

Barclays Global  
Financial Services Conference

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A disciplined, opportunistic and growth oriented retirement services company that combines unique capabilities on both sides of the balance sheet to create significant shareholder value

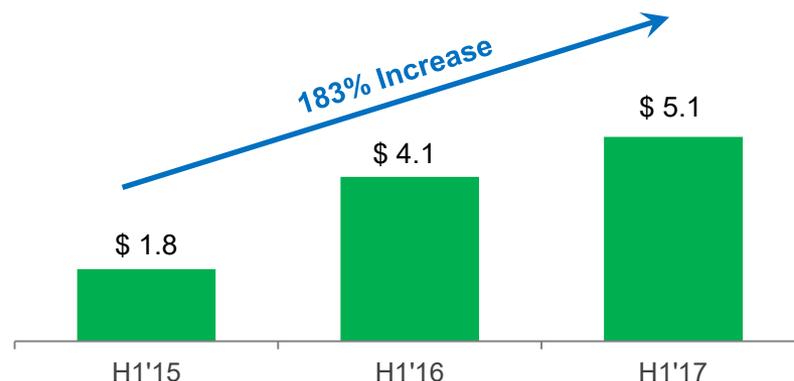
*Attractive mid-teens returns with significant earnings growth potential*

# Athene: Disciplined, Opportunistic and Growth-Oriented Retirement Services Company

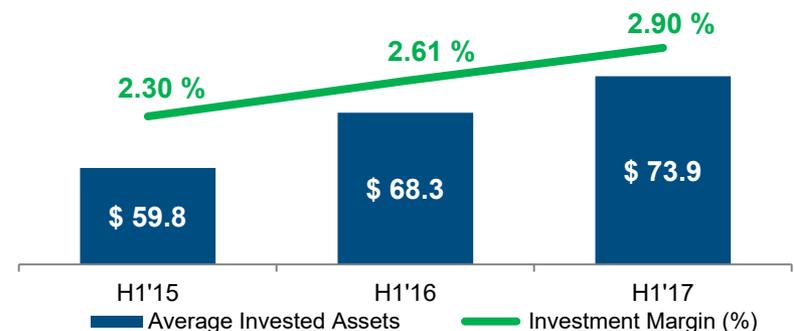
## Key Highlights

- Bermuda-based company, which began operating in 2009
- Leading Retirement Services Company
  - Issue, reinsure and acquire fixed indexed annuities (FIA) and fixed annuities (FA)
  - #2 writer of FIA sales for the six months ending June 30, 2017<sup>(1)</sup>
- Focused on underwriting liabilities profitably; no market share targets
- No financial leverage with \$1.5bn+ of excess capital
- FSR rating of A for A.M. Best (upgraded in April 2017), A- for S&P (positive outlook) and A- for Fitch (stable outlook)
- Large in-force book expected to generate strong earnings stream
- Meaningful growth opportunities ahead

## Strong Organic Growth (bn)



## Increasing Investment Margin<sup>(2)</sup>



**\$542mm Retirement Services Operating Income in H1'17**

(1) Based on LIMRA data for the six months ended June 30, 2017. (2) Total consolidated average invested assets for the six months ended June 30, 2017. Investment margin is for Retirement Services deferred annuities for the respective period.



## Core competencies span both sides of the balance sheet

### Differentiated Asset Strategy

- Unique asset allocation philosophy
- Capitalize on liquidity and complexity risk
- Don't have to stretch for yield given low cost funding
- High quality portfolio
- Apollo and AAM Relationship

### Highly Persistent, Attractive Liabilities

- Stable and significant base of earnings
- Growing market
- Multiple distribution channels to source liabilities
- Conservative underwriting; limited legacy risks
- Written to mid-teens and higher target returns

