ 152</u>	

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Financial Measures Reconciliations for discussion on operating income, net of taxes.

<sup>1</sup> Other liability costs include DAC, DSI and VOBA amortization and change in GLWB and GMDB reserves for all products, the cost of liabilities on products other than deferred annuities including offsets for premiums, product charges and other revenues.

**Retirement Services summary of operating income, net of tax**

Year-to-date			2017		2016			
2017	2016		Q1	Q4	Q3	Q2	Q1	
\$ 712	\$ 657	Fixed income and other investment income	\$ 712	\$ 689	\$ 665	\$ 640	\$ 657	
68	34	Alternative investment income	68	104	94	72	34	
780	691	Net investment earnings	780	793	759	712	691	
(263)	(243)	Cost of crediting on deferred annuities	(263)	(264)	(259)	(253)	(243)	
(189)	(188)	Other liability costs	(189)	(217)	(364)	(198)	(188)	
(52)	(49)	Operating expenses	(52)	(56)	(50)	(51)	(49)	
276	211	Operating income, before tax	276	256	86	210	211	
(9)	(14)	Income tax (expense) benefit - operating income	(9)	(10)	85	(15)	(14)	
<u>\$ 267</u>	<u>\$ 197</u>	<b>Operating income, net of tax</b>	<u>\$ 267</u>	<u>\$ 246</u>	<u>\$ 171</u>	<u>\$ 195</u>	<u>\$ 197</u>	

**Corporate and Other summary of operating income, net of tax**

Year-to-date			2017		2016			
2017	2016		Q1	Q4	Q3	Q2	Q1	
\$ 33	\$ 26	Fixed income and other investment income	\$ 33	\$ 31	\$ 31	\$ 28	\$ 26	
1	(37)	Alternative investment income	1	18	(8)	(12)	(37)	
34	(11)	Net investment earnings	34	49	23	16	(11)	
—	—	Cost of crediting on deferred annuities	—	—	—	—	—	
(22)	(18)	Other liability costs	(22)	4	(32)	(8)	(18)	
(22)	(20)	Operating expenses	(22)	(18)	(18)	(20)	(20)	
(10)	(49)	Operating income, before tax	(10)	35	(27)	(12)	(49)	
1	4	Income tax (expense) benefit - operating income	1	3	2	(5)	4	
<u>\$ (9)</u>	<u>\$ (45)</u>	<b>Operating income, net of tax</b>	<u>\$ (9)</u>	<u>\$ 38</u>	<u>\$ (25)</u>	<u>\$ (17)</u>	<u>\$ (45)</u>	

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Retirement Services Product Summary**  
Unaudited (In millions, except percentages)

**Retirement Services investment margin on deferred annuities (a non-GAAP measure)**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
4.76%	4.59%	Net investment earned rate	4.76%	4.91%	4.77%	4.62%	4.59%
1.91%	1.96%	Cost of crediting on deferred annuities	1.91%	1.95%	1.96%	1.99%	1.96%
2.85%	2.63%	Investment margin on deferred annuities	2.85%	2.96%	2.81%	2.63%	2.63%

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Financial Measures Reconciliations for discussion on investment margin, net investment earned rate and cost of crediting on deferred annuities. Investment margin on deferred annuities is net of ceded reinsurance activity.

**Summary of net investment earned rate**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
4.52%	4.54%	Fixed income and other investments	4.52%	4.44%	4.36%	4.32%	4.54%
10.58%	5.79%	Alternative investments	10.58%	16.25%	14.90%	11.82%	5.79%
4.76%	4.59%	Total net investment earned rate	4.76%	4.91%	4.77%	4.62%	4.59%

\$ 712	\$ 657	Fixed income and other investment income	\$ 712	\$ 689	\$ 665	\$ 640	\$ 657
68	34	Alternatives investment income	68	104	94	72	34
\$ 780	\$ 691	Total net investment earnings	\$ 780	\$ 793	\$ 759	\$ 712	\$ 691

Average invested assets			2017		2016		
\$ 62,986	\$ 57,902	Fixed income and other investments	\$ 62,986	\$ 62,096	\$ 61,117	\$ 59,235	\$ 57,902
2,594	2,357	Alternative investments	2,594	2,543	2,521	2,451	2,357
\$ 65,580	\$ 60,259	Total average invested assets	\$ 65,580	\$ 64,639	\$ 63,638	\$ 61,686	\$ 60,259

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Financial Measures Reconciliations for discussion on net investment earned rate and invested assets.

\* The investment results above are presented net of investment management fees.

