

# Financial Supplement

First Quarter 2018

March 31, 2018

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**Athene Holding Ltd.**  
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**Note to the Financial Supplement**

**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 information that may enhance an investor's 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.

***Adjusted Operating Income***

Adjusted operating income is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation, and other expenses. Our adjusted operating income equals net income 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 guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefits (GMDB) reserves (together, GLWB and GMDB reserves represent rider 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 rider 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 acquisitions and block reinsurance costs 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**—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.
- **Income Taxes (Expense) Benefit – 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 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, we believe adjusted operating income, provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income should not be used as a substitute for net income.

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***Adjusted ROE, Adjusted Operating ROE and Adjusted Net Income***

Adjusted ROE, adjusted operating ROE and adjusted net income are non-GAAP measures used to evaluate our financial performance excluding the impacts of AOCI and funds withheld and modco reinsurance unrealized gains and losses, net of DAC, DSI, rider reserve and tax offsets. Adjusted ROE is calculated as adjusted net income, divided by adjusted shareholders' equity. Adjusted shareholders' equity is calculated as the ending shareholders' equity excluding AOCI and funds withheld and modco reinsurance unrealized gains and losses. Adjusted operating ROE is calculated as the adjusted operating income, divided by adjusted shareholders' equity. Adjusted net income is calculated as net income excluding funds withheld and modco reinsurance unrealized gains and losses, net of DAC, DSI, rider reserve and tax offsets. These adjustments fluctuate 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 adjusted operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI and funds withheld and modco reinsurance unrealized gains and losses are useful in analyzing trends in our operating results. To enhance the ability to analyze these measures across periods, interim periods are annualized. Adjusted ROE, adjusted operating ROE and adjusted net income should not be used as a substitute for ROE and net income. However, we believe the adjustments to equity are significant to gaining an understanding of our overall results of operations.

***Adjusted Operating Earnings Per Share, Weighted Average Shares Outstanding – Adjusted Operating and Adjusted Book Value Per Share***

Adjusted operating earnings per share, weighted average shares outstanding – adjusted operating and adjusted book value per share 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 represents an economic view of our share counts and provides a simplified and consistent view of our outstanding shares. Adjusted operating earnings per share is calculated as the adjusted operating income, over the weighted average shares outstanding – adjusted operating. Adjusted book value per share is calculated as the adjusted shareholders' equity divided by the adjusted operating 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 payment of the conversion price. In calculating Class A diluted earnings per share on a GAAP basis, we are required to apply sequencing rules to determine the dilutive impacts, if any, of our Class B common shares, Class M common shares and any other stock-based awards. To the extent our Class B common shares, Class M common shares and/or any other stock-based awards are not dilutive they are excluded. Weighted average shares outstanding – adjusted operating and adjusted operating 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, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Adjusted operating earnings per share, weighted average shares outstanding – adjusted operating and adjusted book value per share 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.

***Adjusted Debt to Capital Ratio***

Adjusted debt to capital ratio is a non-GAAP measure used to evaluate our financial condition excluding the impacts of AOCI and funds withheld and modco reinsurance unrealized gains and losses, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total debt excluding consolidated VIEs divided by adjusted shareholders' equity. Adjusted debt to capital ratio should not be used as a substitute for the debt to capital ratio. However, we believe the adjustments to shareholders' 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.

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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 indexed 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 indexed annuity strategies are divided by the average account value of our deferred annuities. Our average account values are averaged over the number of quarters in the relevant period to obtain our cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized. 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.

***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, (f) net investment payables and receivables and (g) policy loans ceded (which offset the direct policy loans in total investments). Invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Our invested assets are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period.

***Reserve Liabilities***

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 and is used to analyze the costs of our liabilities. Reserve liabilities includes (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, 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 to understand our business performance as it relates to deposits generated during a specific period of time. Our sales statistics include deposits for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers).

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Financial Highlights**

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

| Year-to-date                              |                 |  | 2018            | 2017            |                 |                 |                 |  |
|---|-----------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| 2018                                      | 2017            |  | Q1              | Q4              | Q3              | Q2              | Q1              |  |
| <b>Deposits</b>                           |                 |  |                 |                 |                 |                 |                 |  |
| \$ 1,286                                  | \$ 1,099        | Retail sales   | \$ 1,286        | \$ 1,282        | \$ 1,337        | \$ 1,635        | \$ 1,099        |  |
| 204                                       | 166             | Flow reinsurance   | 204             | 305             | 190             | 214             | 166             |  |
| 300                                       | 650             | Funding agreements   | 300             | —               | 1,300           | 1,050           | 650             |  |
| 266                                       | —               | Pension risk transfer  | 266             | 1,926           | —               | 327             | —               |  |
| <u>\$ 2,056</u>                           | <u>\$ 1,915</u> | <b>Total deposits</b>  | <u>\$ 2,056</u> | <u>\$ 3,513</u> | <u>\$ 2,827</u> | <u>\$ 3,226</u> | <u>\$ 1,915</u> |  |
| <b>Consolidated results of operations</b> |                 |  |                 |                 |                 |                 |                 |  |
| \$ 268                                    | \$ 384          | Net income   | \$ 268          | \$ 464          | \$ 274          | \$ 326          | \$ 384          |  |
| 237                                       | 266             | Adjusted operating income  | 237             | 332             | 231             | 280             | 266             |  |
| 12.0%                                     | 21.3%           | ROE  | 12.0%           | 20.8%           | 13.0%           | 16.4%           | 21.3%           |  |
| 16.5%                                     | 20.7%           | Adjusted ROE   | 16.5%           | 24.9%           | 14.6%           | 16.2%           | 20.7%           |  |
| 12.1%                                     | 16.1%           | Adjusted operating ROE   | 12.1%           | 17.7%           | 12.8%           | 16.2%           | 16.1%           |  |
| <b>Retirement Services</b>                |                 |  |                 |                 |                 |                 |                 |  |
| \$ 235                                    | \$ 275          | Adjusted operating income  | \$ 235          | \$ 306          | \$ 244          | \$ 267          | \$ 275          |  |
| 17.3%                                     | 24.1%           | Adjusted operating ROE   | 17.3%           | 23.3%           | 19.1%           | 22.0%           | 24.1%           |  |
| <b>Earnings per share</b>                 |                 |  |                 |                 |                 |                 |                 |  |
| \$ 1.36                                   | \$ 2.00         | Basic <sup>1</sup>   | \$ 1.36         | \$ 2.36         | \$ 1.40         | \$ 1.66         | \$ 2.00         |  |
| \$ 1.36                                   | \$ 1.92         | Diluted – Class A <sup>2</sup>   | \$ 1.36         | \$ 2.35         | \$ 1.39         | \$ 1.65         | \$ 1.92         |  |
| \$ 1.21                                   | \$ 1.36         | Adjusted operating earnings per share <sup>3</sup>                                 | \$ 1.21         | \$ 1.69         | \$ 1.18         | \$ 1.43         | \$ 1.36         |  |
| <b>Book Value per share:</b>              |                 |  |                 |                 |                 |                 |                 |  |
| \$ 44.09                                  | \$ 39.07        | Book value per share   | \$ 44.09        | \$ 46.76        | \$ 44.16        | \$ 42.20        | \$ 39.07        |  |
| \$ 40.66                                  | \$ 34.45        | Adjusted book value per share <sup>3</sup>   | \$ 40.66        | \$ 38.77        | \$ 37.27        | \$ 35.95        | \$ 34.45        |  |
| <b>Balance sheet items:</b>               |                 |  |                 |                 |                 |                 |                 |  |
| \$ 93,557                                 | \$ 89,193       | Total assets   | \$ 93,557       | \$ 99,747       | \$ 96,061       | \$ 93,594       | \$ 89,193       |  |
| 78,723                                    | 73,563          | Invested assets  | 78,723          | 82,298          | 78,804          | 76,279          | 73,563          |  |
| 84,862                                    | 81,632          | Total liabilities  | 84,862          | 90,539          | 87,392          | 85,310          | 81,632          |  |
| 75,746                                    | 72,225          | Reserve liabilities  | 75,746          | 81,183          | 77,850          | 75,290          | 72,225          |  |
| 8,695                                     | 7,561           | Total shareholders' equity   | 8,695           | 9,208           | 8,669           | 8,284           | 7,561           |  |
| 8,003                                     | 6,781           | Adjusted shareholders' equity  | 8,003           | 7,632           | 7,343           | 7,072           | 6,781           |  |
| 10.2%                                     | —%              | Debt to capital ratio  | 10.2%           | —%              | —%              | —%              | —%              |  |
| 11.0%                                     | —%              | Adjusted debt to capital ratio   | 11.0%           | —%              | —%              | —%              | —%              |  |
| <b>Share data:</b>                        |                 |  |                 |                 |                 |                 |                 |  |
| 197.1                                     | 192.5           | Weighted average shares outstanding – basic <sup>1</sup>                           | 197.1           | 196.7           | 196.3           | 195.7           | 192.5           |  |
| 149.0                                     | 81.3            | Weighted average shares outstanding – diluted – Class A common shares <sup>2</sup> | 149.0           | 126.4           | 119.9           | 109.0           | 81.3            |  |
| 196.0                                     | 195.6           | Weighted average shares outstanding – adjusted operating <sup>3</sup>              | 196.0           | 196.1           | 196.0           | 195.9           | 195.6           |  |
| 197.2                                     | 193.5           | Common shares outstanding <sup>4</sup>   | 197.2           | 196.9           | 196.3           | 196.3           | 193.5           |  |
| 196.8                                     | 196.8           | Adjusted operating common shares outstanding <sup>3</sup>                          | 196.8           | 196.9           | 197.0           | 196.7           | 196.8           |  |

\* Please refer to *Note to the Financial Supplement* section and the *Non-GAAP Measure Reconciliations* for discussion on adjusted operating income, adjusted ROE, adjusted operating ROE, adjusted book value and adjusted debt to capital ratio.

<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.

<sup>3</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, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date.

<sup>4</sup> Represents common shares outstanding for all classes eligible to participate in dividends for each period presented.

