

Athene Life Re Ltd.

Statutory Financial Return (Unaudited)

September 30, 2016

Assets and liabilities related to modified coinsurance (“modco”) arrangements are presented on a gross basis. For affiliated reinsurance, the assets and liabilities are also shown on a gross basis on our Athene USA sister company NAIC financial statements. As such the modco assets and liabilities in the Athene USA NAIC financial statements would need to be eliminated in order to see the economic combined statutory position of the Athene Bermuda and U.S. legal entities.

BERMUDA
THE INSURANCE ACT 1978
(Act No. 39 of 1978)
STATUTORY BALANCE SHEETS (Long-Term Business)

ATHENE LIFE RE LTD.
As at September 30, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

ASSETS

STMT. LINE NO.		\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
1	CASH AND TIME DEPOSITS.	80,513	262,755
2	QUOTED INVESTMENTS:		
	Bond and Debentures		
	(a) Bond and debentures.		
	(i) Held to maturity	4,001,506	3,239,108
	(ii) Other.	<u>Ø</u>	<u>Ø</u>
	(b) Total bond and debentures.	4,001,506	3,239,108
	(c) Equities.		
	(i) Common stocks.	Ø	Ø
	(ii) Preferred stocks.	Ø	Ø
	(ii) Mutual funds.	<u>Ø</u>	<u>Ø</u>
	(d) Total equity investments	Ø	Ø
	(e) Other quoted investments	<u>Ø</u>	<u>Ø</u>
	(f) Total quoted investments	4,001,506	3,239,108
3	UNQUOTED INVESTMENTS:		
	Bond and Debentures		
	(a) Bonds and Debentures		
	(i) Held to maturity.	Ø	Ø
	(ii) Other.	<u>Ø</u>	<u>Ø</u>
	(b) Total bond and debentures.	Ø	Ø
	(c) Equities.		
	(i) Common stocks.	Ø	Ø
	(ii) Preferred stocks.	Ø	Ø
	(ii) Mutual funds.	<u>Ø</u>	<u>Ø</u>
	(d) Total equity investments	Ø	Ø
	(e) Other unquoted investments	<u>569,447</u>	<u>712,445</u>
	(f) Total unquoted investments	569,447	712,445
4	INVESTMENT IN AND ADVANCES TO AFFILIATES		
	(a) Unregulated entities that conduct ancillary services.	Ø	Ø
	(b) Unregulated non-financial operating entities.	Ø	Ø
	(c) Unregulated financial operating entities.	Ø	Ø
	(d) Regulated non-insurance financial operating entities.	Ø	Ø
	(e) Regulated insurance financial operating entities.	Ø	Ø
	(f) Total investment in and advances to affiliates (equity method)	Ø	Ø
	(g) Advances to affiliates.	<u>Ø</u>	<u>Ø</u>
	(h) Total investment in and advances to affiliates (equity method) . .	Ø	Ø
5	INVESTMENT IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First liens	Ø	Ø
	(b) Other than first liens	<u>Ø</u>	<u>Ø</u>
	(c) Total investment in mortgage loans on real estate	Ø	Ø

ATHENE LIFE RE LTD.
As at September 30, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

ASSETS

STMT. LINE NO.	\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
6	36	40
7		
	Ø	Ø
	Ø	Ø
	<u>Ø</u>	<u>Ø</u>
8	Ø	Ø
9	26,789	20,416
10		
	2,491	1,402
	Ø	Ø
	Ø	Ø
	<u>2,491</u>	<u>1,402</u>
11		
	24,626	412,846
	Ø	Ø
	Ø	Ø
	Ø	22,789
	<u>24,626</u>	<u>435,635</u>
12		
	40,360,169	40,289,322
	6,186,683	3,467,629
	<u>46,546,852</u>	<u>43,756,951</u>
13		
	264	902
	Ø	Ø
	Ø	Ø
	821	1,569
	<u>1,085</u>	<u>2,471</u>
14		
	Ø	Ø
	Ø	Ø
	Ø	Ø
	<u>Ø</u>	<u>Ø</u>
15	<u>51,253,345</u>	<u>48,431,223</u>

ATHENE LIFE RE LTD.