**Summary of cost of crediting on deferred annuities**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
\$ 137	\$ 130	FIA option costs	\$ 137	\$ 136	\$ 135	\$ 133	\$ 130
126	113	Fixed interest credited to policyholders	126	128	124	120	113
\$ 263	\$ 243	Cost of crediting on deferred annuities	\$ 263	\$ 264	\$ 259	\$ 253	\$ 243
1.91%	1.96%	Cost of crediting on deferred annuities rate	1.91%	1.95%	1.96%	1.99%	1.96%
\$ 55,154	\$ 49,626	Average account value on deferred annuities	\$ 55,154	\$ 54,358	\$ 52,739	\$ 50,817	\$ 49,626



**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Retirement Services Annuity Liability Characteristics**  
Unaudited *(In millions, except percentages)*

**Deferred annuities account value rollforward**

Year-to-date			2017		2016			
2017	2016		Q1	Q4	Q3	Q2	Q1	
\$ 54,880	\$ 49,257	Account value at beginning of period	\$ 54,880	\$ 53,837	\$ 51,640	\$ 49,994	\$ 49,257	
1,308	1,598	Deposits <sup>1</sup>	1,308	1,878	2,914	2,497	1,598	
36	37	Premium and interest bonuses	36	56	60	47	37	
461	164	Fixed and index credits to policyholders	461	304	268	174	164	
(1,194)	(1,014)	Surrenders and benefits paid	(1,194)	(1,135)	(990)	(1,020)	(1,014)	
(62)	(48)	Fee and product charges	(62)	(60)	(55)	(52)	(48)	
<u>\$ 55,429</u>	<u>\$ 49,994</u>	Account value at end of period	<u>\$ 55,429</u>	<u>\$ 54,880</u>	<u>\$ 53,837</u>	<u>\$ 51,640</u>	<u>\$ 49,994</u>	

\* The account value rollforwards on deferred annuities include our fixed rate and fixed indexed annuities and are net of ceded reinsurance activity.  
<sup>1</sup> Deposits equal deposits from our retail and flow reinsurance channels as well as renewal deposits on older blocks of business and annuitizations.

**Surrender charge protection and account values by product type**

	Surrender Charge			Net Account Value	
	Average years at issue	Average years remaining	Average percent remaining	Dollars	Percent of Total
Fixed index annuities	10.2	5.6	8.0%	\$ 42,273	76.3%
Single-year fixed rate guaranteed annuities	7	1.7	3.0%	8,000	14.4%
Multi-year fixed rate guaranteed annuities	5.3	3.8	9.0%	5,156	9.3%
Total				<u>\$ 55,429</u>	<u>100.0%</u>

**Summary of surrender charge percentages**

	Net account value			
	Surrender charge (gross)	Percent of Total	Surrender charge (net of MVA)	Percent of Total
No surrender charge	\$ 7,951	14.3%	\$ 7,951	14.3%
0.0% < 2.0%	151	0.3%	524	0.9%
2.0% < 4.0%	1,609	2.9%	2,971	5.4%
4.0% < 6.0%	3,647	6.6%	8,448	15.2%
6.0% < 8.0%	11,466	20.7%	8,460	15.3%
8.0% < 10.0%	14,299	25.8%	9,292	16.8%
10.0% or greater	16,306	29.4%	17,783	32.1%
	<u>\$ 55,429</u>	<u>100.0%</u>	<u>\$ 55,429</u>	<u>100.0%</u>

  

	Surrender charge (gross)	MVA benefit	Surrender charge (net)
Aggregate surrender charge protection	7.5%	0.3%	7.8%

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Retirement Services Annuity Liability Characteristics**  
Unaudited *(In millions, except percentages)*

**Surrender charge expiration by year**

<b>Years of surrender charge remaining</b>	<b>Deferred annuities account value</b>	<b>Percent of total</b>	<b>Average surrender charge percent (gross of MVA)</b>
No Surrender Charge	\$ 7,951	14.4%	—%
> 0 to less than 2	8,690	15.7%	5.2%
2 to less than 4	10,768	19.4%	7.3%
4 to less than 6	11,911	21.5%	8.9%
6 to less than 8	6,361	11.5%	10.1%
8 to less than 10	6,178	11.1%	11.4%
10 to less than 12	2,547	4.6%	14.1%
12 or greater	1,023	1.8%	14.8%
	<u>\$ 55,429</u>	<u>100.0%</u>	

**Minimum guarantees on deferred annuities**

	<b>At minimum guarantees</b>	<b>Total account value</b>	<b>Percent of total account value at minimum guarantees</b>
Fixed indexed annuities	\$ 15,573	\$ 42,273	36.8%
Fixed rate annuities	6,639	13,156	50.5%
Total deferred annuities	<u>\$ 22,212</u>	<u>\$ 55,429</u>	<u>40.1%</u>

**March 31, 2017**

Distance to guarantees <sup>1</sup>	75 - 85 bps
-------------------------------------	-------------

<sup>1</sup> Distance to guarantees is the difference between the current crediting rates and the contractual guaranteed minimum crediting rates on our deferred annuities. The distance to guarantees includes the minimum guarantees on all of our deferred annuities, including those with crediting rates already at their minimum guarantees.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Reserve Liabilities**  
Unaudited (In millions, except percentages)

**Consolidated reserve liabilities**

	March 31, 2017		December 31, 2016	
	Dollars	Percent of Total	Dollars	Percent of Total
Fixed indexed annuities	\$ 44,502	61.6 %	\$ 43,501	61.3 %
Fixed rate annuities	13,398	18.6 %	13,490	19.0 %
Total deferred annuities	57,900	80.2 %	56,991	80.3 %
Payout annuities	5,378	7.4 %	5,446	7.7 %
Funding agreements	1,531	2.1 %	1,109	1.6 %
Life and other (excluding German products)	2,181	3.1 %	2,176	3.0 %
Retirement Services reserve liabilities	66,990	92.8 %	65,722	92.6 %
Germany products	5,367	7.4 %	5,381	7.6 %
Intersegment eliminations	(155)	(0.2)%	(152)	(0.2)%
Total reserve liabilities	\$ 72,202	100.0 %	\$ 70,951	100.0 %

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Financial Measures Reconciliations for discussion on reserve liabilities.