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

**Capitalization and Equity**

Unaudited (In millions, except percentages)

| March 31,                |                 |   | 2018            | 2017            |                 |                 |                 |      |
|--------------------------|-----------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|------|
| 2018                     | 2017            |   | Q1              | Q4              | Q3              | Q2              | Q1              |      |
| <b>Capitalization</b>    |                 |   |                 |                 |                 |                 |                 |      |
| \$ 992                   | \$ —            | Total debt                                    | \$ 992          | \$ —            | \$ —            | \$ —            | \$ —            | \$ — |
| 8,695                    | 7,561           | Total shareholders' equity                    | 8,695           | 9,208           | 8,669           | 8,284           | 7,561           |      |
| 9,687                    | 7,561           | <b>Total capitalization</b>                   | 9,687           | 9,208           | 8,669           | 8,284           | 7,561           |      |
| 585                      | 673             | Less: AOCI                                    | 585             | 1,415           | 1,162           | 1,060           | 673             |      |
| 107                      | 107             | Less: Reinsurance unrealized gains and losses | 107             | 161             | 164             | 152             | 107             |      |
| <u>\$ 8,995</u>          | <u>\$ 6,781</u> | <b>Total adjusted capitalization</b>          | <u>\$ 8,995</u> | <u>\$ 7,632</u> | <u>\$ 7,343</u> | <u>\$ 7,072</u> | <u>\$ 6,781</u> |      |
| <b>Equity by segment</b> |                 |   |                 |                 |                 |                 |                 |      |
| \$ 5,552                 | \$ 4,710        | Retirement Services                           | \$ 5,552        | \$ 5,304        | \$ 5,207        | \$ 5,013        | \$ 4,710        |      |
| 2,451                    | 2,071           | Corporate and Other                           | 2,451           | 2,328           | 2,136           | 2,059           | 2,071           |      |
| 8,003                    | 6,781           | <b>Total adjusted shareholders' equity</b>    | 8,003           | 7,632           | 7,343           | 7,072           | 6,781           |      |
| 585                      | 673             | AOCI  | 585             | 1,415           | 1,162           | 1,060           | 673             |      |
| 107                      | 107             | Reinsurance unrealized gains and losses       | 107             | 161             | 164             | 152             | 107             |      |
| <u>\$ 8,695</u>          | <u>\$ 7,561</u> | <b>Total shareholders' equity</b>             | <u>\$ 8,695</u> | <u>\$ 9,208</u> | <u>\$ 8,669</u> | <u>\$ 8,284</u> | <u>\$ 7,561</u> |      |
| 10.2%                    | —%              | <b>Debt to capital ratio</b>                  | 10.2%           | —%              | —%              | —%              | —%              |      |
| 0.7%                     | —%              | AOCI  | 0.7%            | —%              | —%              | —%              | —%              |      |
| 0.1%                     | —%              | Reinsurance unrealized gains and losses       | 0.1%            | —%              | —%              | —%              | —%              |      |
| <u>11.0%</u>             | <u>—%</u>       | <b>Adjusted debt to capital ratio</b>         | <u>11.0%</u>    | <u>—%</u>       | <u>—%</u>       | <u>—%</u>       | <u>—%</u>       |      |

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Condensed Consolidated Balance Sheets**

 Unaudited *(In millions)*

|   | March 31, 2018   | December 31, 2017 |
|---|------------------|-------------------|
| <b>Assets</b>   |                  |                   |
| Investments   |                  |                   |
| Fixed maturity securities, at fair value  |                  |                   |
| Available-for-sale securities   | \$ 58,575        | \$ 61,012         |
| Trading securities  | 2,088            | 2,196             |
| Equity securities, at fair value  | 160              | 790               |
| Mortgage loans, net of allowances   | 6,139            | 6,233             |
| Investment funds  | 647              | 699               |
| Policy loans  | 510              | 530               |
| Funds withheld at interest  | 7,093            | 7,085             |
| Derivative assets   | 2,031            | 2,551             |
| Real estate   | —                | 624               |
| Short-term investments, at fair value   | 235              | 201               |
| Other investments   | 113              | 133               |
| Total investments   | 77,591           | 82,054            |
| Cash and cash equivalents   | 2,735            | 4,888             |
| Restricted cash   | 87               | 105               |
| Investments in related parties  |                  |                   |
| Fixed maturity securities, at fair value  |                  |                   |
| Available-for-sale securities   | 505              | 406               |
| Trading Securities  | 305              | 307               |
| Investment funds  | 1,499            | 1,310             |
| Short-term investments, at fair value   | 123              | 52                |
| Other investments   | 238              | 238               |
| Accrued investment income   | 620              | 652               |
| Reinsurance recoverable   | 4,834            | 4,972             |
| Deferred acquisition costs, deferred sales inducements and value of business acquired | 3,142            | 2,930             |
| Other assets  | 1,067            | 969               |
| Assets of consolidated variable interest entities                                     |                  |                   |
| Investments   |                  |                   |
| Fixed maturity securities, trading, at fair value – related party                     | 47               | 48                |
| Equity securities, at fair value – related party                                      | 177              | 240               |
| Investment funds  | 582              | 571               |
| Cash and cash equivalents   | 3                | 4                 |
| Other assets  | 2                | 1                 |
| <b>Total assets</b>   | <b>\$ 93,557</b> | <b>\$ 99,747</b>  |

(Continued)



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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Condensed Consolidated Balance Sheets

Unaudited (In millions)

|  | March 31, 2018   | December 31, 2017 |
|--|------------------|-------------------|
| <b>Liabilities and Equity</b>                          |                  |                   |
| <b>Liabilities</b>                                     |                  |                   |
| Interest sensitive contract liabilities                | \$ 67,551        | \$ 67,708         |
| Future policy benefits                                 | 13,059           | 17,507            |
| Other policy claims and benefits                       | 137              | 211               |
| Dividends payable to policyholders                     | 119              | 1,025             |
| Long-term debt   | 992              | —                 |
| Derivative liabilities                                 | 186              | 134               |
| Payables for collateral on derivatives                 | 1,145            | 2,323             |
| Funds withheld liability                               | 395              | 407               |
| Other liabilities                                      | 1,277            | 1,222             |
| Liabilities of consolidated variable interest entities | 1                | 2                 |
| <b>Total liabilities</b>                               | <b>84,862</b>    | <b>90,539</b>     |
| <b>Equity</b>  |                  |                   |
| Common Stock   | —                | —                 |
| Additional paid-in-capital                             | 3,485            | 3,472             |
| Retained earnings                                      | 4,625            | 4,321             |
| Accumulated other comprehensive income                 | 585              | 1,415             |
| <b>Total shareholders' equity</b>                      | <b>8,695</b>     | <b>9,208</b>      |
| <b>Total liabilities and equity</b>                    | <b>\$ 93,557</b> | <b>\$ 99,747</b>  |

(Concluded)

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Condensed Consolidated Statements of Income

Unaudited (In millions)

| Year-to-date  |        |  | 2018   | 2017     |        |        |        |  |
|---|--------|--|--------|----------|--------|--------|--------|--|
| 2018  | 2017   |  | Q1     | Q4       | Q3     | Q2     | Q1     |  |
| <b>Revenue:</b>   |        |  |        |          |        |        |        |  |
| \$ 278  | \$ 52  | Premiums   | \$ 278 | \$ 1,962 | \$ 72  | \$ 379 | \$ 52  |  |
| 96  | 81     | Product charges  | 96     | 88       | 86     | 85     | 81     |  |
| 855   | 786    | Net investment income  | 855    | 842      | 820    | 821    | 786    |  |
| (236)   | 682    | Investment related gains (losses)  | (236)  | 957      | 473    | 460    | 682    |  |
| Other-than-temporary impairment investment losses           |        |  |        |          |        |        |        |  |
| (3)   | —      | Other-than-temporary impairment losses   | (3)    | (6)      | (11)   | (12)   | —      |  |
| —   | (1)    | Other-than-temporary impairment losses reclassified to (from) other comprehensive income | —      | (2)      | (2)    | 1      | (1)    |  |
| (3)   | (1)    | Net other-than-temporary impairment losses   | (3)    | (8)      | (13)   | (11)   | (1)    |  |
| 6   | 8      | Other revenues   | 6      | 13       | 8      | 8      | 8      |  |
| Revenues related to consolidated variable interest entities |        |  |        |          |        |        |        |  |
| 10  | 10     | Net investment income  | 10     | 12       | 10     | 10     | 10     |  |
| 5   | 1      | Investment related gains (losses)  | 5      | 6        | 17     | 11     | 1      |  |
| 1,011   | 1,619  | <b>Total revenues</b>  | 1,011  | 3,872    | 1,473  | 1,763  | 1,619  |  |
| <b>Benefits and expenses:</b>                               |        |  |        |          |        |        |        |  |
| 19  | 692    | Interest sensitive contract benefits   | 19     | 960      | 621    | 553    | 692    |  |
| 20  | 18     | Amortization of deferred sales inducements   | 20     | 21       | 13     | 11     | 18     |  |
| 401   | 214    | Future policy and other policy benefits  | 401    | 2,112    | 259    | 578    | 214    |  |
| 89  | 104    | Amortization of deferred acquisition costs and value of business acquired                | 89     | 99       | 80     | 67     | 104    |  |
| 13  | 32     | Dividends to policyholders   | 13     | (11)     | 48     | 49     | 32     |  |
| 142   | 153    | Policy and other operating expenses  | 142    | 193      | 158    | 168    | 153    |  |
| 684   | 1,213  | <b>Total benefits and expenses</b>   | 684    | 3,374    | 1,179  | 1,426  | 1,213  |  |
| 327   | 406    | <b>Income before income taxes</b>  | 327    | 498      | 294    | 337    | 406    |  |
| 59  | 22     | Income tax expense   | 59     | 34       | 20     | 11     | 22     |  |
| \$ 268  | \$ 384 | <b>Net income</b>  | \$ 268 | \$ 464   | \$ 274 | \$ 326 | \$ 384 |  |

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Segment Results of Operations**

Unaudited (In millions, except per share data)

