

Athene Life Re Ltd.

Statutory Financial Return (Unaudited)

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

ASSETS

STMT. LINE NO.	Form 1SFS	\$'000 Dec 31, 2016	\$'000 Dec 31, 2015
1	CASH AND CASH EQUIVALENTS.	141,056	262,755
2	QUOTED INVESTMENTS:		
	(a) Bond and debentures.		
	(i) Held to maturity	4,156,001	3,239,108
	(ii) Other.	Ø	Ø
	(b) Total Bonds and Debentures.	<u>4,156,001</u>	<u>3,239,108</u>
	(c) Equities.		
	(i) Common stocks.	Ø	Ø
	(ii) Preferred stocks.	Ø	Ø
	(ii) Mutual funds.	Ø	Ø
	(d) Total equities.	<u>Ø</u>	<u>Ø</u>
	(e) Other quoted investments	Ø	Ø
	(f) Total quoted investments	<u>4,156,001</u>	<u>3,239,108</u>
3	UNQUOTED INVESTMENTS:		
	(a) Bonds and Debentures		
	(i) Held to maturity.	Ø	Ø
	(ii) Other.	Ø	Ø
	(b) Total Bonds and Debentures.	<u>Ø</u>	<u>Ø</u>
	(c) Equities.		
	(i) Common stocks.	Ø	Ø
	(ii) Preferred stocks.	Ø	Ø
	(ii) Mutual funds.	Ø	Ø
	(d) Total equities.	<u>Ø</u>	<u>Ø</u>
	(e) Other unquoted investments	531,009	712,445
	(f) Total unquoted investments	<u>531,009</u>	<u>712,445</u>
4	INVESTMENTS 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 affiliates	Ø	Ø
	(g) Advances to affiliates.	Ø	Ø
	(h) Total investment in and advances to affiliates.	<u>Ø</u>	<u>Ø</u>
5	INVESTMENT IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First liens	Ø	Ø
	(b) Other than first liens	Ø	Ø
	(c) Total investment in mortgage loans on real estate	<u>Ø</u>	<u>Ø</u>

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

ASSETS

STMT. LINE NO.		\$'000 Dec 31, 2016	\$'000 Dec 31, 2015
6	POLICY LOANS	34	40
7	REAL ESTATE:		
	(a) Occupied by the company (less encumbrances)	Ø	Ø
	(b) Other properties (less encumbrances).	Ø	Ø
	(c) Total real estate	Ø	Ø
8	COLLATERAL LOANS	Ø	Ø
9	INVESTMENT INCOME DUE AND ACCRUED.	30,707	20,416
10	ACCOUNTS AND PREMIUMS RECEIVABLE		
	(a) In course of collection	21	1,402
	(b) Deferred- not yet due	Ø	Ø
	(c) Receivables from retrocessional contracts.	Ø	Ø
	(d) Total accounts and premiums receivable.	21	1,402
11	REINSURANCE BALANCES RECEIVABLE		
	(a) Foreign affiliates	Ø	412,846
	(b) Domestic affiliates	Ø	Ø
	(c) Pools and associations	Ø	Ø
	(d) All other insurers	Ø	22,789
	(e) Total reinsurance balances receivable	Ø	435,635
12	FUNDS HELD BY CEDING REINSURERS	48,086,975	43,756,951
13	SUNDRY ASSETS:		
	(a) Derivative instruments	812	902
	(b) Segregated accounts companies - Long Term business - variable annuities	Ø	Ø
	(c) Segregated accounts companies - Long Term business - other	Ø	Ø
	(e) Deposit Assets	Ø	Ø
	(f) Deferred acquisition costs	Ø	Ø
	(g) Net receivables for investments sold	53,386	1,569
	(h) Fixed Assets.	24	Ø
	(i) Other sundry asset	0	Ø
	(e) Total sundry assets	54,222	2,471
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	Ø	Ø
15	TOTAL	53,000,025	48,431,223

ATHENE LIFE RE LTD.

As at December 31, 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 Dec 31, 2016	\$'000 Dec 31, 2015
LONG-TERM BUSINESS INSURANCE TECHNICAL PROVISIONS		
20	Ø	Ø
21	207,282	39,328
22	46,640,297	42,290,831
23	Ø	Ø
24	Ø	Ø
25	Ø	Ø
26	Ø	Ø
27	<u>46,847,579</u>	<u>42,330,159</u>
(a) Total gross long-term business insurance reserves.	46,847,579	42,330,159
(b) Less: Reinsurance recoverable balance on long-term business:		
(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>46,847,579</u>	<u>42,330,159</u>
OTHER LIABILITIES		
28	1,033	414,635
29	Ø	Ø
30	Ø	Ø
31	Ø	Ø
(a) Income Taxes payable	Ø	Ø
(b) Deferred Income Taxes	Ø	Ø
32	2,824	Ø
33	24,670	36,686
34	Ø	Ø
35	Ø	Ø
36	Ø	Ø
(a) Derivative instruments.	281	Ø
(b) Segregated accounts companies.	Ø	Ø
(c) Deposit liabilities	Ø	Ø
(d) Net payable for investments purchased	Ø	Ø
(e) Total sundry liabilities	<u>281</u>	<u>Ø</u>

ATHENE LIFE RE LTD.