### Efficient & Scalable Bermuda-Based Platform

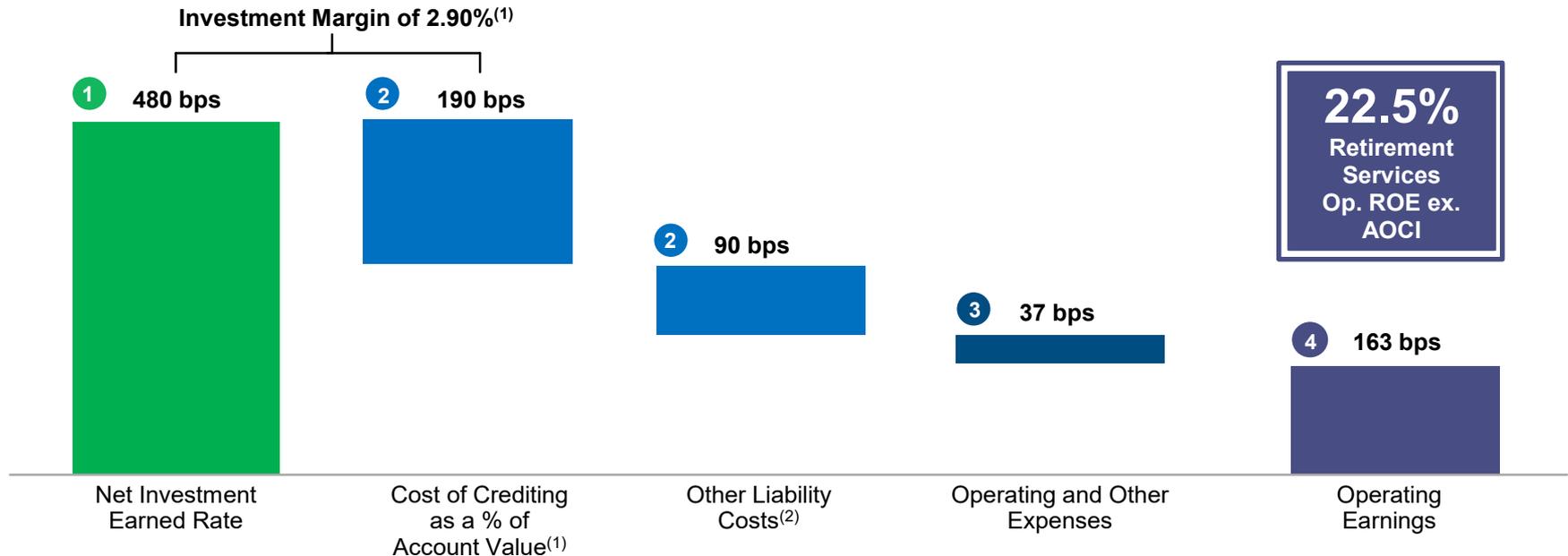
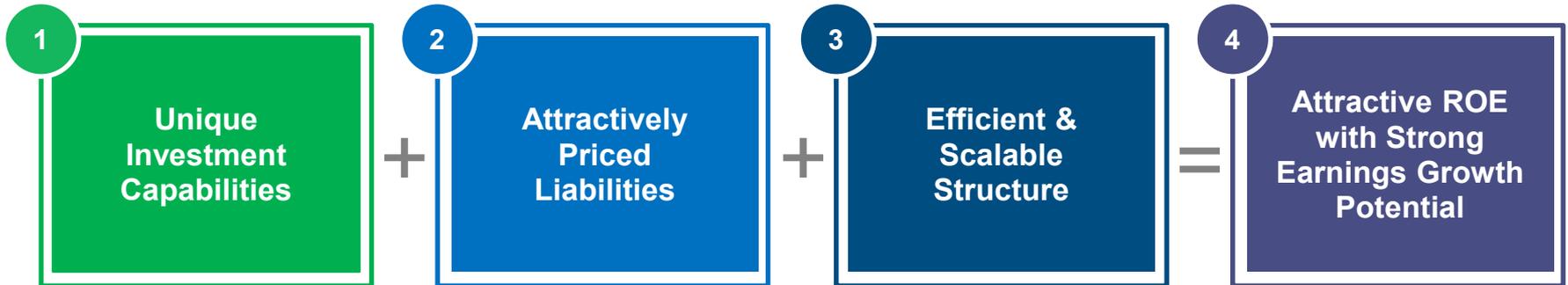
Robust Risk Management

Strong Balance Sheet

Experienced Management Team

# Straightforward & Scalable Business Model – H1'17 Results

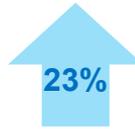
## Retirement Services Business Model Targets Mid-teens or Higher Results



Note: Numbers are annualized.

(1) Cost of crediting based on average account value of deferred annuities. Investment margin based on net investment earned rates less cost of crediting. (2) For illustrative purposes, includes adjustment due to convention of calculating cost of crediting based on average account value of deferred annuities. Excluding this adjustment, other liability costs would be 122bps of average invested assets.

# Delivering Strong Performance

	H1 2017	Year over Year Increase (%)	Commentary
<b>Total New Deposits (bn)</b>	\$ 5.1	 27%	<ul style="list-style-type: none"> <li>▪ Q2'17 record new deposits                             <ul style="list-style-type: none"> <li>– Expanding and diversifying distribution channels</li> <li>– Executed inaugural PRT deal</li> </ul> </li> </ul>
<b>Invested Assets (bn)</b>	\$ 76.3	 9%	<ul style="list-style-type: none"> <li>▪ Driven by strong growth in new deposits</li> </ul>
<b>Retirement Services Investment Margin</b>	2.90%	 29 bps	<ul style="list-style-type: none"> <li>▪ Strong investment performance                             <ul style="list-style-type: none"> <li>– Increased net investment earned rate (22 bps)</li> <li>– Lower cost of crediting (7 bps)</li> </ul> </li> </ul>
<b>Operating Income (mm)</b>	\$ 546	 65%	<ul style="list-style-type: none"> <li>▪ Result of asset growth, investment margin expansion and efficient and scalable operating platform</li> </ul>
<b>GAAP Equity (ex. AOCI) (bn)</b>	\$ 7.2	 23%	<ul style="list-style-type: none"> <li>▪ Driven by strong net income growth</li> </ul>
<b>Excess Equity Capital (bn)</b>	\$1.5+	 50%	<ul style="list-style-type: none"> <li>▪ Growth in capital base driven by strong earnings</li> </ul>