**Reserve liability rollforward**

Year-to-date			2017		2016		
March 31, 2017	March 31, 2016		Q1	Q4	Q3	Q2	Q1
\$ 65,722	\$ 59,854	Retirement Services reserve liabilities - beginning	\$ 65,722	\$ 65,073	\$ 62,650	\$ 60,708	\$ 59,854
2,059	1,680	Deposits <sup>1</sup>	2,059	1,884	2,979	2,537	1,680
(1,674)	(1,352)	Withdrawals	(1,674)	(1,350)	(1,412)	(1,282)	(1,352)
883	526	Other reserve changes	883	115	856	687	526
66,990	60,708	Retirement Services reserve liabilities - ending	66,990	65,722	65,073	62,650	60,708
5,367	5,918	Germany reserve liabilities	5,367	5,381	5,982	5,846	5,918
(155)	(165)	Intersegment eliminations	(155)	(152)	(163)	(161)	(165)
\$ 72,202	\$ 66,461	Consolidated reserve liabilities - ending	\$ 72,202	\$ 70,951	\$ 70,892	\$ 68,335	\$ 66,461

<sup>1</sup> Deposits equal deposits from our retail, flow reinsurance and institutional channels as well as premiums and deposits for life and products other than deferred annuities or our institutional products, renewal deposits on older blocks of business and annuitizations.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited *(In millions, except percentages)*

**Investments and investments in related parties summary**

	March 31, 2017		December 31, 2016	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Available for sale securities at fair value:				
Fixed maturity securities:				
U.S. government and agencies	\$ 60	0.1%	\$ 60	0.1%
State, municipals and political subdivisions	1,140	1.5%	1,140	1.6%
Foreign governments	2,031	2.7%	2,235	3.1%
Corporate	31,567	42.0%	30,020	41.4%
CLOs	5,021	6.7%	4,822	6.7%
RMBS	9,286	12.4%	8,973	12.4%
CMBS	1,860	2.5%	1,847	2.5%
ABS	3,260	4.3%	2,936	4.0%
Equity securities	422	0.6%	353	0.5%
Trading securities, at fair value	2,595	3.5%	2,581	3.6%
Mortgage loans, net of allowances	5,453	7.2%	5,470	7.5%
Investment funds	689	0.9%	689	1.0%
Policy loans	579	0.8%	602	0.8%
Funds withheld at interest	6,593	8.8%	6,538	9.0%
Derivative assets	1,708	2.3%	1,370	1.9%
Real estate	553	0.7%	542	0.7%
Short-term investments	166	0.2%	189	0.3%
Other investments	82	0.1%	81	0.1%
<b>Total investments</b>	<b>73,065</b>	<b>97.3%</b>	<b>70,448</b>	<b>97.2%</b>
Investment in related parties:				
Available for sale securities at fair value:				
Fixed maturity securities	361	0.5%	335	0.5%
Equity securities	—	—%	20	—%
Trading securities, at fair value	169	0.2%	195	0.3%
Investment funds	1,276	1.7%	1,198	1.7%
Other investments	238	0.3%	237	0.3%
Short term investments	20	—%	—	—%
<b>Total related party investments</b>	<b>2,064</b>	<b>2.7%</b>	<b>1,985</b>	<b>2.8%</b>
<b>Total investments, including related parties</b>	<b>\$ 75,129</b>	<b>100.0%</b>	<b>\$ 72,433</b>	<b>100.0%</b>

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

**Fixed maturity securities by sector**

	March 31, 2017			December 31, 2016		
	Amortized Cost	Fair Value	Percent of Total	Amortized Cost	Fair Value	Percent of Total
<b>Corporate:</b>						
Industrial other <sup>1</sup>	\$ 10,877	\$ 11,167	20.5%	\$ 10,417	\$ 10,645	20.3%
Financial	9,455	9,724	17.8%	8,957	9,156	17.5%
Utilities	6,726	6,843	12.5%	6,512	6,588	12.6%
Communication	2,260	2,313	4.2%	2,182	2,235	4.3%
Transportation	1,488	1,520	2.8%	1,365	1,396	2.7%
<b>Total corporate</b>	<b>30,806</b>	<b>31,567</b>	<b>57.8%</b>	<b>29,433</b>	<b>30,020</b>	<b>57.4%</b>
<b>Other government-related securities</b>						
State, municipals and political subdivisions	1,016	1,140	2.1%	1,024	1,140	2.2%
Foreign governments	1,959	2,031	3.7%	2,098	2,235	4.3%
U.S. treasuries	59	60	0.1%	59	60	0.1%
<b>Total non-structured securities</b>	<b>33,840</b>	<b>34,798</b>	<b>63.7%</b>	<b>32,614</b>	<b>33,455</b>	<b>64.0%</b>
<b>Structured securities:</b>						
CLOs	5,343	5,327	9.8%	5,234	5,101	9.7%
ABS	3,334	3,315	6.1%	3,037	2,992	5.7%
CMBS	1,835	1,860	3.4%	1,835	1,847	3.5%
<b>RMBS</b>						
Agency	104	106	0.2%	110	112	0.2%
Non-agency	8,753	9,180	16.8%	8,621	8,861	16.9%
<b>Total structured securities</b>	<b>19,369</b>	<b>19,788</b>	<b>36.3%</b>	<b>18,837</b>	<b>18,913</b>	<b>36.0%</b>
<b>Total fixed maturity securities, including related parties</b>	<b>\$ 53,209</b>	<b>\$ 54,586</b>	<b>100.0%</b>	<b>\$ 51,451</b>	<b>\$ 52,368</b>	<b>100.0%</b>