**Results of operations by segment**

| Year-to-date                         |         |  | 2018    | 2017    |         |         |         |  |
|--------------------------------------|---------|--|---------|---------|---------|---------|---------|--|
| 2018                                 | 2017    |  | Q1      | Q4      | Q3      | Q2      | Q1      |  |
| Adjusted operating income by segment |         |  |         |         |         |         |         |  |
| \$ 235                               | \$ 275  | Retirement Services  | \$ 235  | \$ 306  | \$ 244  | \$ 267  | \$ 275  |  |
| 2                                    | (9)     | Corporate and Other  | 2       | 26      | (13)    | 13      | (9)     |  |
| 237                                  | 266     | Adjusted operating income  | 237     | 332     | 231     | 280     | 266     |  |
|                                      |         |  |         |         |         |         |         |  |
| 17                                   | 11      | Realized gains (losses) on sale of AFS securities                                    | 17      | 73      | 29      | 24      | 11      |  |
| 6                                    | 3       | Unrealized, impairments, and other investment gains (losses)                         | 6       | 8       | (3)     | (15)    | 3       |  |
| (78)                                 | 68      | Assumed modco and funds withheld reinsurance embedded derivatives                    | (78)    | (1)     | 20      | 65      | 68      |  |
| 22                                   | (25)    | Offsets to investment gains (losses)   | 22      | (21)    | (21)    | (16)    | (25)    |  |
| (33)                                 | 57      | Investment gains (losses), net of offsets  | (33)    | 59      | 25      | 58      | 57      |  |
| 95                                   | 94      | Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets | 95      | 111     | 46      | 15      | 94      |  |
| (8)                                  | (9)     | Integration, restructuring and other non-operating expenses                          | (8)     | (34)    | (14)    | (11)    | (9)     |  |
| (3)                                  | (10)    | Stock compensation expense   | (3)     | (3)     | (7)     | (13)    | (10)    |  |
| (20)                                 | (14)    | Income tax (expense) benefit – non-operating   | (20)    | (1)     | (7)     | (3)     | (14)    |  |
| 31                                   | 118     | Total non-operating adjustments  | 31      | 132     | 43      | 46      | 118     |  |
| \$ 268                               | \$ 384  | Net income   | \$ 268  | \$ 464  | \$ 274  | \$ 326  | \$ 384  |  |
|                                      |         |  |         |         |         |         |         |  |
| \$ 1.21                              | \$ 1.36 | Adjusted operating earnings per share  | \$ 1.21 | \$ 1.69 | \$ 1.18 | \$ 1.43 | \$ 1.36 |  |
| 0.09                                 | 0.07    | Realized gains (losses) on sale of AFS securities                                    | 0.09    | 0.37    | 0.15    | 0.12    | 0.07    |  |
| 0.03                                 | 0.02    | Unrealized, impairments, and other investment gains (losses)                         | 0.03    | 0.04    | (0.02)  | (0.08)  | 0.02    |  |
| (0.40)                               | 0.34    | Assumed modco and funds withheld reinsurance embedded derivatives                    | (0.40)  | —       | 0.10    | 0.34    | 0.34    |  |
| 0.11                                 | (0.13)  | Offsets to investment gains (losses)   | 0.11    | (0.11)  | (0.10)  | (0.09)  | (0.13)  |  |
| (0.17)                               | 0.30    | Investment gains (losses), net of offsets  | (0.17)  | 0.30    | 0.13    | 0.29    | 0.30    |  |
| 0.49                                 | 0.48    | Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets | 0.49    | 0.57    | 0.23    | 0.08    | 0.48    |  |
| (0.04)                               | (0.05)  | Integration, restructuring and other non-operating expenses                          | (0.04)  | (0.18)  | (0.07)  | (0.06)  | (0.05)  |  |
| (0.01)                               | (0.05)  | Stock compensation expense   | (0.01)  | (0.02)  | (0.04)  | (0.07)  | (0.05)  |  |
| (0.10)                               | (0.07)  | Income tax (expense) benefit – non-operating   | (0.10)  | (0.01)  | (0.03)  | (0.02)  | (0.07)  |  |
| 0.17                                 | 0.61    | Total non-operating adjustments  | 0.17    | 0.66    | 0.22    | 0.22    | 0.61    |  |
| (0.02)                               | 0.03    | Effect of items convertible to or settled in Class A common shares                   | (0.02)  | 0.01    | —       | 0.01    | 0.03    |  |
| \$ 1.36                              | \$ 2.00 | Basic earnings per share – Class A common shares                                     | \$ 1.36 | \$ 2.36 | \$ 1.40 | \$ 1.66 | \$ 2.00 |  |

 \* Please refer to *Note to the Financial Supplement* section for discussion on adjusted operating income.

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Segment Results of Operations

Unaudited (In millions, except per share data)

**Consolidated summary of adjusted operating income**

| Year-to-date |        |  | 2018   | 2017   |        |        |        |  |
|--------------|--------|--|--------|--------|--------|--------|--------|--|
| 2018         | 2017   |  | Q1     | Q4     | Q3     | Q2     | Q1     |  |
| \$ 798       | \$ 745 | Fixed income and other investment income | \$ 798 | \$ 810 | \$ 782 | \$ 774 | \$ 745 |  |
| 95           | 69     | Alternative investment income            | 95     | 51     | 81     | 111    | 69     |  |
| 893          | 814    | Net investment earnings                  | 893    | 861    | 863    | 885    | 814    |  |
| (275)        | (263)  | Cost of crediting on deferred annuities  | (275)  | (271)  | (268)  | (264)  | (263)  |  |
| (259)        | (201)  | Other liability costs <sup>1</sup>       | (259)  | (136)  | (273)  | (251)  | (201)  |  |
| (10)         | (2)    | Interest expense                         | (10)   | (2)    | (1)    | (2)    | (2)    |  |
| (73)         | (74)   | Operating expenses                       | (73)   | (87)   | (77)   | (80)   | (74)   |  |
| 276          | 274    | Pre-tax adjusted operating income        | 276    | 365    | 244    | 288    | 274    |  |
| (39)         | (8)    | Income tax (expense) benefit – operating | (39)   | (33)   | (13)   | (8)    | (8)    |  |
| \$ 237       | \$ 266 | <b>Adjusted operating income</b>         | \$ 237 | \$ 332 | \$ 231 | \$ 280 | \$ 266 |  |

\* Please refer to Note to the Financial Supplement section and the Non-GAAP Measure Reconciliations for discussion on adjusted operating income.

<sup>1</sup> Other liability costs include DAC, DSI and VOBA amortization and rider reserve changes 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 adjusted operating income**

| Year-to-date |        |  | 2018   | 2017   |        |        |        |  |
|--------------|--------|--|--------|--------|--------|--------|--------|--|
| 2018         | 2017   |  | Q1     | Q4     | Q3     | Q2     | Q1     |  |
| \$ 775       | \$ 712 | Fixed income and other investment income | \$ 775 | \$ 772 | \$ 745 | \$ 739 | \$ 712 |  |
| 91           | 68     | Alternative investment income            | 91     | 57     | 66     | 82     | 68     |  |
| 866          | 780    | Net investment earnings                  | 866    | 829    | 811    | 821    | 780    |  |
| (275)        | (263)  | Cost of crediting on deferred annuities  | (275)  | (271)  | (268)  | (264)  | (263)  |  |
| (259)        | (180)  | Other liability costs                    | (259)  | (172)  | (228)  | (224)  | (180)  |  |
| —            | (1)    | Interest expense                         | —      | —      | (1)    | (1)    | (1)    |  |
| (58)         | (52)   | Operating expenses                       | (58)   | (55)   | (51)   | (54)   | (52)   |  |
| 274          | 284    | Pre-tax adjusted operating income        | 274    | 331    | 263    | 278    | 284    |  |
| (39)         | (9)    | Income tax (expense) benefit – operating | (39)   | (25)   | (19)   | (11)   | (9)    |  |
| \$ 235       | \$ 275 | <b>Adjusted operating income</b>         | \$ 235 | \$ 306 | \$ 244 | \$ 267 | \$ 275 |  |

**Corporate and Other summary of adjusted operating income**

| Year-to-date |        |  | 2018  | 2017  |         |       |        |  |
|--------------|--------|--|-------|-------|---------|-------|--------|--|
| 2018         | 2017   |  | Q1    | Q4    | Q3      | Q2    | Q1     |  |
| \$ 23        | \$ 33  | Fixed income and other investment income | \$ 23 | \$ 38 | \$ 37   | \$ 35 | \$ 33  |  |
| 4            | 1      | Alternative investment income            | 4     | (6)   | 15      | 29    | 1      |  |
| 27           | 34     | Net investment earnings                  | 27    | 32    | 52      | 64    | 34     |  |
| —            | —      | Cost of crediting on deferred annuities  | —     | —     | —       | —     | —      |  |
| —            | (21)   | Other liability costs                    | —     | 36    | (45)    | (27)  | (21)   |  |
| (10)         | (1)    | Interest expense                         | (10)  | (2)   | —       | (1)   | (1)    |  |
| (15)         | (22)   | Operating expenses                       | (15)  | (32)  | (26)    | (26)  | (22)   |  |
| 2            | (10)   | Pre-tax adjusted operating income        | 2     | 34    | (19)    | 10    | (10)   |  |
| —            | 1      | Income tax (expense) benefit - operating | —     | (8)   | 6       | 3     | 1      |  |
| \$ 2         | \$ (9) | <b>Adjusted operating income</b>         | \$ 2  | \$ 26 | \$ (13) | \$ 13 | \$ (9) |  |

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Net Investment Earned Rate and Investment Margin on Deferred Annuities**

Unaudited (In millions, except percentages)

**Consolidated summary of net investment earned rate (a non-GAAP measure)**

| Year-to-date |       |                                    | 2018   | 2017  |       |        |       |
|--------------|-------|------------------------------------|--------|-------|-------|--------|-------|
| 2018         | 2017  |                                    | Q1     | Q4    | Q3    | Q2     | Q1    |
| 4.32%        | 4.30% | Fixed income and other investments | 4.32%  | 4.22% | 4.23% | 4.34%  | 4.30% |
| 10.38%       | 8.06% | Alternative investments            | 10.38% | 5.46% | 9.07% | 12.69% | 8.06% |
| 4.60%        | 4.48% | Total net investment earned rate   | 4.60%  | 4.28% | 4.45% | 4.72%  | 4.48% |