# Multiple Distribution Channels a Competitive Advantage

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

**Organic - Mid-Teens Target Returns**  
Generated \$5.1 billion of new deposits in H1 2017

## Retail

- Focused on FAs and FIAs
  - High growth sector of life industry
- Expanding into FI / Bank / Broker-Dealer channels
- Ranked #2 writer of FIA sales for first half of 2017<sup>(1)</sup>

## Flow Reinsurance

- A leading reinsurer in the annuity industry – reinsure FA's, FIAs & payout annuities
- Efficient Bermuda reinsurance company
- Entered new flow reinsurance partnership with Lincoln Financial, subsequent to quarter-end

## Institutional

- Funding Agreements
  - Scalable product without customer ability to surrender prior to maturity
- Pension Risk Transfer
- Increased access to market following ratings upgrades

**Inorganic**  
**>Mid-Teens Target Returns**

## Block Reinsurance & M&A

- Proven track record
  - 5 acquisitions closed
  - Ability to consummate complex transactions
- Majority of liabilities acquired below book
- Look to take advantage of insurance industry restructuring and market dislocations

**\$2.7bn**  
H1'17 New  
Deposits

**\$380mm**  
H1'17 New  
Deposits

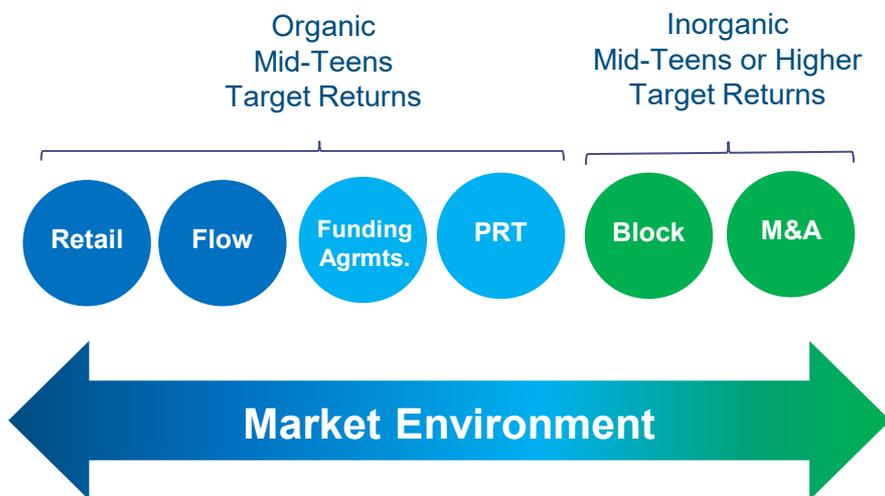
**\$2.0bn**  
H1'17 New  
Deposits

**\$66bn**  
Cumulative  
Assets  
Acquired

# Flexibility to Respond to Changing Market Conditions Across Channels

Opportunistically grow liabilities that generate Athene's desired levels of profitability

Large Market Opportunities		
<b>\$117bn</b> Retail & Flow Reinsurance <sup>(1)</sup>	<b>\$30bn</b> Funding Agreement Capacity <sup>(2)</sup>	<b>\$3.3tn</b> Total U.S. Pension Assets <sup>(3)</sup>
<b>+\$1.5bn Excess Capital &amp; \$1.5bn Debt Capacity to Support Growth &amp; M&amp;A</b>		



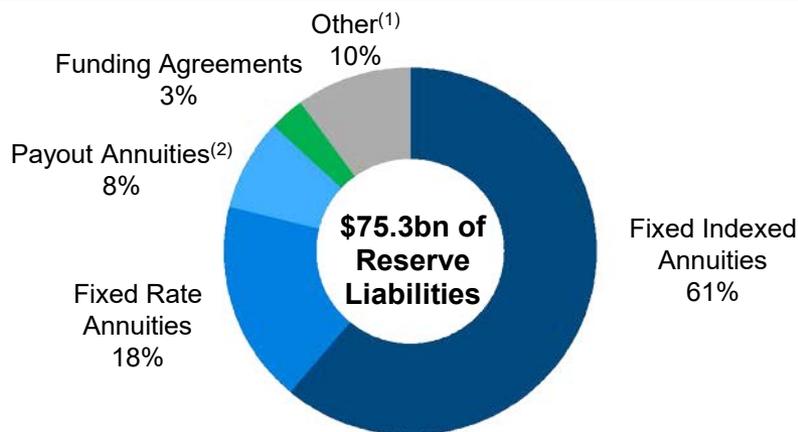
### Disciplined and Achievable Growth

- Utilizes a risk-return continuum to evaluate levels of origination across each of its channels
- To the extent that the market has bid down returns in a specific channel, Athene can focus on other more profitable channels
  - This creates opportunity for Athene to maintain profitability across various market environments
- Entrance into new products and markets may be at lower initial returns, though overall portfolio returns are targeted to be mid-teens
- Scalable, cost-effective Bermuda-based organizational structure helps Athene write higher ROE business