<sup>1</sup> Includes securities within various industry segments including capital goods, basic industry, consumer cyclical, consumer non-cyclical, industrial, and technology.

**Credit quality of fixed maturity securities**

	March 31, 2017		December 31, 2016	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>NAIC designation</b>				
1	\$ 30,635	56.2%	\$ 30,211	57.7%
2	20,109	36.8%	18,617	35.5%
<b>Total investment grade</b>	<b>50,744</b>	<b>93.0%</b>	<b>48,828</b>	<b>93.2%</b>
3	3,110	5.7%	2,812	5.4%
4	624	1.1%	622	1.2%
5	91	0.2%	82	0.2%
6	17	—%	24	—%
<b>Total below investment grade</b>	<b>3,842</b>	<b>7.0%</b>	<b>3,540</b>	<b>6.8%</b>
<b>Total fixed maturity securities, including related parties</b>	<b>\$ 54,586</b>	<b>100.0%</b>	<b>\$ 52,368</b>	<b>100.0%</b>

\* Germany fixed maturity securities, including related parties applying NRSRO ratings to map to NAIC ratings.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

	March 31, 2017		December 31, 2016	
	Fair Value	Percent of Total	Fair Value	Percent of Total
NRSRO rating agency designation				
AAA/AA/A	\$ 19,069	34.8%	\$ 18,791	35.9%
BBB	19,352	35.5%	18,002	34.4%
Non-rated <sup>1</sup>	5,936	10.9%	5,650	10.8%
Total investment grade <sup>2</sup>	44,357	81.2%	42,443	81.1%
BB	3,349	6.1%	3,286	6.3%
B	1,286	2.4%	1,372	2.6%
CCC	2,438	4.5%	2,374	4.5%
CC and lower	2,576	4.7%	2,404	4.6%
Non-rated <sup>1</sup>	580	1.1%	489	0.9%
Total below investment grade	10,229	18.8%	9,925	18.9%
Total fixed maturity securities, including related parties	\$ 54,586	100.0%	\$ 52,368	100.0%

<sup>1</sup> Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC rating.

<sup>2</sup> We view the NAIC ratings methodology as the most appropriate way to view our fixed maturity portfolio from a ratings perspective since a large portion of our holdings were purchased at a significant discount to par. NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par regardless of entry price, while the NAIC ratings methodology considers our investment and amortized cost, and the likelihood of recovery of that book value as opposed to the likelihood of default of the security.

**Credit quality of residential mortgage backed securities**

	March 31, 2017				December 31, 2016			
	Principal Amount	Amortized Cost	Fair Value	Percent of Total	Principal Amount	Amortized Cost	Fair Value	Percent of Total
NAIC designation								
1	\$ 10,032	\$ 8,464	\$ 8,884	95.7%	\$ 9,960	\$ 8,414	\$ 8,652	96.4%
2	214	194	197	2.1%	152	141	140	1.6%
Total investment grade	10,246	8,658	9,081	97.8%	10,112	8,555	8,792	98.0%
3	135	121	124	1.3%	104	92	96	1.1%
4	24	23	25	0.3%	31	29	29	0.3%
5	54	53	54	0.6%	54	53	54	0.6%
6	3	2	2	—%	2	2	2	—%
Total below investment grade	216	199	205	2.2%	191	176	181	2.0%
Total	\$ 10,462	\$ 8,857	\$ 9,286	100.0%	\$ 10,303	\$ 8,731	\$ 8,973	100.0%

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

**Mortgage loans by property type and region**

	March 31, 2017		December 31, 2016	
	Net Carrying Value	Percent of Total	Net Carrying Value	Percent of Total
Property type				
Hotels	\$ 998	18.3%	\$ 1,025	18.7%
Retail	1,138	20.8%	1,135	20.7%
Office building	1,139	20.9%	1,217	22.2%
Industrial	682	12.5%	742	13.6%
Apartment	572	10.5%	616	11.3%
Other commercial <sup>1</sup>	450	8.3%	397	7.3%
Total commercial mortgage loans	4,979	91.3%	5,132	93.8%
Residential loans	474	8.7%	338	6.2%
Total mortgage loans, net of allowances	\$ 5,453	100.0%	\$ 5,470	100.0%
US Region:				
East North Central	\$ 405	7.4%	\$ 450	8.2%
East South Central	148	2.7%	158	2.9%
Middle Atlantic	662	12.1%	628	11.5%
Mountain	538	9.9%	543	9.9%
New England	192	3.5%	194	3.5%
Pacific	810	14.9%	833	15.2%
South Atlantic	1,192	21.9%	1,284	23.5%
West North Central	296	5.4%	306	5.6%
West South Central	663	12.2%	662	12.1%
Total US Region	4,906	90.0%	5,058	92.4%
International Region	73	1.3%	74	1.4%
Total commercial mortgage loans	4,979	91.3%	5,132	93.8%
Residential loans	474	8.7%	338	6.2%
Total mortgage loans, net of allowances	\$ 5,453	100.0%	\$ 5,470	100.0%