As at December 31, 2016 and December 31, 2015
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(vide Reg. 10(2))

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

STMT. LINE NO.		\$'000 <u>Dec 31, 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	TOTAL OTHER LIABILITIES	<u>28,808</u>	<u>451,321</u>
39	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	<u>46,876,387</u>	<u>42,781,480</u>
40	TOTAL STATUTORY CAPITAL AND SURPLUS	<u>6,123,638</u>	<u>5,649,743</u>
41	TOTAL	<u><u>53,000,025</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 Year Ended December 31, 2016 and December 31, 2015
expressed in United States Dollars
(vide Reg. 10(2))

STMT. LINE NO.	Form 2SFS LONG-TERM BUSINESS INCOME	\$'000 Dec 31, 2016	\$'000 Dec 31, 2015
12	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	Ø	Ø
	(b) Assumed gross premiums and other considerations	7,899,374	3,733,810
	(c) Total gross premiums and other considerations	<u>7,899,374</u>	<u>3,733,810</u>
13	PREMIUMS CEDED	Ø	Ø
14	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life	Ø	Ø
	(b) Annuities	7,899,374	3,733,810
	(c) Accident & Health	Ø	Ø
	(d) Total net premiums and other considerations	<u>7,899,374</u>	<u>3,733,810</u>
15	OTHER INSURANCE INCOME	Ø	Ø
16	TOTAL LONG-TERM BUSINESS INCOME	<u>7,899,374</u>	<u>3,733,810</u>
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17	Claims - Life	937,116	823,404
18	Policyholders' Dividends	Ø	Ø
19	Surrenders	2,653,152	2,812,868
20	Maturities	Ø	Ø
21	Annuities	883,517	376,000
22	Accident & Health Benefits	Ø	Ø
23	Commissions	489,390	287,029
24	Other	292,685	459,735
25	Total Long-Term Business Deductions and Expenses	<u>5,255,860</u>	<u>4,759,036</u>
26	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES) (Actuarial Liabilities)		
	(a) Life	Ø	Ø
	(b) Annuities	4,353,060	1,019,562
	(c) Accident and Health	Ø	Ø
	(d) Total (Increase) Decrease in policy reserves	<u>4,353,060</u>	<u>1,019,562</u>
27	TOTAL LONG-TERM BUSINESS EXPENSES	<u>9,608,920</u>	<u>5,778,598</u>
28	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	<u>(1,709,546)</u>	<u>(2,044,788)</u>
29	NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	<u>(1,709,546)</u>	<u>(2,044,788)</u>
	UNDERNOTED ITEMS		
30	OPERATING EXPENSE		
(a)	(a) General and Administration	5,694	13,432
	(b) Personnel cost	10,340	0
	(c) Other	Ø	Ø
	(d) Total operating expenses	<u>16,034</u>	<u>13,432</u>
31	INVESTMENT INCOME - NET	2,133,998	2,444,448
32	OTHER INCOME (DEDUCTIONS)	26,899	(9,779)
33	INCOME BEFORE TAXES	<u>435,317</u>	<u>376,449</u>
34	INCOME TAXES (IF APPLICABLE)		
	(a) Current	Ø	Ø
	(b) Deferred	Ø	Ø
	(c) Total	<u>Ø</u>	<u>Ø</u>
35	INCOME BEFORE REALIZED GAINS (LOSSES)	<u>435,317</u>	<u>376,449</u>
36	REALIZED GAINS (LOSSES)	24,207	84,668
37	INTEREST CHARGES	Ø	Ø
38	NET INCOME	<u>459,524</u>	<u>461,117</u>

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

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

STMT. LINE NO.	FORM 8SFS STATUTORY STATEMENT OF CAPITAL AND SURPLUS	\$'000 <u>Dec 31, 2016</u>	\$'000 <u>Dec 31, 2015</u>
1	STATUTORY CAPITAL:		
	(a) Capital Stock -		
	(i) Common Shares:		
	Authorized \$1,500,000 common shares of par value \$1 each issued and fully paid shares	1,500	1,500
	(ii)		
	(A) Preferred Stock:		
	Authorized shares of par value each issued and fully paid shares	Ø	Ø
	Aggregate liquidation values for 2016		
	(B) Preferred shares issued by a subsidiary:		
	Authorized shares of par value each issued and fully paid.		
	(iii) Treasury shares: Repurchased shares of par value each issued		
	(b) Contributed surplus	2,292,098	2,292,098
	(c) Any other fixed capital:		
	(i) Hybrid capital instruments	Ø	Ø
	(ii) Guarantees and others	Ø	Ø
	(iii) Total any other fixed capital	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	459,524	461,117
	(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	14,371	Ø
	(h) Statutory Surplus - end of year	<u>3,830,040</u>	<u>3,356,145</u>
3	MINORITY INTEREST	<u>Ø</u>	<u>Ø</u>
4	TOTAL STATUTORY CAPITAL AND SURPLUS	<u><u>6,123,638</u></u>	<u><u>5,649,743</u></u>