**Ratings upgrades gives access to large banks, broker-dealers and reinsurance partners**

8 (1) Total fixed annuities sales in 2016 per LIMRA. (2) Funding agreement capacity reflects internal management's estimated capacity based on June 30, 2017 balance sheet. (3) Federal Reserve Statistical Release, Q2 2017 – U.S. private defined benefit pension assets.

## Overview of Reserve Liabilities



## Deferred Annuity Metrics

Weighted-average life	8.1
% Surrender charge protected <sup>(3)(4)</sup>	86%
% Average surrender charge <sup>(3)(5)</sup>	7.4%
% Subject to MVA <sup>(3)(6)</sup>	71%
Cost of crediting <sup>(7)</sup>	1.90%
Distance to guaranteed minimum crediting rates <sup>(8)</sup>	80 - 90 bps

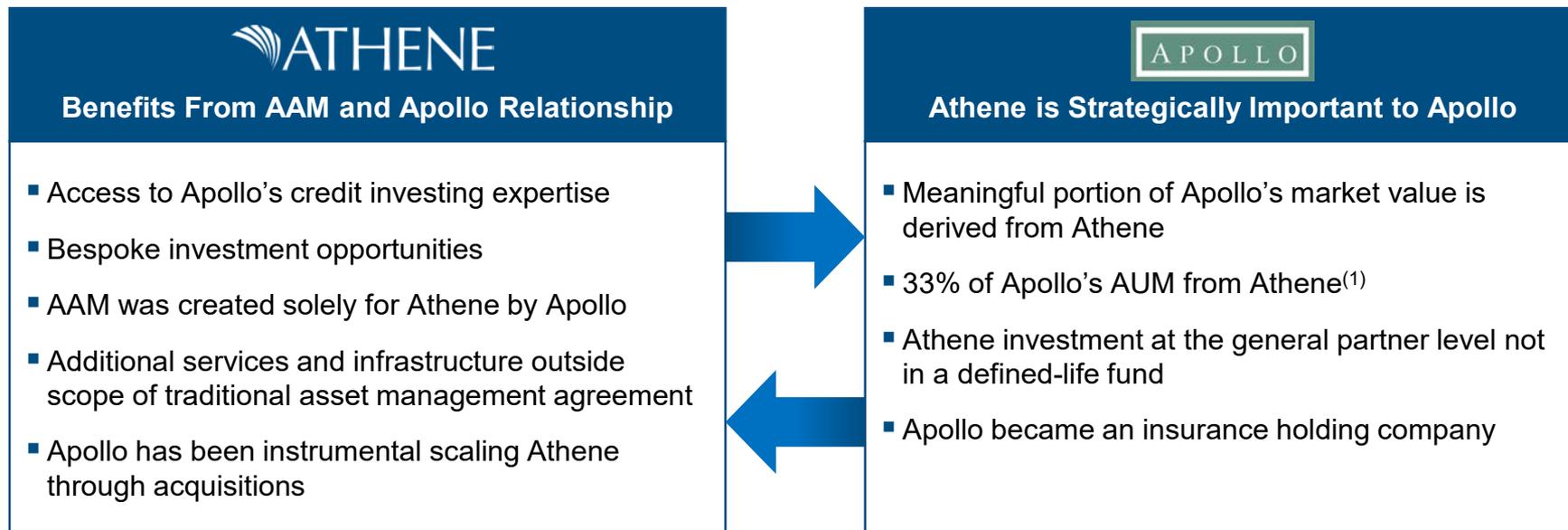
## Disciplined Underwriting Approach

- **Consolidated reserve liabilities grew ~\$7.0 billion or 10% over the prior year**
- **Cost of crediting improved 7 bps over the prior year due to rate actions and lower option costs**
- Primarily consist FAs and FIAs
- **Limited exposure to legacy liabilities**
  - All pricing reflects low interest rate environment
- **Conservative use of riders**
  - ~18% of the deferred annuity business issued in the prior 12-month period contained non-participating guaranteed living withdrawal benefits (rider reserve)