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

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

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

| Year-to-date |       |   | 2018  | 2017  |       |       |       |
|--------------|-------|---|-------|-------|-------|-------|-------|
| 2018         | 2017  |   | Q1    | Q4    | Q3    | Q2    | Q1    |
| 4.63%        | 4.76% | Net investment earned rate              | 4.63% | 4.57% | 4.64% | 4.85% | 4.76% |
| 1.87%        | 1.91% | Cost of crediting on deferred annuities | 1.87% | 1.87% | 1.88% | 1.89% | 1.91% |
| 2.76%        | 2.85% | Investment margin on deferred annuities | 2.76% | 2.70% | 2.76% | 2.96% | 2.85% |

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

**Retirement Services summary of net investment earned rate**

| Year-to-date                   |           |  | 2018      | 2017      |           |           |           |
|--------------------------------|-----------|--|-----------|-----------|-----------|-----------|-----------|
| 2018                           | 2017      |  | Q1        | Q4        | Q3        | Q2        | Q1        |
| 4.32%                          | 4.52%     | Fixed income and other investments       | 4.32%     | 4.43%     | 4.44%     | 4.55%     | 4.52%     |
| 12.34%                         | 10.59%    | Alternative investments                  | 12.34%    | 7.92%     | 9.79%     | 12.28%    | 10.59%    |
| 4.63%                          | 4.76%     | Total net investment earned rate         | 4.63%     | 4.57%     | 4.64%     | 4.85%     | 4.76%     |
| \$ 775                         | \$ 712    | Fixed income and other investment income | \$ 775    | \$ 772    | \$ 745    | \$ 739    | \$ 712    |
| 91                             | 68        | Alternatives investment income           | 91        | 57        | 66        | 82        | 68        |
| \$ 866                         | \$ 780    | Total net investment earnings            | \$ 866    | \$ 829    | \$ 811    | \$ 821    | \$ 780    |
| <b>Average invested assets</b> |           |  |           |           |           |           |           |
| \$ 71,778                      | \$ 62,982 | Fixed income and other investments       | \$ 71,778 | \$ 69,690 | \$ 67,190 | \$ 64,955 | \$ 62,982 |
| 2,957                          | 2,594     | Alternative investments                  | 2,957     | 2,897     | 2,678     | 2,622     | 2,594     |
| \$ 74,735                      | \$ 65,576 | Total average invested assets            | \$ 74,735 | \$ 72,587 | \$ 69,868 | \$ 67,577 | \$ 65,576 |

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

**Retirement Services summary of cost of crediting on deferred annuities**

| Year-to-date |           |  | 2018      | 2017      |           |           |           |
|--------------|-----------|--|-----------|-----------|-----------|-----------|-----------|
| 2018         | 2017      |  | Q1        | Q4        | Q3        | Q2        | Q1        |
| \$ 155       | \$ 137    | FIA option costs                             | \$ 155    | \$ 149    | \$ 144    | \$ 140    | \$ 137    |
| 120          | 126       | Fixed interest credited to policyholders     | 120       | 122       | 124       | 124       | 126       |
| \$ 275       | \$ 263    | Cost of crediting on deferred annuities      | \$ 275    | \$ 271    | \$ 268    | \$ 264    | \$ 263    |
| 1.87%        | 1.91%     | Cost of crediting on deferred annuities rate | 1.87%     | 1.87%     | 1.88%     | 1.89%     | 1.91%     |
| \$ 58,993    | \$ 55,154 | Average account value on deferred annuities  | \$ 58,993 | \$ 58,003 | \$ 57,050 | \$ 56,001 | \$ 55,154 |

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Retirement Services Annuity Liability Characteristics**

Unaudited (In millions, except percentages)

**Deferred annuities account value rollforward**

| Year-to-date     |                  |  | 2018             | 2017             |                  |                  |                  |  |
|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|--|
| 2018             | 2017             |  | Q1               | Q4               | Q3               | Q2               | Q1               |  |
| \$ 58,539        | \$ 54,880        | Account value at beginning of period     | \$ 58,539        | \$ 57,526        | \$ 56,574        | \$ 55,429        | \$ 54,880        |  |
| 1,516            | 1,308            | Deposits <sup>1</sup>                    | 1,516            | 1,613            | 1,546            | 1,886            | 1,308            |  |
| 47               | 36               | Premium and interest bonuses             | 47               | 39               | 40               | 44               | 36               |  |
| 659              | 461              | Fixed and index credits to policyholders | 659              | 544              | 486              | 464              | 461              |  |
| (1,238)          | (1,194)          | Surrenders and benefits paid             | (1,238)          | (1,110)          | (1,051)          | (1,183)          | (1,194)          |  |
| (76)             | (62)             | Fee and product charges                  | (76)             | (73)             | (69)             | (66)             | (62)             |  |
| <u>\$ 59,447</u> | <u>\$ 55,429</u> | Account value at end of period           | <u>\$ 59,447</u> | <u>\$ 58,539</u> | <u>\$ 57,526</u> | <u>\$ 56,574</u> | <u>\$ 55,429</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                       | 10.6                   | 5.4                     | 8%                        | \$ 46,388         | 78.0%            |
| Single-year fixed rate guaranteed annuities | 7.3                    | 1.0                     | 2%                        | 7,783             | 13.1%            |
| Multi-year fixed rate guaranteed annuities  | 5.3                    | 3.2                     | 8%                        | 5,276             | 8.9%             |
| Total                                       |                        |                         |                           | <u>\$ 59,447</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 | \$ 8,586                 | 14.4%            | \$ 8,586                      | 14.4%            |
| 0.0% < 2.0%         | 451                      | 0.8%             | 583                           | 1.0%             |
| 2.0% < 4.0%         | 1,513                    | 2.6%             | 3,795                         | 6.4%             |
| 4.0% < 6.0%         | 6,917                    | 11.6%            | 6,985                         | 11.7%            |
| 6.0% < 8.0%         | 11,141                   | 18.7%            | 8,017                         | 13.5%            |
| 8.0% < 10.0%        | 14,391                   | 24.2%            | 10,754                        | 18.1%            |
| 10.0% or greater    | 16,448                   | 27.7%            | 20,727                        | 34.9%            |
|                     | <u>\$ 59,447</u>         | <u>100.0%</u>    | <u>\$ 59,447</u>              | <u>100.0%</u>    |

  

|                                       | Surrender charge (gross) | MVA benefit | Surrender charge (net) |
|---------------------------------------|--------------------------|-------------|------------------------|
| Aggregate surrender charge protection | 7.2%                     | 0.9%        | 8.1%                   |

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Retirement Services Annuity Liability Characteristics

Unaudited (In millions, except percentages)

**Surrender charge expiration by year**

| Years of surrender charge remaining | Deferred annuities account value | Percent of total | Average surrender charge percent (gross of MVA) |
|-------------------------------------|----------------------------------|------------------|---|
| No Surrender Charge                 | \$ 8,586                         | 14.4%            | —%  |
| > 0 to less than 2                  | 10,489                           | 17.7%            | 4.6%  |
| 2 to less than 4                    | 13,340                           | 22.5%            | 7.4%  |
| 4 to less than 6                    | 9,355                            | 15.7%            | 8.6%  |
| 6 to less than 8                    | 5,428                            | 9.1%             | 10.1%   |
| 8 to less than 10                   | 8,504                            | 14.3%            | 11.1%   |
| 10 to less than 12                  | 2,498                            | 4.2%             | 14.0%   |
| 12 or greater                       | 1,247                            | 2.1%             | 14.8%   |
|                                     | <u>\$ 59,447</u>                 | <u>100.0%</u>    |   |

**Minimum guarantees on deferred annuities**

|                          | At minimum guarantees | Total account value | Percent of total account value at minimum guarantees |
|--------------------------|-----------------------|---------------------|--|
| Fixed indexed annuities  | \$ 15,716             | \$ 46,388           | 33.9%  |
| Fixed rate annuities     | 6,149                 | 13,059              | 47.1%  |
| Total deferred annuities | <u>\$ 21,865</u>      | <u>\$ 59,447</u>    | <u>36.8%</u>   |

**March 31, 2018**

|                                     |        |
|-------------------------------------|--------|
| Distance to guarantees <sup>1</sup> | 90-100 |
|-------------------------------------|--------|

<sup>1</sup> The distance to guarantee reflects the average distance in option costs between the current and guaranteed rates for indexed strategies and between current and guaranteed fixed rates for fixed strategies. The option costs used reflects an estimate of option cost in the market.

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**Athene Holding Ltd.**
**Financial Supplement—March 31, 2018**
**Consolidated Reserve Liabilities**

Unaudited (In millions, except percentages)

**Consolidated reserve liabilities**

|  | March 31, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Dollars        | Percent of Total | Dollars           | Percent of Total |
| Fixed indexed annuities                    | \$ 48,795      | 64.4%            | \$ 48,431         | 59.6 %           |
| Fixed rate annuities                       | 13,287         | 17.6%            | 13,412            | 16.5 %           |
| Total deferred annuities                   | 62,082         | 82.0%            | 61,843            | 76.1 %           |
| Payout annuities                           | 5,156          | 6.8%             | 5,216             | 6.4 %            |
| Pension risk transfer annuities            | 2,491          | 3.3%             | 2,252             | 2.8 %            |
| Funding agreements                         | 3,820          | 5.0%             | 3,786             | 4.7 %            |
| Life and other (excluding German products) | 2,197          | 2.9%             | 2,281             | 2.8 %            |
| Retirement Services reserve liabilities    | 75,746         | 100.0%           | 75,378            | 92.8 %           |
| Germany products <sup>1</sup>              | —              | —%               | 5,979             | 7.4 %            |
| Intersegment eliminations                  | —              | —%               | (174)             | (0.2)%           |
| Total reserve liabilities                  | \$ 75,746      | 100.0%           | \$ 81,183         | 100.0 %          |

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

<sup>1</sup> On January 1, 2018, Germany was deconsolidated and our equity interest was exchanged for common shares of Athora Holding Ltd..