As at September 30, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

LONG-TERM BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS

STMT. LINE NO.	\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
	LONG-TERM BUSINESS INSURANCE RESERVES	
20	Ø	Ø
21	207,233	39,328
22	45,072,111	42,290,831
23	Ø	Ø
24	Ø	Ø
25	Ø	Ø
26	Ø	Ø
27	<u>45,279,344</u>	<u>42,330,159</u>
	45,279,344	42,330,159
	(a) Gross long-term business insurance reserves.	
	(b) Less: Reinsurance recoverable balance:	
	(i) Foreign affiliates.	
	Ø	Ø
	(ii) Domestic affiliates	
	Ø	Ø
	(iii) Pools & associations.	
	Ø	Ø
	(iv) All other insurers	
	Ø	Ø
	(c) Total reinsurance recoverable balance.	
	<u>Ø</u>	<u>Ø</u>
	(d) Net long-term business insurance reserves.	
	<u>45,279,344</u>	<u>42,330,159</u>
	OTHER LIABILITIES	
28	1,331	414,635
29	Ø	Ø
30	Ø	Ø
31	(a) Income Taxes payable	
	Ø	Ø
	(b) Deferred Income Taxes	
	Ø	Ø
32	14,441	Ø
33	30,052	36,686
34	FUNDS HELD UNDER REINSURANCE CONTRACTS	
	(a) Affiliates.	
	Ø	Ø
	(b) Non - affiliated	
	<u>Ø</u>	<u>Ø</u>
	(c) Total funds held under reinsurance contracts	
	<u>Ø</u>	<u>Ø</u>
35	Ø	Ø
36	SUNDRY LIABILITIES:	
	(a) Derivative instruments.	
	855	Ø
	(b) Segregated accounts companies.	
	Ø	Ø
	(c) Deposit liabilities	
	Ø	Ø
	(d) Due to broker.	
	<u>15,107</u>	<u>Ø</u>
	(e) Total sundry liabilities	
	<u>15,962</u>	<u>Ø</u>

ATHENE LIFE RE LTD.

As at September 30, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

LONG-TERM BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS

STMT. LINE NO.	\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
37		
LETTERS OF CREDIT, GUARANTEES, AND OTHER INSTRUMENTS		
(a) Letters of credit	Ø	Ø
(b) Guarantees	Ø	Ø
(c) Other instruments	Ø	Ø
(d) Total letters of credit, guarantees and other instruments.	<u>Ø</u>	<u>Ø</u>
38	<u>61,786</u>	<u>451,321</u>
39		
TOTAL OTHER LIABILITIES		
TOTAL LONG-TERM BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	<u>45,341,131</u>	<u>42,781,480</u>
40		
STATUTORY CAPITAL AND SURPLUS		
TOTAL STATUTORY CAPITAL AND SURPLUS	<u>5,912,215</u>	<u>5,649,743</u>
41		
TOTAL	<u><u>51,253,345</u></u>	<u><u>48,431,223</u></u>

THE INSURANCE ACT 1978
(Act No. 39 of 1978)
STATUTORY STATEMENTS OF INCOME (Long-Term Business)

ATHENE LIFE RE LTD.
For the Nine Months Ended September 30, 2016 and September 30, 2015
expressed in United States Dollars
(vide Reg. 10(2))