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

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

# Athene Has a Strategically Important and Mutually Beneficial Relationship with Apollo

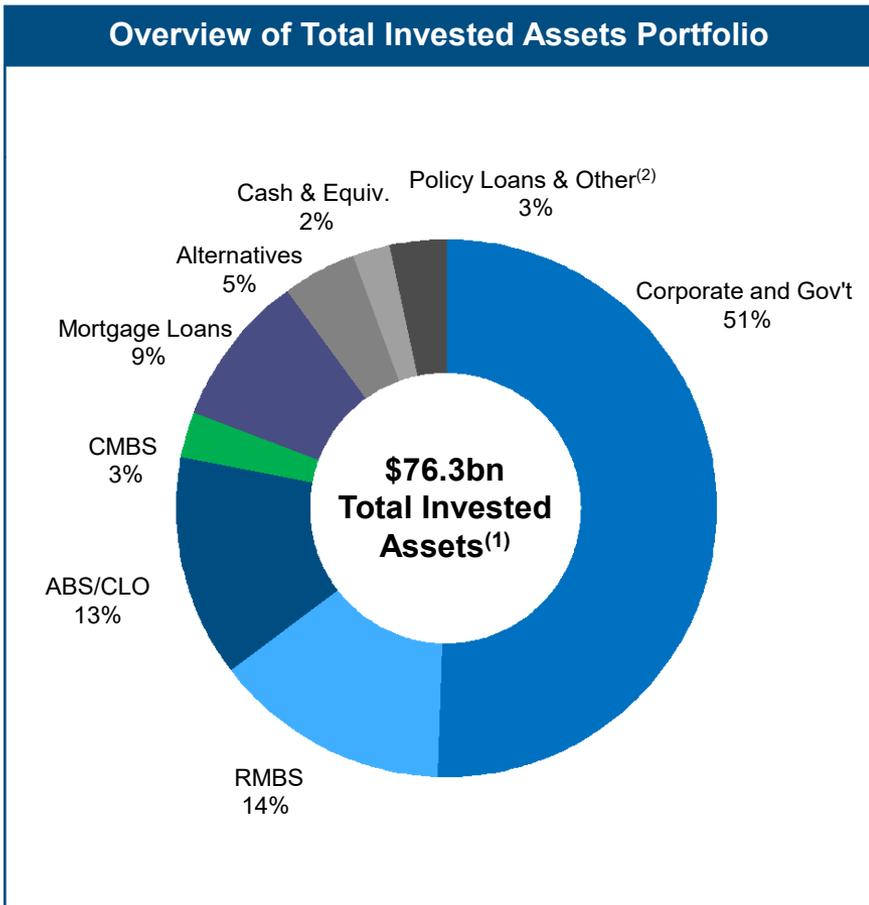


## Robust Controls in Place

- Athene asset risk management team onsite at AAM
- Athene management investment committee oversees all investment activity and risks
- Athene Board Conflicts Committee, composed of independent Board Members, reviews certain material transactions with Apollo and its affiliates
- Apollo not a selling shareholder and subject to a 2 year lock-up

# High Quality Investment Portfolio Generates Superior Risk-Adjusted Returns

Athene achieves enhanced yield through liquidity and complexity premium



- ### Differentiated Investment Strategy
- Long-dated liability profile and low cost funding means no need to stretch for yield
  - Target higher and sustainable risk-adjusted returns through liquidity and complexity risk
  - Opportunistic asset allocation to high quality securities
    - 5% of assets allocated to alternatives with opportunity to increase opportunistically to 10%
    - 29% of assets are floating rate, which produce ~\$25mm of additional operating income, net of tax per year for every 25bps of interest rate increase

