

Athene Announces Block Reinsurance Transaction with Lincoln Financial Group and New Share Repurchase Authorization

PEMBROKE, Bermuda--(BUSINESS WIRE)-- Athene Holding, Ltd. ("Athene") (NYSE: ATH), a leading provider of retirement services products, has announced nearly \$1 billion of combined capital deployment through a block reinsurance transaction with Lincoln Financial Group and a new share repurchase authorization.

Block Reinsurance Transaction with Lincoln Financial Group

Athene's subsidiary, Athene Life Re Ltd. ("ALRe"), has entered into a reinsurance agreement with The Lincoln National Life Insurance Company ("Lincoln"), a subsidiary of Lincoln Financial Group (NYSE: LNC). Under the agreement, ALRe agreed to reinsure an 80% quota share of a \$9.6 billion in-force block of fixed deferred and fixed indexed annuities on a modified coinsurance basis. In total, approximately \$7.7 billion of statutory reserves will be ceded to ALRe, supported by a diversified portfolio of assets. Lincoln will continue to service and administer the in-force policies within the block. In order to consummate the transaction, Athene has deployed approximately \$700 million of capital in aggregate, which includes capital to support the block and a ceding commission paid by ALRe. The transaction was dated on December 7, 2018 with an effective date of October 1, 2018. The transaction is expected to be accretive to the company's 2019 adjusted operating income per share. At a later date, ALRe may elect to cede a minority share of the liabilities from this transaction to an affiliate.

"Following the flow reinsurance treaty announced last year, we are pleased to deepen our partnership with Lincoln Financial Group through this block reinsurance transaction on business that is well understood by Athene," said Jim Belardi, CEO of Athene. "This is further evidence that Athene is well positioned and accepted as a solutions provider of choice because of our expertise, our strong capital position, and our ability to successfully close transactions that build long-term shareholder value."

Athene is a leader in fixed annuity reinsurance. Through its subsidiary, ALRe, one of Bermuda's largest annuity reinsurance companies, Athene has completed transactions with 23 third-party cedents since its inception. Incorporated in 2009, ALRe's core business is fixed annuity reinsurance, which helps third-party companies manage their business and improve their financial results. Wells Fargo served as exclusive financial advisor to Athene in this transaction.

New Share Repurchase Authorization

Athene has also announced that its board of directors has approved a new authorization for the repurchase of up to \$250 million of the company's outstanding common stock.

“This new share repurchase authorization is consistent with our flexible and opportunistic approach toward managing shareholder capital,” said Jim Belardi, CEO of Athene. “We have a strong track record of delivering mid-to-high teens returns on equity, resulting in 17% compound annual growth in adjusted book value per share over the past nine years. We continually evaluate the various high return capital deployment options available across our organic and inorganic channels, as well as our balance sheet. We believe the current market valuation of our shares significantly undervalues the embedded earnings power and attractive growth opportunities of our business. Today’s announcement introducing an opportunistic share repurchase authorization represents a highly accretive capital deployment opportunity and reflects our board of directors’ continued confidence in our ability to generate compelling long-term value for shareholders.”

The share repurchase authorization allows the company to repurchase shares from time to time in large, opportunistic privately negotiated transactions. The authorization also provides flexibility for share repurchases through open market transactions, or other means that will allow for attractive and opportunistic execution within the guidelines approved by Athene’s board of directors. The size and timing of these repurchases will depend on legal requirements, market and economic conditions, and other factors, and share repurchases may be exercised in varying sizes. The share repurchase authorization is intended to repurchase the company’s Class A common shares, and has no expiration date, but may be modified, suspended, or terminated at any time by the company’s board of directors.

About Athene Holding Ltd.

Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products offered by Athene include:

- Retail fixed and fixed indexed annuity products;
- Reinsurance arrangements with third-party annuity providers; and
- Institutional products, such as funding agreements and group annuity contracts related to pension risk transfers.

Athene had total assets of \$118.2 billion as of September 30, 2018. Athene's principal subsidiaries include Athene Annuity & Life Assurance Company, a Delaware-domiciled insurance company, Athene Annuity and Life Company, an Iowa-domiciled insurance company, Athene Annuity & Life Assurance Company of New York, a New York-domiciled insurance company and Athene Life Re Ltd., a Bermuda-domiciled reinsurer.

Further information about our companies can be found at www.athene.com.

Safe Harbor for Forward-Looking Statements

This press release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results, events and

developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of Athene's management and the management of Athene's subsidiaries. Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of our assumptions and estimates; our ability to maintain or improve financial strength ratings; our ability to manage our business in a highly regulated industry; regulatory changes or actions; the impact of our reinsurers failing to meet their assumed obligations; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; the implementation and the accuracy of our interpretation of the Tax Cuts and Jobs Act, which was enacted on December 22, 2017, and made key changes to the U.S. tax law; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; our ability to protect our intellectual property; the ability to maintain or obtain approval of the Delaware Department of Insurance, the Iowa Insurance Division and other regulatory authorities as required for our operations; and other factors discussed from time to time in Athene's filings with the SEC, including our annual report on Form 10-K for the year ended December 31, 2017, and our quarterly report on Form 10-Q for the quarterly period ended September 30, 2018, which can be found at the SEC's website www.sec.gov.

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. We do not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

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Media Contact

Karen Lynn

+1 441 279 8460

+1 515 342 3910

klynn@athene.com

Investor Relations Contact

Noah Gunn

+1 441 279 8534

+1 646 768 7309

ngunn@athene.com

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