STMT. LINE NO.		\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Sep 30, 2015</u>
19	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	Ø	Ø
	(b) Assumed gross premiums and other considerations	5,484,345	2,372,267
	(c) Total gross premiums and other considerations	<u>5,484,345</u>	<u>2,372,267</u>
	(d) REINSURANCE CEDED	Ø	Ø
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(i) Life	Ø	Ø
	(ii) Annuities	5,484,345	2,372,267
	(iii) Accident & Health	Ø	Ø
	(iv) Total Net Premiums and Other Considerations	<u>5,484,345</u>	<u>2,372,267</u>
20	LONG-TERM BUSINESS INVESTMENT INCOME - Net	1,497,005	1,901,841
21	OTHER INSURANCE INCOME	Ø	Ø
22		<u>6,981,350</u>	<u>4,274,108</u>
	DEDUCTIONS		
23	Claims - Life	732,769	651,909
24	Policyholders' Dividends	Ø	Ø
25	Surrenders	1,913,372	2,105,563
26	Maturities	Ø	Ø
27	Annuities	283,344	280,318
28	Accident & Health Benefits	Ø	Ø
29	Commissions	345,787	209,602
30	Other	670,823	288,950
31		<u>3,946,095</u>	<u>3,536,342</u>
32	OPERATING EXPENSES	10,961	10,778
33		<u>3,024,294</u>	<u>726,988</u>
34	INCREASE (DECREASE) IN POLICY RESERVES (Actuarial Liabilities)		
	(a) Life	Ø	Ø
	(b) Annuities	2,747,539	427,907
	(c) Accident and Health	Ø	Ø
	(d) Total (Increase) Decrease in policy reserves	<u>2,747,539</u>	<u>427,907</u>
35	INCOME BEFORE THE UNDERNOTED ITEMS	276,755	299,081
37	OTHER INCOME (DEDUCTIONS)	(17,518)	0
38	INCOME BEFORE TAXES	<u>259,237</u>	<u>299,081</u>
39	INCOME TAXES (IF APPLICABLE):		
	(a) Current	Ø	Ø
	(b) Deferred	Ø	Ø
	(c) Total	<u>Ø</u>	<u>Ø</u>
40	INCOME BEFORE REALIZED GAINS (LOSSES)	259,237	299,081
41	REALIZED GAINS (LOSSES)	3,235	(3,600)
42	NET INCOME	<u><u>262,472</u></u>	<u><u>295,481</u></u>

BERMUDA
THE INSURANCE ACT 1978
(Act No. 39 of 1978)
STATUTORY CAPITAL AND SURPLUS

ATHENE LIFE RE LTD.
As at and For the Nine Months Ended September 30, 2016 and September 30, 2015
expressed in United States Dollars
(vide Reg. 10(2))

STMT. LINE NO.		\$'000 <u>Sep 30, 2016</u>	\$'000 <u>Sep 30, 2015</u>
1	STATUTORY CAPITAL:		
	(a) Capital Stock -		
	(i) Common Stock authorized, \$1,500,000 common shares of par value \$1 each issued and fully paid shares	1,500	1,500
	(ii) Preferred Stock authorized shares of par value each issued and fully paid shares	Ø	Ø
	(b) Contributed surplus	2,292,098	2,292,098
	(c) Any other fixed capital:		
	Surplus Note	Ø	Ø
	(d) Total statutory capital	<u>2,293,598</u>	<u>2,293,598</u>
2	STATUTORY SURPLUS:		
	(a) Statutory Surplus - beginning of year	3,356,145	2,894,645
	(b) Add: Income for the year	262,472	295,481
	(c) Less: Dividends paid and payable	Ø	Ø
	(d) Add (Deduct): Change in unrealized appreciation (depreciation) of investments	Ø	Ø
	(e) Add (Deduct): Change in non-admitted assets	Ø	383
	(f) Add (Deduct): Change in appraisal of real estate	Ø	Ø
	(g) Add (Deduct): Change in any other statutory surplus	Ø	Ø
	(h) Statutory Surplus - end of year	<u>3,618,617</u>	<u>3,190,509</u>
3	TOTAL STATUTORY CAPITAL AND SURPLUS	<u><u>5,912,215</u></u>	<u><u>5,484,107</u></u>