### High Quality Fixed Income Investments

**~93%**

Rated NAIC 1 or 2 of AFS Fixed Maturity Securities<sup>(3)</sup>

**3bps**

of OTTI on Total Average Invested Assets<sup>(3)</sup>

Dynamic asset allocation to take advantage of market dislocations

# Athene Continues to Have a Strong Financial Profile

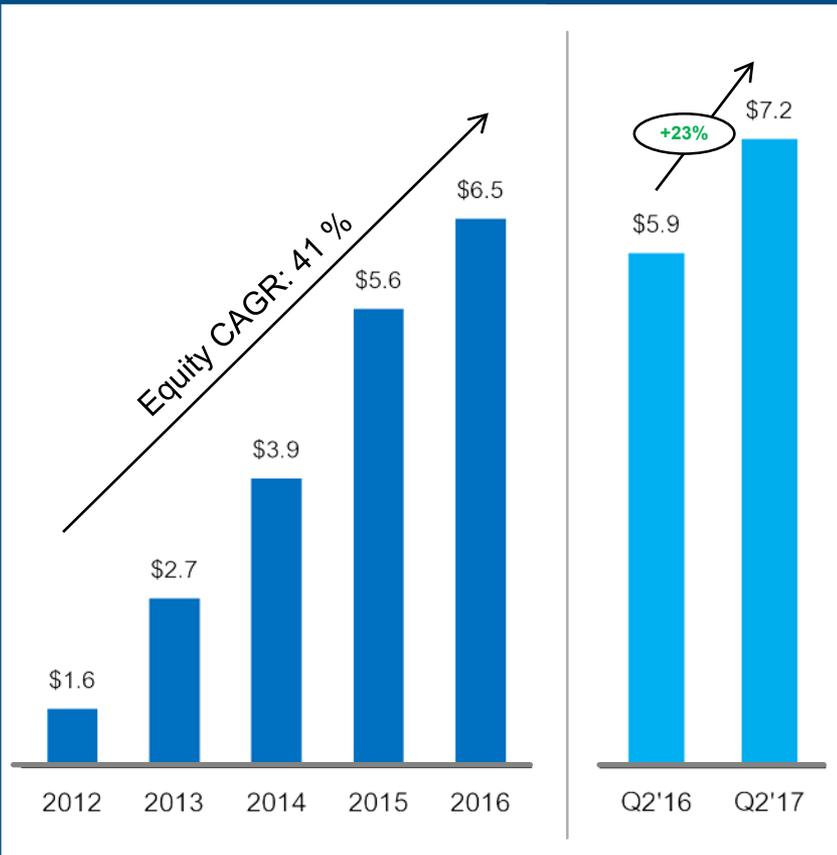


<b>Disciplined and Achievable Growth</b>	<ul style="list-style-type: none"> <li>▪ Focus on generating attractively priced liabilities</li> <li>▪ Track record of disciplined and opportunistic acquisitions</li> </ul>	<b>27% New Deposit Growth YoY</b>
<b>Sustainable Investment Margin</b>	<ul style="list-style-type: none"> <li>▪ Investment margin target range 2-3%</li> <li>▪ Focus on high-quality assets with attractive risk-adjusted returns</li> </ul>	<b>H1'17 RS Investment Margin +29 bps</b>
<b>Efficient and Scalable Operating Platform</b>	<ul style="list-style-type: none"> <li>▪ Bermuda domicile provides structural advantage</li> <li>▪ Limited incremental fixed operating costs to support growth</li> </ul>	<b>Bermuda-based</b>
<b>Prudent Credit Risk</b>	<ul style="list-style-type: none"> <li>▪ Seek to enhance yield via liquidity and complexity risk</li> <li>▪ Significant downside stress testing pre- and post-investment</li> </ul>	<b>3 bps OTTI<sup>(1)</sup></b>
<b>Attractive Returns to Shareholders</b>	<ul style="list-style-type: none"> <li>▪ Attractive Retirement Services operating ROE ex. AOCI</li> <li>▪ Shareholders' equity ex. AOCI of \$7.2 billion up 23% YoY</li> </ul>	<b>22.5% RS H1'17 Op. ROE ex. AOCI</b>
<b>Strong Capital Position</b>	<ul style="list-style-type: none"> <li>▪ Significant excess capital available to support growth</li> <li>▪ No financial leverage with \$1bn credit facility, if needed</li> </ul>	<b>+\$1.5bn Excess Capital</b>

Note: Financials as of and for the six months ended June 30, 2017.

(1) For the six months ended June 30, 2017, annualized, as a percentage of average invested assets.