**Reserve liability rollforward**

| Year-to-date |           |   | 2018      | 2017      |           |           |           |
|--------------|-----------|---|-----------|-----------|-----------|-----------|-----------|
| 2018         | 2017      |   | Q1        | Q4        | Q3        | Q2        | Q1        |
| \$ 75,378    | \$ 65,745 | Retirement Services reserve liabilities – beginning | \$ 75,378 | \$ 72,100 | \$ 69,719 | \$ 67,013 | \$ 65,745 |
| 2,135        | 2,059     | Deposits <sup>1</sup>                               | 2,135     | 3,592     | 2,910     | 3,307     | 2,059     |
| (1,755)      | (1,670)   | Withdrawals   | (1,755)   | (1,361)   | (1,311)   | (1,408)   | (1,670)   |
| (12)         | 879       | Other reserve changes                               | (12)      | 1,047     | 782       | 807       | 879       |
| 75,746       | 67,013    | Retirement Services reserve liabilities – ending    | 75,746    | 75,378    | 72,100    | 69,719    | 67,013    |
| —            | 5,367     | Germany reserve liabilities <sup>2</sup>            | —         | 5,979     | 5,921     | 5,737     | 5,367     |
| —            | (155)     | Intersegment eliminations                           | —         | (174)     | (171)     | (166)     | (155)     |
| \$ 75,746    | \$ 72,225 | Consolidated reserve liabilities – ending           | \$ 75,746 | \$ 81,183 | \$ 77,850 | \$ 75,290 | \$ 72,225 |

<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.

<sup>2</sup> On January 1, 2018, Germany was deconsolidated and our equity interest was exchanged for common shares of Athora Holding Ltd..



**Investments and investments in related parties summary**

|  | March 31, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Carrying Value | Percent of Total | Carrying Value    | Percent of Total |
| Fixed maturity securities, at fair value         |                |                  |                   |                  |
| Available-for-sale securities                    |                |                  |                   |                  |
| U.S. government and agencies                     | \$ 25          | —%               | \$ 62             | 0.1%             |
| U.S. state, municipal and political subdivisions | 1,132          | 1.4%             | 1,165             | 1.4%             |
| Foreign governments                              | 136            | 0.2%             | 2,683             | 3.2%             |
| Corporate  | 35,867         | 44.7%            | 36,660            | 43.4%            |
| CLO  | 5,642          | 7.0%             | 5,084             | 6.0%             |
| ABS  | 4,607          | 5.8%             | 3,971             | 4.7%             |
| RMBS   | 9,187          | 11.5%            | 9,366             | 11.1%            |
| CMBS   | 1,979          | 2.5%             | 2,021             | 2.4%             |
| Trading securities, at fair value                | 2,088          | 2.6%             | 2,196             | 2.6%             |
| Equity securities                                | 160            | 0.2%             | 790               | 0.9%             |
| Mortgage loans, net of allowances                | 6,139          | 7.7%             | 6,233             | 7.4%             |
| Investment funds                                 | 647            | 0.8%             | 699               | 0.8%             |
| Policy loans                                     | 510            | 0.6%             | 530               | 0.6%             |
| Funds withheld at interest                       | 7,093          | 8.8%             | 7,085             | 8.4%             |
| Derivative assets                                | 2,031          | 2.5%             | 2,551             | 3.0%             |
| Real estate                                      | —              | —%               | 624               | 0.7%             |
| Short-term investments                           | 235            | 0.3%             | 201               | 0.2%             |
| Other investments                                | 113            | 0.1%             | 133               | 0.2%             |
| Total investments                                | 77,591         | 96.7%            | 82,054            | 97.1%            |
| Investment in related parties                    |                |                  |                   |                  |
| Fixed maturity securities, at fair value:        |                |                  |                   |                  |
| Available-for-sale securities                    | 505            | 0.6%             | 406               | 0.5%             |
| Trading securities                               | 305            | 0.4%             | 307               | 0.4%             |
| Investment funds                                 | 1,499          | 1.9%             | 1,310             | 1.6%             |
| Short term investments                           | 123            | 0.1%             | 52                | 0.1%             |
| Other investments                                | 238            | 0.3%             | 238               | 0.3%             |
| Total related party investments                  | 2,670          | 3.3%             | 2,313             | 2.9%             |
| Total investments, including related parties     | \$ 80,261      | 100.0%           | \$ 84,367         | 100.0%           |

**Fixed maturity securities by sector**

|  | March 31, 2018 |            |                  | December 31, 2017 |            |                  |
|--|----------------|------------|------------------|-------------------|------------|------------------|
|  | Amortized Cost | Fair Value | Percent of Total | Amortized Cost    | Fair Value | Percent of Total |
| Corporate:   |                |            |                  |                   |            |                  |
| Industrial other <sup>1</sup>                              | \$ 11,428      | \$ 11,533  | 19.5%            | \$ 11,550         | \$ 12,026  | 19.6%            |
| Financial  | 11,324         | 11,475     | 19.4%            | 11,299            | 11,824     | 19.3%            |
| Utilities  | 8,335          | 8,400      | 14.2%            | 7,991             | 8,296      | 13.5%            |
| Communication  | 2,422          | 2,447      | 4.2%             | 2,509             | 2,607      | 4.2%             |
| Transportation   | 1,980          | 2,012      | 3.4%             | 1,824             | 1,907      | 3.1%             |
| Total corporate  | 35,489         | 35,867     | 60.7%            | 35,173            | 36,660     | 59.7%            |
| Other government-related securities                        |                |            |                  |                   |            |                  |
| U.S. state, municipal and political subdivisions           | 995            | 1,132      | 1.9%             | 996               | 1,165      | 1.9%             |
| Foreign governments  | 137            | 136        | 0.3%             | 2,575             | 2,683      | 4.4%             |
| U.S. government and agencies                               | 25             | 25         | —%               | 63                | 62         | 0.1%             |
| Total non-structured securities                            | 36,646         | 37,160     | 62.9%            | 38,807            | 40,570     | 66.1%            |
| Structured securities:                                     |                |            |                  |                   |            |                  |
| CLO  | 6,073          | 6,102      | 10.3%            | 5,392             | 5,444      | 8.9%             |
| ABS  | 4,640          | 4,652      | 7.9%             | 3,991             | 4,017      | 6.5%             |
| CMBS   | 1,981          | 1,979      | 3.3%             | 1,994             | 2,021      | 3.3%             |
| RMBS   |                |            |                  |                   |            |                  |
| Agency   | 81             | 81         | 0.1%             | 86                | 87         | 0.1%             |
| Non-agency   | 8,451          | 9,106      | 15.5%            | 8,635             | 9,279      | 15.1%            |
| Total structured securities                                | 21,226         | 21,920     | 37.1%            | 20,098            | 20,848     | 33.9%            |
| Total fixed maturity securities, including related parties | \$ 57,872      | \$ 59,080  | 100.0%           | \$ 58,905         | \$ 61,418  | 100.0%           |

<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, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Fair Value     | Percent of Total | Fair Value        | Percent of Total |
| NAIC designation   |                |                  |                   |                  |
| 1  | \$ 29,740      | 50.4%            | \$ 32,447         | 52.8%            |
| 2  | 25,744         | 43.6%            | 25,082            | 40.9%            |
| Total investment grade                                     | 55,484         | 94.0%            | 57,529            | 93.7%            |
| 3  | 2,910          | 4.9%             | 3,040             | 5.0%             |
| 4  | 608            | 1.0%             | 765               | 1.2%             |
| 5  | 69             | 0.1%             | 66                | 0.1%             |
| 6  | 9              | 0.0%             | 18                | 0.0%             |
| Total below investment grade                               | 3,596          | 6.0%             | 3,889             | 6.3%             |
| Total fixed maturity securities, including related parties | \$ 59,080      | 100.0%           | \$ 61,418         | 100.0%           |

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

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**Athene Holding Ltd.**
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Unaudited (In millions, except percentages)

|  | March 31, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Fair Value     | Percent of Total | Fair Value        | Percent of Total |
| NRSRO rating agency designation                            |                |                  |                   |                  |
| AAA/AA/A   | \$ 19,353      | 32.7%            | \$ 21,448         | 34.9%            |
| BBB  | 23,989         | 40.6%            | 23,572            | 38.4%            |
| Non-rated <sup>1</sup>                                     | 6,488          | 11.0%            | 6,592             | 10.7%            |
| Total investment grade <sup>2</sup>                        | 49,830         | 84.3%            | 51,612            | 84.0%            |
| BB   | 2,981          | 5.1%             | 3,091             | 5.0%             |
| B  | 1,016          | 1.7%             | 1,198             | 2.0%             |
| CCC  | 3,202          | 5.4%             | 2,696             | 4.4%             |
| CC and lower   | 1,591          | 2.7%             | 2,302             | 3.8%             |
| Non-rated <sup>1</sup>                                     | 460            | 0.8%             | 519               | 0.8%             |
| Total below investment grade                               | 9,250          | 15.7%            | 9,806             | 16.0%            |
| Total fixed maturity securities, including related parties | \$ 59,080      | 100.0%           | \$ 61,418         | 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 designation.