<sup>1</sup> Other commercial loans include investments in nursing homes, parking garages, restaurants, mobile home parks and other commercial properties.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

**Investment funds including related party**

	March 31, 2017		December 31, 2016	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Investment funds				
Private equity	\$ 245	9.6%	\$ 268	10.9%
Mortgage and real estate	143	5.6%	118	4.8%
Natural resources	5	0.2%	5	0.2%
Hedge funds	69	2.7%	72	2.9%
Credit funds	227	8.9%	226	9.2%
<b>Total investment funds</b>	<b>689</b>	<b>27.0%</b>	<b>689</b>	<b>28.0%</b>
Investment funds - related parties				
Private equity - A-A Mortgage	366	14.3%	343	13.9%
Private equity	152	5.9%	131	5.3%
Mortgage and real estate	262	10.1%	247	10.1%
Natural resources	76	3.0%	49	2.0%
Hedge funds	180	7.0%	192	7.8%
Credit funds	240	9.4%	236	9.6%
<b>Total investment funds - related parties</b>	<b>1,276</b>	<b>49.7%</b>	<b>1,198</b>	<b>48.7%</b>
Total investment funds - assets of consolidated VIEs				
Private equity - MidCap <sup>1</sup>	528	20.6%	524	21.3%
Credit funds	39	1.5%	38	1.6%
Mortgage and real assets	32	1.2%	11	0.4%
<b>Total investment funds - assets of consolidated VIEs</b>	<b>599</b>	<b>23.3%</b>	<b>573</b>	<b>23.3%</b>
<b>Total investment funds, including related parties and VIEs</b>	<b>\$ 2,564</b>	<b>100.0%</b>	<b>\$ 2,460</b>	<b>100.0%</b>

<sup>1</sup> Midcap is an underlying investment of one of our consolidated VIE investment funds.

**Funds withheld at interest**

	March 31, 2017		December 31, 2016	
	Carrying Value	Percent of Total	Carrying Value	Percent of Total
Fixed maturity securities				
U.S. state, municipal, and political subdivisions	\$ 116	1.8%	\$ 118	1.8%
Corporate	1,901	28.8%	1,800	27.6%
CLOs	668	10.1%	591	9.0%
ABS	756	11.5%	736	11.3%
CMBS	288	4.4%	292	4.5%
RMBS	1,603	24.3%	1,551	23.7%
Equity securities	29	0.4%	29	0.4%
Mortgage loans	768	11.6%	773	11.8%
Investment funds	328	5.0%	329	5.0%
Derivative assets	58	0.9%	53	0.8%
Short-term investments	31	0.5%	80	1.2%
Cash and cash equivalents	61	0.9%	105	1.6%
Accrued investment income and other assets	(14)	(0.2)%	81	1.3%
<b>Total funds withheld at interest</b>	<b>\$ 6,593</b>	<b>100.0%</b>	<b>\$ 6,538</b>	<b>100.0%</b>



**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

**Invested assets summary**

	March 31, 2017				December 31, 2016			
	U.S. and Bermuda Invested Asset Value	Germany Invested Asset Value	Total Invested Asset Value <sup>1</sup>	Percent of Total	U.S. and Bermuda Invested Asset Value	Germany Invested Asset Value	Total Invested Asset Value <sup>1</sup>	Percent of Total
Corporates	\$ 32,345	\$ 1,789	\$ 34,134	46.3%	\$ 31,000	\$ 1,682	\$ 32,682	45.4%
CLOs	5,978	—	5,978	8.1%	5,798	—	5,798	8.1%
Credit	38,323	1,789	40,112	54.4%	36,798	1,682	38,480	53.5%
RMBS	10,758	—	10,758	14.6%	10,619	—	10,619	14.8%
Mortgage loans	6,122	94	6,216	8.4%	6,145	95	6,240	8.7%
CMBS	2,187	—	2,187	3.0%	2,202	—	2,202	3.1%
Real estate held for investment	—	553	553	0.8%	—	542	542	0.8%
Real estate	19,067	647	19,714	26.8%	18,966	637	19,603	27.4%
ABS	4,187	—	4,187	5.7%	3,873	—	3,873	5.4%
Alternative investments	3,341	131	3,472	4.7%	3,297	128	3,425	4.8%
State, municipals, political subdivisions and foreign government	1,379	1,795	3,174	4.3%	1,387	1,936	3,323	4.6%
Equity securities	171	257	428	0.6%	199	185	384	0.5%
Unit-linked assets	—	370	370	0.5%	—	363	363	0.5%
Short-term investments	188	—	188	0.3%	250	—	250	0.3%
U.S. government and agencies	30	29	59	0.1%	32	27	59	0.1%
Other investments	9,296	2,582	11,878	16.2%	9,038	2,639	11,677	16.2%
Cash and equivalents	896	113	1,009	1.4%	1,111	111	1,222	1.7%
Policy loans and other	645	215	860	1.2%	631	221	852	1.2%
Total invested assets	\$ 68,227	\$ 5,346	\$ 73,573	100.0%	\$ 66,544	\$ 5,290	\$ 71,834	100.0%

<sup>1</sup> Please refer to *Note to the Financial Supplement* section for discussion on invested assets.