## AHL Shareholders' Equity (ex. AOCI) (bn) <sup>(1)</sup>



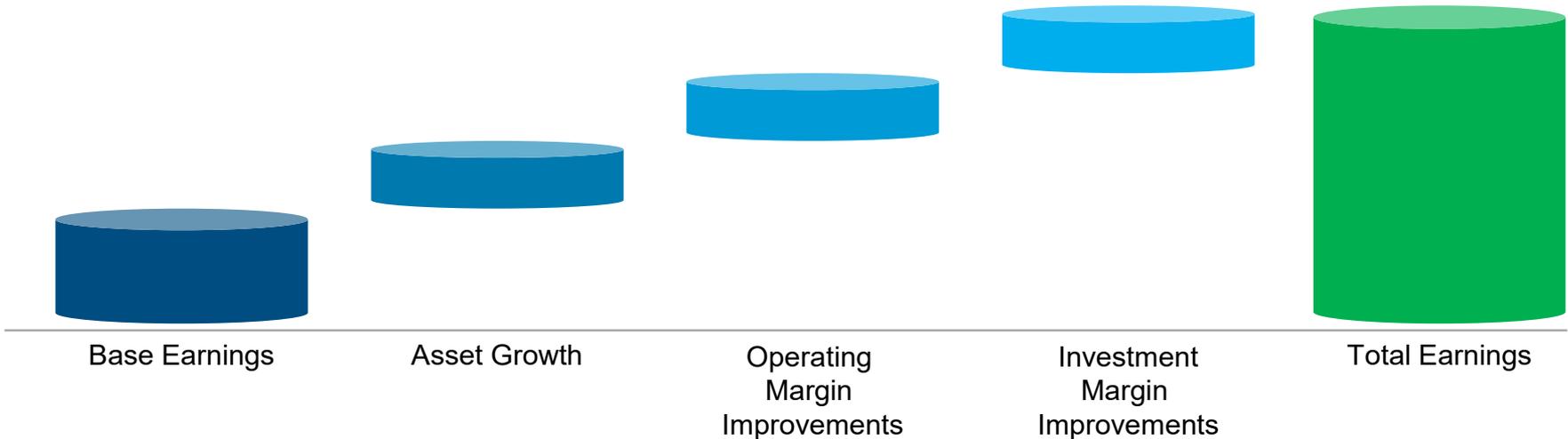
## Levers for Incremental Growth

- Expect earnings will be able to fund current organic growth
- More than \$1.5bn of excess equity capital to support incremental growth
  - Large scale acquisition
  - Opportunistic organic growth above plan
- Estimated U.S. RBC ratio of 458%<sup>(2)</sup>
- Estimated ALRe RBC ratio of 539%<sup>(2)</sup>
- No financial leverage
- Seek to deploy capital as opportunities arise

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

# Long Term Growth Strategy

Steady and Significant Base of Earnings	Deposit Growth	Scale Benefits on Margins	Enhanced Investment Margins	Strong Achievable Earnings Growth Potential
<ul style="list-style-type: none"> <li>Large in-force business with long-dated liabilities                             <ul style="list-style-type: none"> <li>Reserve liabilities of \$75.3bn</li> </ul> </li> <li>Target annual investment margin of 2-3%</li> </ul>	<ul style="list-style-type: none"> <li>Deposits outpace withdrawals, resulting in reserve liability growth of \$7.0bn</li> <li>Leverage multi-channel distribution platform to identify attractive growth opportunities across market environments</li> <li>Growth in account value and earnings on invested assets</li> </ul>	<ul style="list-style-type: none"> <li>Operating leverage as assets grow                             <ul style="list-style-type: none"> <li>Highly scalable platform</li> </ul> </li> <li>Expect to convert significant portion of new business spread to operating income</li> </ul>	<ul style="list-style-type: none"> <li>Investment margin expansion</li> <li>Supported by long-dated and attractively priced liabilities</li> </ul>	<ul style="list-style-type: none"> <li>Significant organic asset growth achievable, with upside from inorganic opportunities</li> <li>Ability to further grow earnings through margin improvement</li> <li>Balance sheet growth increases base of recurring earnings for future years</li> </ul>



Organic and Opportunistic Deposit Growth and Operating Leverage Drives Earnings Expansion

### Large and Growing Earnings in Base Business

- Proven track record of profitable growth
- Stable earnings base expected from large in-force business
- Strong financial position with limited legacy issues

### Robust Capital Base to Drive Future Growth

- \$1.5bn+ excess equity capital
- Expect earnings to fund current organic growth plans
- Balance sheet flexibility to deploy capital
- Access to \$1bn credit facility

### Mid-teens Target Returns

#### Multiple Levers to Drive Growth

- Attractive market growth
- Retail market share expansion
  - Financial Institutions
  - New products
- Expand Flow Reinsurance
  - Strong pipeline of partners
- Growing Funding Agreements platform
- New markets (i.e. Pension Risk Transfers)
- Block deals and small to medium sized M&A

### > Mid-teens Target Returns

#### Growth Accelerators

- Rising interest rate environment
- Ability to invest in assets during market dislocations
- Upside through incremental alternative allocation
- Additional ratings upgrades
- Large scale opportunistic acquisitions
  - Ability to use leverage

- Disciplined, opportunistic and growth oriented retirement services company
- Long-dated and attractive liabilities with stable and significant base of earnings
- Multi-channel distribution platform in growth markets with conservative underwriting
- Differentiated investment capabilities given strategic relationship with Apollo and AAM
- Efficient and scalable Bermuda-based platform and strong balance sheet
- Engrained risk management culture
- Highly experienced management team with demonstrable track record

**Delivering attractive returns with long-term earnings growth potential**



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# Appendix

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# Non-GAAP Reconciliations



## Retirement Services investment margin on deferred annuities

	Six months ended June 30,		
	2017	2016	2015
Net investment earned rate	4.80%	4.58%	4.20%
Cost of crediting on deferred annuities	1.90%	1.97%	1.90%
Investment margin on deferred annuities	2.90%	2.61%	2.30%