<sup>2</sup> We view the NAIC designation methodology as the most appropriate way to view our fixed maturity portfolio when evaluating credit risk 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 designation 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, 2018   |                |            |                  | December 31, 2017 |                |            |                  |
|------------------------------|------------------|----------------|------------|------------------|-------------------|----------------|------------|------------------|
|                              | Principal Amount | Amortized Cost | Fair Value | Percent of Total | Principal Amount  | Amortized Cost | Fair Value | Percent of Total |
| NAIC designation             |                  |                |            |                  |                   |                |            |                  |
| 1                            | \$ 9,230         | \$ 7,831       | \$ 8,460   | 92.1%            | \$ 9,543          | \$ 8,089       | \$ 8,714   | 93.0%            |
| 2                            | 448              | 407            | 422        | 4.6%             | 386               | 348            | 360        | 3.8%             |
| Total investment grade       | 9,678            | 8,238          | 8,882      | 96.7%            | 9,929             | 8,437          | 9,074      | 96.8%            |
| 3                            | 215              | 193            | 198        | 2.2%             | 238               | 209            | 213        | 2.3%             |
| 4                            | 114              | 96             | 102        | 1.1%             | 83                | 70             | 73         | 0.8%             |
| 5                            | 5                | 5              | 5          | 0.0%             | 5                 | 5              | 6          | 0.1%             |
| 6                            | 1                | —              | —          | —%               | 1                 | —              | —          | —%               |
| Total below investment grade | 335              | 294            | 305        | 3.3%             | 327               | 284            | 292        | 3.2%             |
| Total                        | \$ 10,013        | \$ 8,532       | \$ 9,187   | 100.0%           | \$ 10,256         | \$ 8,721       | \$ 9,366   | 100.0%           |

**Mortgage loans by property type and region**

|   | March 31, 2018     |                  | December 31, 2017  |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | Net Carrying Value | Percent of Total | Net Carrying Value | Percent of Total |
| Property type                           |                    |                  |                    |                  |
| Office building                         | \$ 1,389           | 22.6%            | \$ 1,187           | 19.0%            |
| Retail                                  | 1,167              | 19.0%            | 1,223              | 19.6%            |
| Hotels                                  | 935                | 15.2%            | 928                | 14.9%            |
| Industrial                              | 789                | 12.9%            | 944                | 15.2%            |
| Apartment                               | 441                | 7.2%             | 525                | 8.4%             |
| Other commercial <sup>1</sup>           | 412                | 6.7%             | 440                | 7.1%             |
| Total commercial mortgage loans         | 5,133              | 83.6%            | 5,247              | 84.2%            |
| Residential loans                       | 1,006              | 16.4%            | 986                | 15.8%            |
| Total mortgage loans, net of allowances | <u>\$ 6,139</u>    | <u>100.0%</u>    | <u>\$ 6,233</u>    | <u>100.0%</u>    |
| US Region:                              |                    |                  |                    |                  |
| East North Central                      | \$ 654             | 10.7%            | \$ 643             | 10.3%            |
| East South Central                      | 128                | 2.1%             | 144                | 2.3%             |
| Middle Atlantic                         | 825                | 13.5%            | 909                | 14.6%            |
| Mountain                                | 488                | 7.9%             | 492                | 7.9%             |
| New England                             | 186                | 3.0%             | 162                | 2.6%             |
| Pacific                                 | 1,119              | 18.2%            | 991                | 15.9%            |
| South Atlantic                          | 900                | 14.7%            | 873                | 14.0%            |
| West North Central                      | 223                | 3.6%             | 233                | 3.8%             |
| West South Central                      | 610                | 9.9%             | 655                | 10.5%            |
| Total US Region                         | 5,133              | 83.6%            | 5,102              | 81.9%            |
| International Region                    | —                  | —%               | 145                | 2.3%             |
| Total commercial mortgage loans         | 5,133              | 83.6%            | 5,247              | 84.2%            |
| Residential loans                       | 1,006              | 16.4%            | 986                | 15.8%            |
| Total mortgage loans, net of allowances | <u>\$ 6,139</u>    | <u>100.0%</u>    | <u>\$ 6,233</u>    | <u>100.0%</u>    |

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

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**Athene Holding Ltd.**
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Unaudited (In millions, except percentages)

**Investment funds including related party**

|  | March 31, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Carrying Value | Percent of Total | Carrying Value    | Percent of Total |
| Investment funds   |                |                  |                   |                  |
| Private equity   | \$ 240         | 8.8%             | \$ 271            | 10.5%            |
| Real estate and other real assets                          | 174            | 6.4%             | 161               | 6.2%             |
| Natural resources  | 4              | 0.1%             | 4                 | 0.2%             |
| Hedge funds  | 56             | 2.1%             | 61                | 2.4%             |
| Credit funds   | 173            | 6.3%             | 202               | 7.8%             |
| Total investment funds                                     | 647            | 23.7%            | 699               | 27.1%            |
| Investment funds – related parties                         |                |                  |                   |                  |
| Private equity – A-A Mortgage (AmeriHome)                  | 418            | 15.3%            | 403               | 15.6%            |
| Private equity   | 283            | 10.4%            | 180               | 7.0%             |
| Real estate and other real assets                          | 322            | 11.8%            | 297               | 11.5%            |
| Natural resources  | 98             | 3.6%             | 74                | 2.9%             |
| Hedge funds  | 99             | 3.6%             | 93                | 3.6%             |
| Credit funds   | 279            | 10.3%            | 263               | 10.2%            |
| Total investment funds – related parties                   | 1,499          | 55.0%            | 1,310             | 50.8%            |
| Total investment funds – assets of consolidated VIEs       |                |                  |                   |                  |
| Private equity – MidCap                                    | 534            | 19.6%            | 528               | 20.4%            |
| Credit funds   | 20             | 0.7%             | 21                | 0.8%             |
| Real estate and other real assets                          | 28             | 1.0%             | 22                | 0.9%             |
| Total investment funds – assets of consolidated VIEs       | 582            | 21.3%            | 571               | 22.1%            |
| Total investment funds, including related parties and VIEs | \$ 2,728       | 100.0%           | \$ 2,580          | 100.0%           |

\* Investment funds, including related party, is the GAAP measure which does not include investments that we view as alternative investments. Alternative investments include CLO equity tranche securities that are included in trading securities in the GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, net assets of VIEs other than investment funds as well as royalties and other investments. Please refer to *Note to the Financial Supplement* section for discussion on invested assets including alternative investments and the *Non-GAAP Measure Reconciliations* section for the reconciliation of investment funds to alternative investments.

**Funds withheld at interest**

|  | March 31, 2018 |                  | December 31, 2017 |                  |
|--|----------------|------------------|-------------------|------------------|
|  | Carrying Value | Percent of Total | Carrying Value    | Percent of Total |
| Fixed maturity securities                        |                |                  |                   |                  |
| U.S. state, municipal and political subdivisions | \$ 111         | 1.6%             | \$ 117            | 1.6%             |
| Corporate  | 2,164          | 30.5%            | 2,095             | 29.6%            |
| CLO  | 618            | 8.7%             | 669               | 9.4%             |
| ABS  | 938            | 13.2%            | 886               | 12.5%            |
| CMBS   | 287            | 4.0%             | 290               | 4.1%             |
| RMBS   | 1,515          | 21.4%            | 1,551             | 21.9%            |
| Equity securities                                | 28             | 0.4%             | 28                | 0.4%             |
| Mortgage loans                                   | 788            | 11.1%            | 792               | 11.2%            |
| Investment funds                                 | 454            | 6.4%             | 376               | 5.3%             |
| Derivative assets                                | 56             | 0.8%             | 78                | 1.1%             |
| Short-term investments                           | 35             | 0.5%             | 16                | 0.2%             |
| Cash and cash equivalents                        | 65             | 0.9%             | 132               | 1.9%             |
| Other assets and liabilities                     | 34             | 0.5%             | 55                | 0.8%             |
| Total funds withheld at interest                 | \$ 7,093       | 100.0%           | \$ 7,085          | 100.0%           |

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Consolidated Investments Summary

Unaudited (In millions, except percentages)

### Invested assets summary

|  | March 31, 2018                          |                  | December 31, 2017                     |   |   |                  |
|--|---|------------------|---------------------------------------|---|---|------------------|
|  | Total Invested Asset Value <sup>1</sup> | Percent of Total | U.S. and Bermuda Invested Asset Value | Germany Invested Asset Value <sup>2</sup> | Total Invested Asset Value <sup>1</sup> | Percent of Total |
| Corporate  | \$ 38,896                               | 49.4%            | \$ 37,059                             | \$ 1,536                                  | \$ 38,595                               | 46.9%            |
| CLO  | 6,241                                   | 7.9%             | 5,914                                 | —   | 5,914                                   | 7.2%             |
| Credit   | 45,137                                  | 57.3%            | 42,973                                | 1,536                                     | 44,509                                  | 54.1%            |
| RMBS   | 10,288                                  | 13.1%            | 10,532                                | —   | 10,532                                  | 12.8%            |
| Mortgage loans   | 6,925                                   | 8.8%             | 6,858                                 | 165                                       | 7,023                                   | 8.5%             |
| CMBS   | 2,311                                   | 2.9%             | 2,322                                 | —   | 2,322                                   | 2.8%             |
| Real estate held for investment                                  | —                                       | —%               | —                                     | 625                                       | 625                                     | 0.8%             |
| Real estate  | 19,524                                  | 24.8%            | 19,712                                | 790                                       | 20,502                                  | 24.9%            |
| ABS  | 5,852                                   | 7.5%             | 4,824                                 | —   | 4,824                                   | 5.9%             |
| Alternative investments  | 3,615                                   | 4.6%             | 3,692                                 | 137                                       | 3,829                                   | 4.6%             |
| State, municipals, political subdivisions and foreign government | 1,309                                   | 1.7%             | 1,347                                 | 2,411                                     | 3,758                                   | 4.5%             |
| Unit linked assets   | —                                       | —%               | —                                     | 407                                       | 407                                     | 0.5%             |
| Equity securities  | 194                                     | 0.2%             | 192                                   | 128                                       | 320                                     | 0.4%             |
| Short-term investments   | 339                                     | 0.4%             | 228                                   | —   | 228                                     | 0.3%             |
| U.S. government and agencies                                     | 32                                      | —%               | 29                                    | 35  | 64                                      | 0.1%             |
| Other investments  | 11,341                                  | 14.4%            | 10,312                                | 3,118                                     | 13,430                                  | 16.3%            |
| Cash and equivalents   | 1,732                                   | 2.2%             | 2,504                                 | 296                                       | 2,800                                   | 3.4%             |
| Policy loans and other   | 989                                     | 1.3%             | 761                                   | 296                                       | 1,057                                   | 1.3%             |
| Total invested assets  | \$ 78,723                               | 100.0%           | \$ 76,262                             | \$ 6,036                                  | \$ 82,298                               | 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 Measure Reconciliations* section for the reconciliation of investment funds to alternative investments.

<sup>2</sup> On January 1, 2018, Germany was deconsolidated and our equity interest was exchanged for common shares of Athora Holding Ltd.

