

Athene Life Re Ltd.

Statutory Financial Return (Unaudited)

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

ASSETS

STMT. LINE NO.		\$'000 <u>Jun 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
1	CASH AND TIME DEPOSITS.	81,522	262,755
2	QUOTED INVESTMENTS:		
	Bond and Debentures		
	(a) Bond and debentures.		
	(i) Held to maturity	3,682,720	3,239,108
	(ii) Other.	<u>Ø</u>	<u>Ø</u>
	(b) Total bond and debentures.	3,682,720	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	3,682,720	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>703,290</u>	<u>712,445</u>
	(f) Total unquoted investments	703,290	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 June 30, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

ASSETS

STMT. LINE NO.		\$'000 <u>Jun 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
6	POLICY LOANS	37	40
7	REAL ESTATE:		
	(a) Occupied by the company (less encumbrances)	Ø	Ø
	(b) Other properties (less encumbrances).	Ø	Ø
	(c) Total real estate	<u>Ø</u>	<u>Ø</u>
8	COLLATERAL LOANS	Ø	Ø
9	INVESTMENT INCOME DUE AND ACCRUED.	22,388	20,416
10	ACCOUNTS AND PREMIUMS RECEIVABLE		
	(a) In course of collection	3,487	1,402
	(b) Deferred- not yet due	Ø	Ø
	(c) Receivables from retrocessional contracts.	Ø	Ø
	(d) Total accounts and premiums receivable.	<u>3,487</u>	<u>1,402</u>
11	REINSURANCE BALANCES RECEIVABLE		
	(a) Foreign affiliates	488,622	412,846
	(b) Domestic affiliates	Ø	Ø
	(c) Pools and associations	Ø	Ø
	(d) All other insurers	35,752	22,789
	(e) Total reinsurance balances receivable	<u>524,374</u>	<u>435,635</u>
12	FUNDS HELD BY CEDING REINSURANCES		
	(a) Affiliates.	39,946,739	40,289,322
	(b) Non - affiliated	5,535,515	3,467,629
	(c) Total funds held by ceding reinsurers	<u>45,482,254</u>	<u>43,756,951</u>
13	SUNDRY ASSETS:		
	(a) Derivative instruments	1,084	902
	(b) Segregated accounts companies	Ø	Ø
	(c) Deposit Assets	Ø	Ø
	(d) Due from broker.	10,741	1,569
	(e) Total sundry assets	<u>11,825</u>	<u>2,471</u>
14	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>
15	TOTAL	<u>50,511,897</u>	<u>48,431,223</u>

ATHENE LIFE RE LTD.

As at June 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>Jun 30, 2016</u>	\$'000 <u>Dec 31, 2015</u>
	LONG-TERM BUSINESS INSURANCE RESERVES	
20	Ø	Ø
21	202,581	39,328
22	44,090,911	42,290,831
23	Ø	Ø
24	Ø	Ø
25	Ø	Ø
26	Ø	Ø
27	<u>44,293,492</u>	<u>42,330,159</u>
	(a) Gross long-term business insurance reserves.	44,293,492 42,330,159
	(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>44,293,492</u> <u>42,330,159</u>
	OTHER LIABILITIES	
28	452,148	414,635
29	Ø	Ø
30	Ø	Ø
31	Ø	Ø
	(b) Deferred Income Taxes	Ø Ø
32	Ø	Ø
33	40,632	36,686
34	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:	
	Ø	Ø
	Ø	Ø
	Ø	Ø
	12,538	Ø
	<u>12,538</u>	<u>Ø</u>

ATHENE LIFE RE LTD.

As at June 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>Jun 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>505,318</u>	<u>451,321</u>
39		
TOTAL OTHER LIABILITIES		
TOTAL LONG-TERM BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	<u>44,798,810</u>	<u>42,781,480</u>
40		
STATUTORY CAPITAL AND SURPLUS		
TOTAL STATUTORY CAPITAL AND SURPLUS	<u>5,713,087</u>	<u>5,649,743</u>
41		
TOTAL	<u><u>50,511,897</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 Six Months Ended June 30, 2016 and June 30, 2015
expressed in United States Dollars
(vide Reg. 10(2))

STMT. LINE NO.		\$'000 Jun 30, 2016	\$'000 Jun 30, 2015
19	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	Ø	Ø
	(b) Assumed gross premiums and other considerations	3,575,497	1,634,773
	(c) Total gross premiums and other considerations	<u>3,575,497</u>	<u>1,634,773</u>
	(d) REINSURANCE CEDED	Ø	Ø
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(i) Life	Ø	Ø
	(ii) Annuities	3,575,497	1,634,773
	(iii) Accident & Health	Ø	Ø
	(iv) Total Net Premiums and Other Considerations	<u>3,575,497</u>	<u>1,634,773</u>
20	LONG-TERM BUSINESS INVESTMENT INCOME - Net	904,781	1,280,286
21	OTHER INSURANCE INCOME	Ø	Ø
22		<u>4,480,278</u>	<u>2,915,059</u>
	DEDUCTIONS		
23	Claims - Life	549,093	411,248
24	Policyholders' Dividends	Ø	Ø
25	Surrenders	1,269,794	1,433,531
26	Maturities	Ø	Ø
27	Annuities	188,751	186,380
28	Accident & Health Benefits	Ø	Ø
29	Commissions	214,652	145,721
30	Other	378,216	208,118
31		<u>2,600,506</u>	<u>2,384,998</u>
32	OPERATING EXPENSES	4,639	6,203
33		<u>1,875,133</u>	<u>523,858</u>
34	INCREASE (DECREASE) IN POLICY RESERVES (Actuarial Liabilities)		
	(a) Life	Ø	Ø
	(b) Annuities	1,764,398	356,091
	(c) Accident and Health	Ø	Ø
	(d) Total (Increase) Decrease in policy reserves	<u>1,764,398</u>	<u>356,091</u>
35	INCOME BEFORE THE UNDERNOTED ITEMS	110,735	167,767
37	OTHER INCOME (DEDUCTIONS)	(45,405)	0
38	INCOME BEFORE TAXES	<u>65,330</u>	<u>167,767</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)	65,330	167,767
41	REALIZED GAINS (LOSSES)	<u>(1,986)</u>	<u>(5,743)</u>
42	NET INCOME	<u><u>63,344</u></u>	<u><u>162,024</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 Six Months Ended June 30, 2016 and June 30, 2015
expressed in United States Dollars
(vide Reg. 10(2))

STMT. LINE NO.		\$'000 <u>Jun 30, 2016</u>	\$'000 <u>Jun 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	2,292,161
	(c) Any other fixed capital:		
	Surplus Note	Ø	Ø
	(d) Total statutory capital	<u>2,293,598</u>	<u>2,293,661</u>
2	STATUTORY SURPLUS:		
	(a) Statutory Surplus - beginning of year	3,356,145	2,894,645
	(b) Add: Income for the year	63,344	162,024
	(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>3,419,489</u>	<u>3,057,052</u>
3	TOTAL STATUTORY CAPITAL AND SURPLUS	<u><u>5,713,087</u></u>	<u><u>5,350,713</u></u>