**Alternative investments summary**

	March 31, 2017		December 31, 2016	
	Invested Asset Value	Percent of Total	Invested Asset Value	Percent of Total
Credit funds	\$ 800	23.0%	\$ 834	24.3%
Private equity - MidCap	528	15.2%	524	15.3%
Private equity - A-A Mortgage	449	12.9%	417	12.2%
Private equity - other	491	14.1%	519	15.2%
Mortgage and real assets	512	14.7%	470	13.7%
Hedge funds	297	8.7%	311	9.1%
Public equities	226	6.5%	215	6.3%
Natural resources and other real assets	169	4.9%	135	3.9%
Alternative investments	\$ 3,472	100.0%	\$ 3,425	100.0%

<sup>1</sup> Please refer to *Note to the Financial Supplement* section for discussion on invested assets including alternative investments and the *Non-GAAP Financial Measures Reconciliations* section for the reconciliation of investment funds to alternative investments.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Consolidated Investments Summary**  
Unaudited (In millions, except percentages)

**Net investment earned rates by asset class**

<u>Year-to-date</u>			<u>2017</u>		<u>2016</u>		
<u>2017</u>	<u>2016</u>		<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
3.91%	3.93 %	Corporate securities	3.91%	3.91%	4.06%	3.81%	3.93 %
		Structured securities					
5.45%	5.30 %	RMBS	5.45%	5.30%	5.21%	4.92%	5.30 %
4.94%	4.37 %	CLO	4.94%	4.96%	4.81%	4.73%	4.37 %
4.15%	10.93 %	ABS	4.15%	4.24%	4.16%	6.54%	10.93 %
4.03%	3.66 %	CMBS	4.03%	4.19%	3.79%	4.10%	3.66 %
4.95%	5.82 %	Total structured securities	4.95%	4.92%	4.79%	5.05%	5.82 %
9.35%	4.57 %	State, municipal, political subdivisions and U.S. and foreign government	9.35%	5.80%	3.57%	5.46%	4.57 %
5.90%	5.42 %	Mortgage loans	5.90%	6.26%	6.22%	5.82%	5.42 %
8.12%	(0.40)%	Alternative investments	8.12%	14.82%	9.77%	7.11%	(0.40)%
1.66%	0.32 %	Other U.S. and Bermuda invested assets	1.66%	1.27%	1.04%	1.29%	0.32 %
4.70%	4.27 %	U.S. and Bermuda	4.70%	4.96%	4.64%	4.47%	4.27 %
1.74%	1.56 %	Germany	1.74%	1.51%	1.94%	1.62%	1.56 %
4.48%	4.03 %	Consolidated total	4.48%	4.69%	4.42%	4.23%	4.03 %

**Invested assets NAIC 1 & 2 designation by asset class**

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Corporate securities	92.6%	92.4%
Structured securities		
RMBS	97.7%	98.0%
CLO	81.9%	83.1%
ABS	90.9%	91.5%
CMBS	97.7%	97.7%
Total structured securities	92.4%	93.0%
State, municipal, political subdivisions and U.S. and foreign government	94.6%	96.5%
Germany fixed maturity securities <sup>1</sup>	94.0%	95.0%

<sup>1</sup> NAIC 1 and 2 for Germany indicates the percentage of total AFS fixed maturities by applying NRSRO ratings to map to NAIC ratings.

**Athene Holding Ltd.**  
**Financial Supplement - March 31, 2017**  
**Financial Strength Ratings and RBC**  
Unaudited

**Financial strength ratings**

	<u>A.M. Best</u>	<u>Standard &amp; Poor's</u>	<u>Fitch</u>
Athene Annuity & Life Assurance Company	A-	A-	A-
Athene Annuity and Life Company	A-	A-	A-
Athene Annuity & Life Assurance Company of New York	A-	A-	A-
Athene Life Insurance Company of New York	A-	Not Rated	Not Rated
Athene Life Re Ltd.	A-	A-	A-

**Credit ratings**

	<u>A.M. Best</u>	<u>Standard &amp; Poor's</u>	<u>Fitch</u>
Athene Holding Ltd.	bbb-	BBB	BBB

**Capital Metrics**

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
U.S. RBC - Athene Annuity & Life Assurance Company	478%	552%
BSCR - Athene Life Re Ltd. <sup>1</sup>	228%	323%
Athene Life Re Ltd. RBC <sup>2</sup>	529%	468%

<sup>1</sup> Effective January 1, 2016, in connection with the implementation of its broader regulatory regime, the BMA integrated the economic balance sheet (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%.

<sup>2</sup> 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.