### Alternative investments summary

|   | March 31, 2018                    |                  | December 31, 2017                 |                  |
|---|-----------------------------------|------------------|-----------------------------------|------------------|
|   | Invested Asset Value <sup>1</sup> | Percent of Total | Invested Asset Value <sup>1</sup> | Percent of Total |
| Credit funds                              | \$ 720                            | 19.9%            | \$ 784                            | 20.4%            |
| Private equity – MidCap                   | 534                               | 14.8%            | 528                               | 13.8%            |
| Private equity – A-A Mortgage (AmeriHome) | 514                               | 14.2%            | 496                               | 12.9%            |
| Private equity – other                    | 619                               | 17.1%            | 554                               | 14.5%            |
| Mortgage and real assets                  | 678                               | 18.8%            | 643                               | 16.8%            |
| Hedge funds                               | 184                               | 5.1%             | 467                               | 12.2%            |
| Public equities                           | 124                               | 3.4%             | 171                               | 4.5%             |
| Natural resources and other real assets   | 242                               | 6.7%             | 186                               | 4.9%             |
| Alternative investments                   | \$ 3,615                          | 100.0%           | \$ 3,829                          | 100.0%           |

\* Alternative investments does not correspond to the total investment funds, including related parties and VIEs, on our condensed consolidated balance sheets. Alternative investments adjusts the GAAP presentation to include CLO equity tranche securities that are included in trading securities in the GAAP view, investment funds included in our funds withheld at interest reinsurance portfolios, net assets of VIEs other than investment funds as well as royalties and other investments. Please refer to *Note to the Financial Supplement* section for discussion on invested assets including alternative investments and the *Non-GAAP Measure Reconciliations* section for the reconciliation of investment funds to alternative investments.

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*Unaudited (In millions, except percentages)*
**Net investment earned rates by asset class**

| <b>Year-to-date</b> |             |  | <b>2018</b> | <b>2017</b> |           |           |           |
|---------------------|-------------|--|-------------|-------------|-----------|-----------|-----------|
| <b>2018</b>         | <b>2017</b> |  | <b>Q1</b>   | <b>Q4</b>   | <b>Q3</b> | <b>Q2</b> | <b>Q1</b> |
| 3.90%               | 3.91%       | Corporate securities   | 3.90%       | 3.97%       | 3.91%     | 3.98%     | 3.91%     |
|                     |             | Structured securities  |             |             |           |           |           |
| 5.42%               | 5.45%       | RMBS   | 5.42%       | 5.22%       | 5.45%     | 5.96%     | 5.45%     |
| 5.09%               | 4.94%       | CLO  | 5.09%       | 4.93%       | 5.25%     | 5.10%     | 4.94%     |
| 4.03%               | 4.15%       | ABS  | 4.03%       | 5.54%       | 4.33%     | 4.28%     | 4.15%     |
| 4.16%               | 4.03%       | CMBS   | 4.16%       | 4.12%       | 4.18%     | 4.13%     | 4.03%     |
| 4.91%               | 4.95%       | Total structured securities  | 4.91%       | 5.11%       | 5.06%     | 5.26%     | 4.95%     |
| 4.72%               | 9.35%       | State, municipal, political subdivisions and U.S. and foreign government | 4.72%       | 4.59%       | 4.54%     | 4.82%     | 9.35%     |
| 5.57%               | 5.90%       | Mortgage loans   | 5.57%       | 5.89%       | 5.92%     | 5.92%     | 5.90%     |
| 10.38%              | 8.12%       | Alternative investments  | 10.38%      | 6.04%       | 8.92%     | 13.11%    | 8.12%     |
| 2.14%               | 1.66%       | Other U.S. and Bermuda invested assets                                   | 2.14%       | 1.55%       | 1.65%     | 1.58%     | 1.66%     |
| 4.60%               | 4.70%       | U.S. and Bermuda   | 4.60%       | 4.52%       | 4.65%     | 4.96%     | 4.70%     |
| —%                  | 1.74%       | Germany <sup>1</sup>   | —%          | 1.32%       | 2.04%     | 1.73%     | 1.74%     |
| 4.60%               | 4.48%       | Consolidated total   | 4.60%       | 4.28%       | 4.45%     | 4.72%     | 4.48%     |

<sup>1</sup> On January 1, 2018, Germany was deconsolidated and our equity interest was exchanged for common shares of Athora Holding Ltd.

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

|  | <b>March 31, 2018</b> | <b>December 31, 2017</b> |
|--|-----------------------|--------------------------|
| Corporate securities   | 93.1%                 | 93.1%                    |
| Structured securities  |                       |                          |
| RMBS   | 96.6%                 | 96.7%                    |
| CLO  | 88.9%                 | 85.8%                    |
| ABS  | 94.9%                 | 93.9%                    |
| CMBS   | 96.3%                 | 96.0%                    |
| Total structured securities  | 94.2%                 | 93.3%                    |
| State, municipal, political subdivisions and U.S. and foreign government | 96.1%                 | 95.5%                    |
| Germany fixed maturity securities <sup>1</sup>                           | —%                    | 95.0%                    |

<sup>1</sup> On January 1, 2018, Germany was deconsolidated and our equity interest was exchanged for common shares of Athora Holding Ltd. As of December 31, 2017, NAIC 1 and 2 for Germany indicates the percentage of total AFS fixed maturities by applying NRSRO ratings to map to NAIC designations.

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Athene Holding Ltd.

Financial Supplement—March 31, 2018

Financial Strength Ratings and RBC

Unaudited

**Financial strength ratings**

|   | <b>A.M. Best</b> | <b>Standard &amp; Poor's</b> | <b>Fitch</b> |
|---|------------------|------------------------------|--------------|
| 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**

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

**Capital Metrics**

|  | <b>December 31,</b> |             |
|--|---------------------|-------------|
|  | <b>2017</b>         | <b>2016</b> |
| U.S. RBC ratio – Athene Annuity & Life Assurance Company | 490%                | 478%        |
| BSCR – Athene Life Re Ltd.                               | 354%                | 228%        |
| Athene Life Re Ltd. RBC ratio <sup>1</sup>               | 562%                | 529%        |

<sup>1</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.



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

| Year-to-date |       |  | 2018  | 2017  |       |       |       |
|--------------|-------|--|-------|-------|-------|-------|-------|
| 2018         | 2017  |  | Q1    | Q4    | Q3    | Q2    | Q1    |
| 148.7        | 78.2  | Basic weighted average shares outstanding – Class A      | 148.7 | 126.0 | 119.5 | 106.3 | 78.2  |
| 41.1         | 110.8 | Conversion of Class B shares to Class A shares           | 41.1  | 63.5  | 69.9  | 82.9  | 110.8 |
| 5.8          | 6.2   | Conversion of Class M shares to Class A shares           | 5.8   | 6.1   | 6.1   | 6.2   | 6.2   |
| 0.4          | 0.4   | Effect of other stock compensation plans                 | 0.4   | 0.5   | 0.5   | 0.5   | 0.4   |
| 196.0        | 195.6 | Weighted average shares outstanding – adjusted operating | 196.0 | 196.1 | 196.0 | 195.9 | 195.6 |

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

|  | 2018  | 2017  |       |       |       |
|--|-------|-------|-------|-------|-------|
|  | Q1    | Q4    | Q3    | Q2    | Q1    |
| Class A common shares outstanding              | 164.5 | 142.2 | 119.9 | 119.3 | 101.3 |
| Conversion of Class B shares to Class A shares | 25.5  | 47.4  | 69.5  | 70.1  | 87.8  |
| Conversion of Class M shares to Class A shares | 5.8   | 6.4   | 6.7   | 6.4   | 6.8   |
| Effect of other stock compensation plans       | 1.0   | 0.9   | 0.9   | 0.9   | 0.9   |
| Adjusted operating common shares outstanding   | 196.8 | 196.9 | 197.0 | 196.7 | 196.8 |

**Summary of adjustments to book value per share to arrive at adjusted book value per share**

|  | 2018     | 2017     |          |          |          |
|--|----------|----------|----------|----------|----------|
|  | Q1       | Q4       | Q3       | Q2       | Q1       |
| Book value per share   | \$ 44.09 | \$ 46.76 | \$ 44.16 | \$ 42.20 | \$ 39.07 |
| AOCI   | (2.97)   | (7.19)   | (5.92)   | (5.40)   | (3.47)   |
| Reinsurance unrealized gains and losses                            | (0.54)   | (0.82)   | (0.83)   | (0.77)   | (0.55)   |
| Effect of items convertible to or settled in Class A common shares | 0.08     | 0.02     | (0.14)   | (0.08)   | (0.60)   |
| Adjusted book value per share                                      | \$ 40.66 | \$ 38.77 | \$ 37.27 | \$ 35.95 | \$ 34.45 |

**The reconciliation of net income to adjusted net income included in adjusted ROE**

| Year-to-date |        |   | 2018   | 2017   |        |        |        |
|--------------|--------|---|--------|--------|--------|--------|--------|
| 2018         | 2017   |   | Q1     | Q4     | Q3     | Q2     | Q1     |
| \$ 268       | \$ 384 | Net income                              | \$ 268 | \$ 464 | \$ 274 | \$ 326 | \$ 384 |
| 54           | (43)   | Reinsurance unrealized gains and losses | 54     | 2      | (12)   | (45)   | (43)   |
| \$ 322       | \$ 341 | Adjusted net income                     | \$ 322 | \$ 466 | \$ 262 | \$ 281 | \$ 341 |

