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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Athene Securities, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
7700 Mills Civic Parkway  
(No. and Street)  
West Des Moines IA 50266  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Chad Batterson 515-342-4616  
(Area Code ? Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
PricewaterhouseCoopers LLP  
(Name of individual, state last, first, middle name)  
699 Walnut Street Des Moines IA 50309  
(Address) (City) (State) (Zip Code)

- CHECK ONE:**  
 Certified Public Accountant  
 Public Accountant  
 Accountant not resident in United States or any of its possessions.

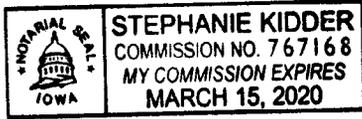
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

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OATH OR AFFIRMATION

I, Chad Batterson, affirm that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Athene Securities, LLC, as of December 31, 2016, are true and correct. I further affirm that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.



Chad M. Batterson  
Signature

President Athene Securities, LLC  
Title

[Signature]  
Notary Public

This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# Athene Securities, LLC

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December 31, 2016

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and the Management of Athene Securities, LLC:

In our opinion, the accompanying statement of financial condition and the related statement of loss, statement of changes in stockholder's equity, and statement of cash flows present fairly, in all material respects, the financial position of Athene Securities, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying computation of net capital under Rule 15c3-1 of the Securities and Exchange Commission is supplemental information required by Rule 17a-5 under the Securities Exchange Act of 1934. The supplemental information is the responsibility of the Company's management. The supplemental information has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the computation of net capital under Rule 15c3-1 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

*PricewaterhouseCoopers LLP*

February 15, 2017

**Athene Securities, LLC**  
**Statement of Financial Condition**  
**December 31, 2016**

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<b>Assets</b>	
Cash and cash equivalents	\$ 111,077
Prepaid expenses	5,551
Amounts due from affiliate	741
Other receivable	920
Total assets	<u>\$ 118,289</u>
<b>Liabilities and stockholder's equity</b>	
Accrued expenses	\$ 1,200
Total liabilities	<u>1,200</u>
<b>Stockholder's equity</b>	
Common stock, no par value	
Authorized, issued, and outstanding – 100 shares	5,000
Additional paid-in capital	1,983,075
Accumulated deficit	<u>(1,870,986)</u>
Total stockholder's equity	<u>117,089</u>
Total liabilities and stockholder's equity	<u>\$ 118,289</u>

The accompanying notes are an integral part of these financial statements.

**Athene Securities, LLC**  
**Statement of Loss**  
**Year Ended December 31, 2016**

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<b>Revenues</b>	
Commission revenue	\$ 85,569
Concession revenue	10,941
Total revenue	<u>96,510</u>
<b>Expenses</b>	
Commission expense	85,569
Salaries and facilities	40,000
FINRA fees	38,162
Management consulting fees	13,598
Other operating expenses	15,460
Total expenses	<u>192,789</u>
Net loss	<u>\$ (96,279)</u>

The accompanying notes are an integral part of these financial statements.

**Athene Securities, LLC**  
**Statement of Changes in Stockholder's Equity**  
**Year Ended December 31, 2016**

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	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
<b>Balance at January 1, 2016</b>	\$ 5,000	\$ 1,833,075	\$ (1,774,707)	\$ 63,368
Net loss	—	—	(96,279)	(96,279)
Capital contribution	—	150,000	—	150,000
<b>Balance at December 31, 2016</b>	<u>\$ 5,000</u>	<u>\$ 1,983,075</u>	<u>\$ (1,870,986)</u>	<u>\$ 117,089</u>

The accompanying notes are an integral part of these financial statements.

**Athene Securities, LLC**  
**Statement of Cash Flows**  
**Year Ended December 31, 2016**

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<b>Operating activities</b>	
Net loss	\$ (96,279)
Adjustments to reconcile net loss to net cash used in operating activities:	
Change in:	
Amounts due from affiliate	(286)
Prepaid expenses	2,734
Other receivable	(920)
Accrued expenses	1,200
Net cash used in operating activities	<u>(93,551)</u>
<b>Financing activities</b>	
Capital contribution	150,000
Net cash provided by financing activities	<u>150,000</u>
Net increase in cash	56,449
Cash and cash equivalents at beginning of year	54,628
Cash and cash equivalents at end of year	<u>\$ 111,077</u>

The accompanying notes are an integral part of these financial statements.

**1. Summary of Significant Accounting Policies**

**Organization and Basis of Presentation**

Athene Securities, LLC (the Company) is a wholly owned subsidiary of Athene Annuity and Life Company (AAIA), an indirect wholly owned subsidiary of Athene Holding Ltd. The Company serves as a principal underwriter/distributor for existing variable annuity insurance products of AAIA. New variable annuity insurance product sales were discontinued in 2002. The Company is a broker-dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA).

**Recent Accounting Pronouncements**

*Revenue Recognition (ASU 2016-12, ASU 2016-11, ASU 2016-10, ASU 2016-08, ASU 2015-14, and ASU 2014-09)*

ASU 2014-09 indicates an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2015-14 provided for a one-year deferral of the effective date, which will require the Company to adopt this standard effective January 1, 2018. ASU 2016-08 amends the principal-versus-agent implementation guidance and illustrations in ASU 2014-09. ASU 2016-10 clarifies the identification of performance obligations as well as licensing implementation guidance. ASU 2016-11 brings existing SEC guidance into conformity with revenue recognition accounting guidance of ASU 2014-09 discussed above. ASU 2016-12 provides clarification on assessing collectibility, presentation of sales tax, non-cash consideration, and transition. We are currently evaluating the impact of this guidance on our financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Broker Dealer Commission Revenue and Expense**

AAIA pays commission expenses to third-party broker dealers on behalf of the Company. Based on the amount of payments made by AAIA, the Company records broker dealer commission revenue and offsetting broker dealer commission expense to reflect the receipt and payment of these amounts on its behalf.