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**Summary of adjustments to basic weighted average shares outstanding - Class A common shares to arrive at weighted average shares outstanding - operating diluted Class A common shares**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
78.2	50.0	Basic weighted average shares outstanding - Class A	78.2	58.3	49.8	50.0	50.0
110.8	136.0	Conversion of Class B shares to Class A shares	110.8	130.0	136.0	136.0	136.0
6.2	—	Conversion of Class M shares to Class A shares	6.2	5.5	—	—	—
0.4	—	Effect of other stock compensation plans	0.4	0.4	0.1	0.1	—
195.6	186.0	Weighted average shares outstanding - operating diluted Class A common shares	195.6	194.2	185.9	186.1	186.0

**Summary of adjustments to Class A common shares outstanding to arrive at operating diluted Class A common shares outstanding**

	2017		2016			
	Q1	Q4	Q3	Q2	Q1	
Class A common shares outstanding	101.3	77.0	50.2	50.2	50.2	50.2
Conversion of Class B shares to Class A shares	87.8	111.8	136.0	136.0	136.0	136.0
Conversion of Class M shares to Class A shares	6.8	6.8	7.2	—	—	—
Effect of other stock compensation plans	0.9	0.8	0.4	0.3	—	—
Operating diluted Class A common shares outstanding	196.8	196.4	193.8	186.5	186.2	186.2

**Summary of adjustments to book value per share to arrive at book value per share, excluding AOCI**

	2017		2016			
	Q1	Q4	Q3	Q2	Q1	
Book value per share	\$ 39.26	\$ 35.91	\$ 38.00	\$ 34.62	\$ 30.28	\$ 30.28
AOCI	(3.48)	(1.91)	(4.94)	(3.06)	0.27	0.27
Effect of items convertible to or settled in Class A common shares	(0.61)	(0.71)	(1.30)	(0.10)	—	—
Book value per share, excluding AOCI	\$ 35.17	\$ 33.29	\$ 31.76	\$ 31.46	\$ 30.55	\$ 30.55

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**Summary of adjustments to net investment income to arrive at net investment earned rate**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
\$ 786	\$ 692	GAAP net investment income	\$ 786	\$ 773	\$ 747	\$ 704	\$ 692
45	36	Reinsurance embedded derivative impacts	45	45	55	53	36
11	(16)	Net VIE earnings	11	44	(13)	(14)	(16)
(13)	(32)	Alternative income gain (loss)	(13)	(4)	(3)	—	(32)
(15)	—	Other	(15)	(16)	(4)	(15)	—
28	(12)	Total adjustments to arrive at net investment earnings	28	69	35	24	(12)
<u>\$ 814</u>	<u>\$ 680</u>	<u>Total net investment earnings</u>	<u>\$ 814</u>	<u>\$ 842</u>	<u>\$ 782</u>	<u>\$ 728</u>	<u>\$ 680</u>
\$ 780	\$ 691	Retirement Services	\$ 780	\$ 793	\$ 759	\$ 712	\$ 691
34	(11)	Corporate and Other	34	49	23	16	(11)
<u>\$ 814</u>	<u>\$ 680</u>	<u>Total net investment earnings</u>	<u>\$ 814</u>	<u>\$ 842</u>	<u>\$ 782</u>	<u>\$ 728</u>	<u>\$ 680</u>
4.32 %	4.10 %	GAAP net investment income rate	4.32 %	4.30 %	4.22 %	4.09 %	4.10 %
0.25 %	0.21 %	Reinsurance embedded derivative impacts	0.25 %	0.25 %	0.31 %	0.31 %	0.21 %
0.06 %	(0.09)%	Net VIE earnings	0.06 %	0.25 %	(0.07)%	(0.08)%	(0.09)%
(0.07)%	(0.19)%	Alternative income gain (loss)	(0.07)%	(0.02)%	(0.02)%	— %	(0.19)%
(0.08)%	— %	Other	(0.08)%	(0.09)%	(0.02)%	(0.09)%	— %
0.16 %	(0.07)%	Total adjustments to arrive at net investment earned rate	0.16 %	0.39 %	0.20 %	0.14 %	(0.07)%
<u>4.48 %</u>	<u>4.03 %</u>	<u>Consolidated net investment earned rate</u>	<u>4.48 %</u>	<u>4.69 %</u>	<u>4.42 %</u>	<u>4.23 %</u>	<u>4.03 %</u>
4.76 %	4.59 %	Retirement Services	4.76 %	4.91 %	4.77 %	4.62 %	4.59 %
1.88 %	(0.62)%	Corporate and Other	1.88 %	2.76 %	1.26 %	0.93 %	(0.62)%
<u>4.48 %</u>	<u>4.03 %</u>	<u>Consolidated net investment earned rate</u>	<u>4.48 %</u>	<u>4.69 %</u>	<u>4.42 %</u>	<u>4.23 %</u>	<u>4.03 %</u>
\$ 65,580	\$ 60,259	Retirement Services average invested assets	\$ 65,580	\$ 64,639	\$ 63,638	\$ 61,686	\$ 60,259
7,123	7,153	Corporate and Other average invested assets	7,123	7,074	7,089	7,177	7,153
<u>\$ 72,703</u>	<u>\$ 67,412</u>	<u>Average invested assets</u>	<u>\$ 72,703</u>	<u>\$ 71,713</u>	<u>\$ 70,727</u>	<u>\$ 68,863</u>	<u>\$ 67,412</u>