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

| Year-to-date     |                  |   | 2018             | 2017             |                  |                  |                  |
|------------------|------------------|---|------------------|------------------|------------------|------------------|------------------|
| 2018             | 2017             |   | Q1               | Q4               | Q3               | Q2               | Q1               |
| \$ 855           | \$ 786           | GAAP net investment income                                | \$ 855           | \$ 842           | \$ 820           | \$ 821           | \$ 786           |
| 45               | 45               | Reinsurance embedded derivative impacts                   | 45               | 54               | 40               | 52               | 45               |
| 15               | 11               | Net VIE earnings  | 15               | 18               | 27               | 21               | 11               |
| 1                | (13)             | Alternative income gain (loss)                            | 1                | (9)              | (4)              | 6                | (13)             |
| (23)             | (15)             | Held for trading amortization                             | (23)             | (44)             | (20)             | (15)             | (15)             |
| 38               | 28               | Total adjustments to arrive at net investment earnings    | 38               | 19               | 43               | 64               | 28               |
| <u>\$ 893</u>    | <u>\$ 814</u>    | Total net investment earnings                             | <u>\$ 893</u>    | <u>\$ 861</u>    | <u>\$ 863</u>    | <u>\$ 885</u>    | <u>\$ 814</u>    |
|                  |                  |   |                  |                  |                  |                  |                  |
| \$ 866           | \$ 780           | Retirement Services                                       | \$ 866           | \$ 829           | \$ 811           | \$ 821           | \$ 780           |
| 27               | 34               | Corporate and Other                                       | 27               | 32               | 52               | 64               | 34               |
| <u>\$ 893</u>    | <u>\$ 814</u>    | Total net investment earnings                             | <u>\$ 893</u>    | <u>\$ 861</u>    | <u>\$ 863</u>    | <u>\$ 885</u>    | <u>\$ 814</u>    |
|                  |                  |   |                  |                  |                  |                  |                  |
| 4.41 %           | 4.32 %           | GAAP net investment income rate                           | 4.41 %           | 4.18 %           | 4.23 %           | 4.38 %           | 4.32 %           |
| 0.22 %           | 0.25 %           | Reinsurance embedded derivative impacts                   | 0.22 %           | 0.27 %           | 0.20 %           | 0.28 %           | 0.25 %           |
| 0.08 %           | 0.06 %           | Net VIE earnings  | 0.08 %           | 0.09 %           | 0.14 %           | 0.11 %           | 0.06 %           |
| 0.01 %           | (0.07)%          | Alternative income gain (loss)                            | 0.01 %           | (0.04)%          | (0.02)%          | 0.03 %           | (0.07)%          |
| (0.12)%          | (0.08)%          | Held for trading amortization                             | (0.12)%          | (0.22)%          | (0.10)%          | (0.08)%          | (0.08)%          |
| 0.19 %           | 0.16 %           | Total adjustments to arrive at net investment earned rate | 0.19 %           | 0.10 %           | 0.22 %           | 0.34 %           | 0.16 %           |
| <u>4.60 %</u>    | <u>4.48 %</u>    | Consolidated net investment earned rate                   | <u>4.60 %</u>    | <u>4.28 %</u>    | <u>4.45 %</u>    | <u>4.72 %</u>    | <u>4.48 %</u>    |
|                  |                  |   |                  |                  |                  |                  |                  |
| 4.63 %           | 4.76 %           | Retirement Services                                       | 4.63 %           | 4.57 %           | 4.64 %           | 4.85 %           | 4.76 %           |
| 3.76 %           | 1.88 %           | Corporate and Other                                       | 3.76 %           | 1.61 %           | 2.72 %           | 3.53 %           | 1.88 %           |
| <u>4.60 %</u>    | <u>4.48 %</u>    | Consolidated net investment earned rate                   | <u>4.60 %</u>    | <u>4.28 %</u>    | <u>4.45 %</u>    | <u>4.72 %</u>    | <u>4.48 %</u>    |
|                  |                  |   |                  |                  |                  |                  |                  |
| \$ 74,735        | \$ 65,576        | Retirement Services average invested assets               | \$ 74,735        | \$ 72,587        | \$ 69,868        | \$ 67,577        | \$ 65,576        |
| 2,844            | 7,123            | Corporate and Other average invested assets               | 2,844            | 7,964            | 7,673            | 7,345            | 7,123            |
| <u>\$ 77,579</u> | <u>\$ 72,699</u> | Average invested assets                                   | <u>\$ 77,579</u> | <u>\$ 80,551</u> | <u>\$ 77,541</u> | <u>\$ 74,922</u> | <u>\$ 72,699</u> |

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

| Year-to-date     |                  |  | 2018             | 2017             |                  |                  |                  |
|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|
| 2018             | 2017             |  | Q1               | Q4               | Q3               | Q2               | Q1               |
| \$ 19            | \$ 692           | GAAP interest sensitive contract benefits                              | \$ 19            | \$ 960           | \$ 621           | \$ 553           | \$ 692           |
| (40)             | (26)             | Interest credited other than deferred annuities                        | (40)             | (37)             | (41)             | (42)             | (26)             |
| 174              | 145              | FIA option costs   | 174              | 159              | 154              | 149              | 145              |
| (22)             | (17)             | Product charges (strategy fees)  | (22)             | (20)             | (19)             | (17)             | (17)             |
| 3                | 9                | Reinsurance embedded derivative impacts                                | 3                | 10               | 9                | 9                | 9                |
| 133              | (534)            | Change in fair values of embedded derivatives – FIAs                   | 133              | (799)            | (464)            | (399)            | (534)            |
| 10               | 12               | Negative VOBA amortization   | 10               | 10               | 8                | 10               | 12               |
| —                | (18)             | Unit linked change in reserve  | —                | (12)             | —                | 1                | (18)             |
| (2)              | —                | Other changes in interest sensitive contract liabilities               | (2)              | —                | —                | —                | —                |
| 256              | (429)            | Total adjustments to arrive at cost of crediting on deferred annuities | 256              | (689)            | (353)            | (289)            | (429)            |
| <u>\$ 275</u>    | <u>\$ 263</u>    | Retirement Services cost of crediting on deferred annuities            | <u>\$ 275</u>    | <u>\$ 271</u>    | <u>\$ 268</u>    | <u>\$ 264</u>    | <u>\$ 263</u>    |
| 0.13 %           | 5.02 %           | GAAP interest sensitive contract benefits                              | 0.13 %           | 6.62 %           | 4.35 %           | 3.95 %           | 5.02 %           |
| (0.27)%          | (0.19)%          | Interest credited other than deferred annuities                        | (0.27)%          | (0.26)%          | (0.29)%          | (0.30)%          | (0.19)%          |
| 1.18 %           | 1.04 %           | FIA option costs   | 1.18 %           | 1.10 %           | 1.08 %           | 1.07 %           | 1.04 %           |
| (0.15)%          | (0.12)%          | Product charges (strategy fees)  | (0.15)%          | (0.14)%          | (0.13)%          | (0.12)%          | (0.12)%          |
| 0.02 %           | 0.07 %           | Reinsurance embedded derivative impacts                                | 0.02 %           | 0.07 %           | 0.06 %           | 0.06 %           | 0.07 %           |
| 0.90 %           | (3.87)%          | Change in fair values of embedded derivatives – FIAs                   | 0.90 %           | (5.51)%          | (3.25)%          | (2.85)%          | (3.87)%          |
| 0.07 %           | 0.09 %           | Negative VOBA amortization   | 0.07 %           | 0.07 %           | 0.06 %           | 0.07 %           | 0.09 %           |
| — %              | (0.13)%          | Unit linked change in reserve  | — %              | (0.08)%          | — %              | 0.01 %           | (0.13)%          |
| (0.01)%          | — %              | Other changes in interest sensitive contract liabilities               | (0.01)%          | — %              | — %              | — %              | — %              |
| 1.74 %           | (3.11)%          | Total adjustments to arrive at cost of crediting on deferred annuities | 1.74 %           | (4.75)%          | (2.47)%          | (2.06)%          | (3.11)%          |
| <u>1.87 %</u>    | <u>1.91 %</u>    | Retirement Services cost of crediting on deferred annuities            | <u>1.87 %</u>    | <u>1.87 %</u>    | <u>1.88 %</u>    | <u>1.89 %</u>    | <u>1.91 %</u>    |
| <u>\$ 58,993</u> | <u>\$ 55,154</u> | Average account value on deferred annuities                            | <u>\$ 58,993</u> | <u>\$ 58,003</u> | <u>\$ 57,050</u> | <u>\$ 56,001</u> | <u>\$ 55,154</u> |

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

|   | March 31, 2018 | December 31, 2017 |
|---|----------------|-------------------|
| Total investments, including related parties          | \$ 80,261      | \$ 84,367         |
| Derivative assets                                     | (2,031)        | (2,551)           |
| Cash and cash equivalents (including restricted cash) | 2,822          | 4,993             |
| Accrued investment income                             | 620            | 652               |
| Payables for collateral on derivatives                | (1,145)        | (2,323)           |
| Reinsurance funds withheld and modified coinsurance   | (467)          | (579)             |
| VIE assets, liabilities and noncontrolling interest   | 810            | 862               |
| AFS unrealized (gain) loss                            | (1,332)        | (2,794)           |
| Ceded policy loans                                    | (286)          | (296)             |
| Net investment receivables (payables)                 | (529)          | (33)              |
| Total adjustments to arrive at invested assets        | (1,538)        | (2,069)           |
| Total invested assets                                 | \$ 78,723      | \$ 82,298         |

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

|  | March 31, 2018 | December 31, 2017 |
|--|----------------|-------------------|
| Investment funds, including related parties and VIEs   | \$ 2,728       | \$ 2,580          |
| CLO equities included in trading securities  | 163            | 182               |
| Financial Credit Investment special-purpose vehicle included in trading securities related party | —              | 287               |
| Investment funds within funds withheld at interest   | 454            | 416               |
| Royalties, other assets included in other investments and other assets                           | 74             | 76                |
| Net assets of the VIE, excluding investment funds  | 196            | 288               |
| Total adjustments to arrive at alternative investments   | 887            | 1,249             |
| Alternative investments  | \$ 3,615       | \$ 3,829          |

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

|  | March 31, 2018 | December 31, 2017 |
|--|----------------|-------------------|
| Total liabilities                                  | 84,862         | 90,539            |
| Long-term debt                                     | (992)          | —                 |
| Derivative liabilities                             | (186)          | (134)             |
| Payables for collateral on derivatives             | (1,145)        | (2,323)           |
| Funds withheld liability                           | (395)          | (407)             |
| Other liabilities                                  | (1,277)        | (1,222)           |
| Liabilities of consolidated VIEs                   | (1)            | (2)               |
| Reinsurance ceded receivables                      | (4,834)        | (4,972)           |
| Policy loans ceded                                 | (286)          | (296)             |
| Total adjustments to arrive at reserve liabilities | (9,116)        | (9,356)           |
| Total reserve liabilities                          | 75,746         | 81,183            |