**Concession Revenue**

Concession revenue is earned and recognized by the Company as the variable annuity premiums are recognized by AAIA. Concession revenue is calculated by taking a specific percentage of all AAIA variable annuity premiums and represents compensation for policy administration.

**Operating Expenses**

Operating expenses, such as software licensing fees and broker dealer bond insurance premiums, are related to operating activities of the Company and are intended to keep the entity in its good standing. These are expensed in the period to which they relate.

**Athene Securities, LLC**  
**Notes to Financial Statements (continued)**  
**December 31, 2016**

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**Income Taxes**

The Company is disregarded as a separate taxable entity. Consequently, liability for income tax expense is the responsibility of the Company's owner.

**2. Net Capital Requirements**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum amount of net capital and its ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2016, the Company had outstanding debt of \$1,200 and had net capital of \$109,877, which was \$104,877 in excess of its required net capital of \$5,000. The net capital rules may effectively restrict the payment of dividends.

**3. Capital Contribution**

Formal Board approval was given to Athene Annuity and Life Company (AAIA) on August 24, 2016 to make a \$150,000 capital contribution to the Company. AAIA is authorized to make capital contributions from time to time to provide the necessary financial support to the Company to enable it to continue to meet its minimum regulatory requirements as well as its ongoing financial obligations as they come due.

**4. Related-Party Matters**

The Company has an expense sharing agreement in place with Athene Employee Services, LLC (AES), an affiliate of the Company. Under the terms of the agreement, the Company was charged for the use of facilities, services, and personnel of its affiliate in the course of serving as a broker-dealer. Personnel costs totaling \$30,000, storage costs totaling \$4,000, building and facility costs totaling \$4,000, service costs totaling \$1,000, and supplies and printing costs totaling \$1,000, were charged to the Company in 2016 under the terms of the agreement. These amounts have been recognized as salaries and facilities expense within the Statement of Loss. All other expenses not directly attributable to the operations of the Company are paid by AAIA and are excluded from these financial statements.

The Company has entered into an agreement with Athene USA Corporation (AUSA), an upstream parent of the Company, whereby AUSA has agreed to provide any necessary support required for the Company to meet its minimum regulatory requirements as well as its ongoing financial obligations. AUSA will provide such support for at least twelve months from the date of the issuance of the financial statements of the Company for the year ending December 31, 2016.

**5. Subsequent Events**

The Company has evaluated subsequent events through February 15, 2017, the date these financial statements were available to be issued. Based on this evaluation, no events have occurred subsequent to December 31, 2016 that require disclosure or adjustment to the financial statements at that date or for the period then ended.

**Supporting Schedule**

**Athene Securities, LLC**  
**Computation of Net Capital Under Rule 15c3-1 of the**  
**Securities and Exchange Commission**  
**As of December 31, 2016**

**Schedule I**

1	Total ownership equity from statement of financial condition	\$ 117,089
2	Deduct ownership equity not allowable for net capital	—
3	Total ownership equity qualified for net capital	<u>117,089</u>
4	Add:	
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	—
	B. Other deductions or allowable credits	—
5	Total capital and allowable subordinated liabilities	<u>117,089</u>
6	Deductions and/or charges:	
	A. Total nonallowable assets from statement of financial condition	<u>(7,212)</u>
7	Other additions and/or allowable credits:	
	Deferred tax on unrealized appreciation of investments	—
8	Net capital before haircuts on securities positions	<u>109,877</u>
9	Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):	
	A. Contractual securities commitments	
	B. Subordinated securities borrowings	
	C. Trading and investment securities:	
	1. Bankers' acceptances, certificates of deposit, and commercial paper	
	2. U.S. and Canadian government obligations	
	3. State and municipal government obligations	
	4. Corporate obligations	
	5. Stocks and warrants	
	6. Options	
	7. Arbitrage	
	8. Other securities	
	D. Undue concentration	
	E. Other	
10	Net capital	<u>\$ 109,877</u>

There are no material differences between the computation above and the computation included in the Company's corresponding unaudited amended FOCUS Report, Part IIA Form X-17a-5 as of December 31, 2016.

**Athene Securities, LLC**  
**Computation of Net Capital Under Rule 15c3-1 of the**  
**Securities and Exchange Commission**

**As of December 31, 2016**

**Schedule I (continued)**

<b>Computation of basic net capital requirement</b>	
11 Minimum net capital required (6-2/3% of line 19)	\$ 80
12 Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	<u>5,000</u>
13 Net capital requirement (greater of line 11 or 12)	<u>5,000</u>
14 Excess net capital (line 10 less 13)	<u>104,877</u>
15 Net capital less greater of 10% of line 19 or 120% of line 12	<u>\$ 103,877</u>
<b>Computation of aggregate indebtedness</b>	
16 Total A.I. liabilities from statement of financial condition	\$ 1,200
17 Add:	
A. Drafts for immediate credit	
B. Market value of securities borrowed for which no equivalent value is paid or credited	
C. Other unrecorded amounts	
18 Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-19(c)(1)(vii))	
19 Total aggregate indebtedness	<u>\$ 1,200</u>
20 Percentage of indebtedness to net capital (line 19 / line 10)	<u>1.09%</u>
21 Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	<u>—%</u>

There are no material differences between the computation above and the computation included in the Company's corresponding unaudited amended FOCUS Report, Part IIA Form X-17a-5 as of December 31, 2016.