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**Summary of adjustments to interest sensitive contract benefits to arrive at cost of crediting on deferred annuities**

Year-to-date			2017		2016		
2017	2016		Q1	Q4	Q3	Q2	Q1
\$ 696	\$ 253	GAAP interest sensitive contract benefits	\$ 696	\$ 225	\$ 482	\$ 333	\$ 253
(30)	(29)	Interest credited other than deferred annuities	(30)	(21)	(33)	(27)	(29)
145	136	FIA option costs	145	143	141	139	136
(17)	(11)	Product charges (strategy fees)	(17)	(15)	(14)	(13)	(11)
9	6	Reinsurance embedded derivative impacts	9	8	8	7	6
(534)	(136)	Change in fair values of embedded derivatives - FIAs	(534)	(72)	(318)	(204)	(136)
12	9	Negative VOBA amortization	12	12	12	15	9
(18)	15	Unit linked change in reserve	(18)	(14)	(20)	4	15
—	—	Other changes in interest sensitive contract liabilities	—	(2)	1	(1)	—
(433)	(10)	Total adjustments to arrive at cost of crediting on deferred annuities	(433)	39	(223)	(80)	(10)
<u>\$ 263</u>	<u>\$ 243</u>	Retirement Services cost of crediting on deferred annuities	<u>\$ 263</u>	<u>\$ 264</u>	<u>\$ 259</u>	<u>\$ 253</u>	<u>\$ 243</u>
5.05 %	2.03 %	GAAP interest sensitive contract benefits	5.05 %	1.65 %	3.65 %	2.63 %	2.03 %
(0.22)%	(0.23)%	Interest credited other than deferred annuities	(0.22)%	(0.15)%	(0.25)%	(0.21)%	(0.23)%
1.04 %	1.11 %	FIA option costs	1.04 %	1.05 %	1.07 %	1.08 %	1.11 %
(0.12)%	(0.09)%	Product charges (strategy fees)	(0.12)%	(0.11)%	(0.11)%	(0.10)%	(0.09)%
0.07 %	0.05 %	Reinsurance embedded derivative impacts	0.07 %	0.06 %	0.06 %	0.06 %	0.05 %
(3.87)%	(1.10)%	Change in fair values of embedded derivatives - FIAs	(3.87)%	(0.53)%	(2.41)%	(1.61)%	(1.10)%
0.09 %	0.07 %	Negative VOBA amortization	0.09 %	0.09 %	0.09 %	0.12 %	0.07 %
(0.13)%	0.12 %	Unit linked change in reserve	(0.13)%	(0.10)%	(0.15)%	0.03 %	0.12 %
— %	— %	Other changes in interest sensitive contract liabilities	— %	(0.01)%	0.01 %	(0.01)%	— %
(3.14)%	(0.07)%	Total adjustments to arrive at cost of crediting on deferred annuities	(3.14)%	0.30 %	(1.69)%	(0.64)%	(0.07)%
<u>1.91 %</u>	<u>1.96 %</u>	Retirement Services cost of crediting on deferred annuities	<u>1.91 %</u>	<u>1.95 %</u>	<u>1.96 %</u>	<u>1.99 %</u>	<u>1.96 %</u>
\$ 55,154	\$ 49,626	Average account value on deferred annuities	\$ 55,154	\$ 54,358	\$ 52,739	\$ 50,817	\$ 49,626

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**Summary of adjustments to total investments, including related parties to arrive at invested assets**

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Total investments, including related parties	\$ 75,129	\$ 72,433
Derivative assets	(1,708)	(1,370)
Cash and cash equivalents (including restricted cash)	2,636	2,502
Accrued investment income	575	554
Payables for collateral on derivatives	(1,681)	(1,383)
Reinsurance funds withheld and modified coinsurance	(410)	(414)
VIE assets, liabilities and noncontrolling interest	926	886
AFS unrealized (gain) loss	(1,561)	(1,030)
Ceded policy loans	(333)	(344)
Total adjustments to arrive at invested assets	(1,556)	(599)
Total invested assets	<u>\$ 73,573</u>	<u>\$ 71,834</u>

**Summary of adjustments to investment funds, including related parties and VIEs to arrive at alternative investments**

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Investment funds, including related parties and VIEs	\$ 2,564	\$ 2,460
CLO equities included in trading securities	218	260
Investment funds within funds withheld at interest	328	329
Royalties, other assets included in other investments and other assets	82	81
Net assets of the VIE, excluding investment funds	280	295
Total adjustments to arrive at alternative investments	908	965
Alternative investments	<u>\$ 3,472</u>	<u>\$ 3,425</u>

**Summary of adjustments to total liabilities to arrive at reserve liabilities**

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Total liabilities	\$ 81,623	\$ 79,814
Derivative liabilities	(32)	(40)
Payables for collateral on derivatives	(1,681)	(1,383)
Funds withheld liability	(382)	(380)
Other liabilities	(999)	(685)
Liabilities of consolidated VIEs	(37)	(34)
Reinsurance ceded receivables	(5,960)	(6,001)
Policy loans ceded	(333)	(344)
Other	3	4
Total adjustments to arrive at reserve liabilities	(9,421)	(8,863)
Total reserve liabilities	<u>\$ 72,202</u>	<u>\$ 70,951</u>