## Reconciliation of GAAP net investment income to net investment earnings

	Six months ended June 30,					
	2017		2016		2015	
	Dollar	Rate	Dollar	Rate	Dollar	Rate
<i>(In millions, except percentages)</i>						
GAAP net investment income	\$ 1,607	4.35%	\$ 1,394	4.08%	\$ 1,179	3.94%
Reinsurance embedded derivative impacts	97	0.26%	89	0.26%	34	0.11%
Net VIE earnings	32	0.09%	(30)	-0.09%	32	0.11%
Alternative income gain (loss)	(7)	-0.02%	(32)	-0.09%	10	0.03%
Held for trading amortization	(30)	-0.08%	(15)	-0.04%	(7)	-0.02%
Total adjustments to arrive at net investment earnings/earned rate	92	0.25%	12	0.04%	69	0.23%
Total net investment earnings/earned rate	\$ 1,699	4.60%	\$ 1,406	4.12%	\$ 1,248	4.17%
Retirement Services	\$ 1,601	4.80%	\$ 1,401	4.58%	\$ 1,227	4.20%
Corporate and Other	98	2.71%	5	0.16%	21	2.99%
Total net investment earnings/earned rate	\$ 1,699	4.60%	\$ 1,406	4.12%	\$ 1,248	4.17%
Retirement Services average invested assets	\$ 66,635		\$ 61,168		\$ 58,480	
Corporate and Other average invested assets	7,258		7,139		1,367	
Average invested assets	\$ 73,893		\$ 68,307		\$ 59,847	

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

	Six months ended June 30,					
	2017		2016		2015	
	Dollar	Rate	Dollar	Rate	Dollar	Rate
<i>(In millions, except percentages)</i>						
GAAP interest sensitive contract benefits	\$ 1,245	4.48%	\$ 590	2.34%	\$ 455	1.86%
Interest credited other than deferred annuities	(68)	-0.24%	(57)	-0.23%	(49)	-0.20%
FIA option costs	294	1.05%	275	1.10%	248	1.02%
Product charges (strategy fees)	(34)	-0.12%	(24)	-0.10%	(14)	-0.06%
Reinsurance embedded derivative impacts	18	0.06%	13	0.05%	8	0.03%
Change in fair values of embedded derivatives - FIAs	(933)	-3.35%	(343)	-1.37%	(212)	-0.87%
Negative VOBA amortization	22	0.08%	24	0.10%	36	0.15%
Unit linked change in reserve	(17)	-0.06%	19	0.08%	-	0%
Other changes in interest sensitive contract liabilities	-	0%	(1)	0%	(7)	-0.03%
Total adjustments to arrive at cost of crediting on deferred annuities	(718)	-2.58%	(94)	-0.37%	10	0.04%
Retirement Services cost of crediting on deferred annuities	\$ 527	1.90%	\$ 496	1.97%	\$ 465	1.90%
Average account value on deferred annuities	\$ 55,627		\$ 50,297		\$ 48,834	

# Non-GAAP Reconciliations (Continued)



## Reconciliation of net income to operating income, net of tax

<i>(In millions)</i>	Six Months Ended June 30,	
	2017	2016
Operating income, net of tax by segment		
Retirement Services	\$ 542	\$ 393
Corporate and Other	4	(62)
Operating income, net of tax	546	331
Investment gains (losses), net of offsets	115	40
Change in fair values of derivatives and embedded derivatives - FIA, net of offsets	109	(87)
Integration, restructuring and other non-operating expenses	(20)	(6)
Stock compensation expense	(23)	(13)
Income tax (expense) benefit - non-operating	(17)	13
Total non-operating adjustments	164	(53)
Net income available to AHL shareholders	\$ 710	\$ 278

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

<i>(In millions)</i>	June 30,	
	2017	2016
Total investments, including related parties	\$ 78,699	\$ 68,860
Derivative assets	(1,808)	(961)
Cash and cash equivalents (including restricted cash)	3,583	3,385
Accrued investment income	566	507
Payables for collateral on derivatives	(1,860)	(743)
Reinsurance funds withheld and modified coinsurance	(444)	(275)
VIE assets, liabilities and noncontrolling interest	949	1,024
AFS unrealized (gain) loss	(2,335)	(1,593)
Ceded policy loans	(332)	(345)
Net investment receivables (payables)	(739)	-
Total adjustments to arrive at invested assets	(2,420)	999
Total invested assets	\$ 76,279	\$ 69,859

# Non-GAAP Reconciliations (Continued)



## Reconciliation of total liabilities to total reserve liabilities

<i>(In millions)</i>	June 30,	
	2017	2016
Total liabilities	\$ 85,310	\$ 77,868
Derivative liabilities	(63)	(26)
Payables for collateral on derivatives	(1,860)	(743)
Funds withheld liability	(391)	(391)
Other liabilities	(1,374)	(1,287)
Liabilities of consolidated VIEs	(45)	(512)
Reinsurance ceded receivables	(5,958)	(6,232)
Policy loans ceded	(332)	(345)
Other	3	4
Total adjustments to arrive at reserve liabilities	(10,020)	(9,532)
Total reserve liabilities	\$ 75,290	\$ 68,336

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

<i>(In millions)</i>	June 30,	
	2017	2016
Total AHL shareholders' equity	\$ 8,284	\$ 6,426
Less: AOCI	1,060	569
Total AHL shareholders' equity excluding AOCI	\$ 7,224	\$ 5,857
Retirement Services	\$ 5,165	\$ 4,232
Corporate and Other	2,059	1,625
Total AHL shareholders' equity excluding AOCI	\$ 7,224	\$ 5,857

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