

CREDIT OPINION

10 September 2024

Update



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RATINGS

Athene Holding Ltd.

Domicile	Delaware, United States
Long Term Rating	Baa1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Athene Holding Ltd.

Higher rates result in strong retail flows despite pullback in pension group annuities

Summary

Our credit view of [Athene Holding Ltd.](#) (Athene, Baa1 senior unsecured debt stable) and the A1 insurance financial strength (IFS) rating of its US and Bermuda-based life insurance operating companies reflects the company's strong market position in its core insurance products, which include fixed annuities and flow reinsurance. Strengths also include very good capital levels, modest financial leverage, and strong interest coverage metrics, as well as solid profitability driven by strong asset returns and higher interest margins on spread-based products. Athene also benefits from [Apollo Global Management Inc.'s](#) (AGM, issuer rating A2 stable) ownership, which supports the company's business profile and provides access to investment expertise through AGM's ownership of [Apollo Asset Management, Inc.](#) (AAM, issuer rating A2 stable), as well as increased financial flexibility. These strengths are offset by an above average concentration in specific structured asset classes, such as CLOs and ABS investments, particularly its high-grade alpha investments, which are largely underwritten by Athene and AGM using their own acquired underwriting platforms. While these asset classes provide unique and higher yielding investment opportunities for Athene, they can be larger, concentrated investments with less transparency to outside parties than publicly traded investments.

Credit strengths

Liabilities are sensitive to increased surrender, especially when rates suddenly rise, although the company has certain protections in place to mitigate against that, such as surrender charges, market value adjustments, and access to robust liquidity. Finally, as a retirement services company with a focus on spread based products, Athene must manage a tight ALM program, as it's exposed to potential refinancing risk where it invests in shorter duration assets vs. liabilities (e.g. pension group annuities).

Our A1 IFS ratings of the ACRA 1 and ACRA 2 entities represents one-notch of uplift over their A2 stand-alone indicated outcomes. The uplift recognizes ACRA's continued importance as a source of growth and external capital, and we expect that Athene will be able to provide financial support to ACRA in the event of a capital call during times of stress.

- » Leading market position in its core insurance retail and institutional products
- » Strong profitability driven by asset returns and high interest margin on spread-based products
- » Very good capital levels as its products have limited optionality and perform well under Moody's stress
- » Strong financial flexibility as demonstrated by modest financial leverage and access to additional liquidity from contingent capital sources

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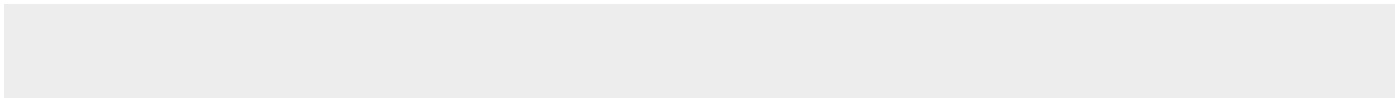
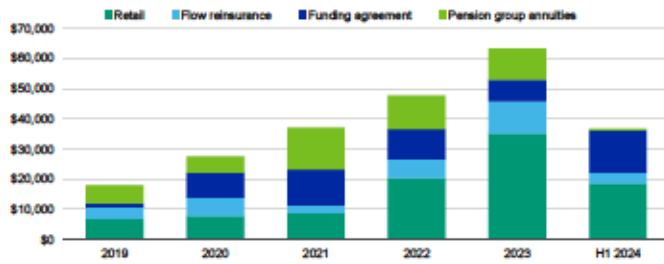
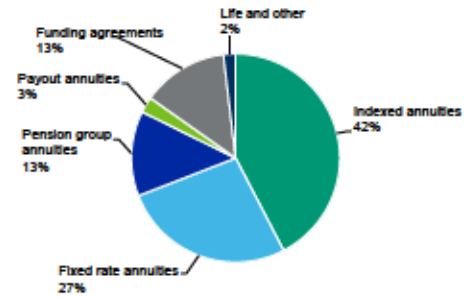


Exhibit 2
Strong organic inflows demonstrates momentum in maintaining market share, expect trend to continue for the remainder of 2024



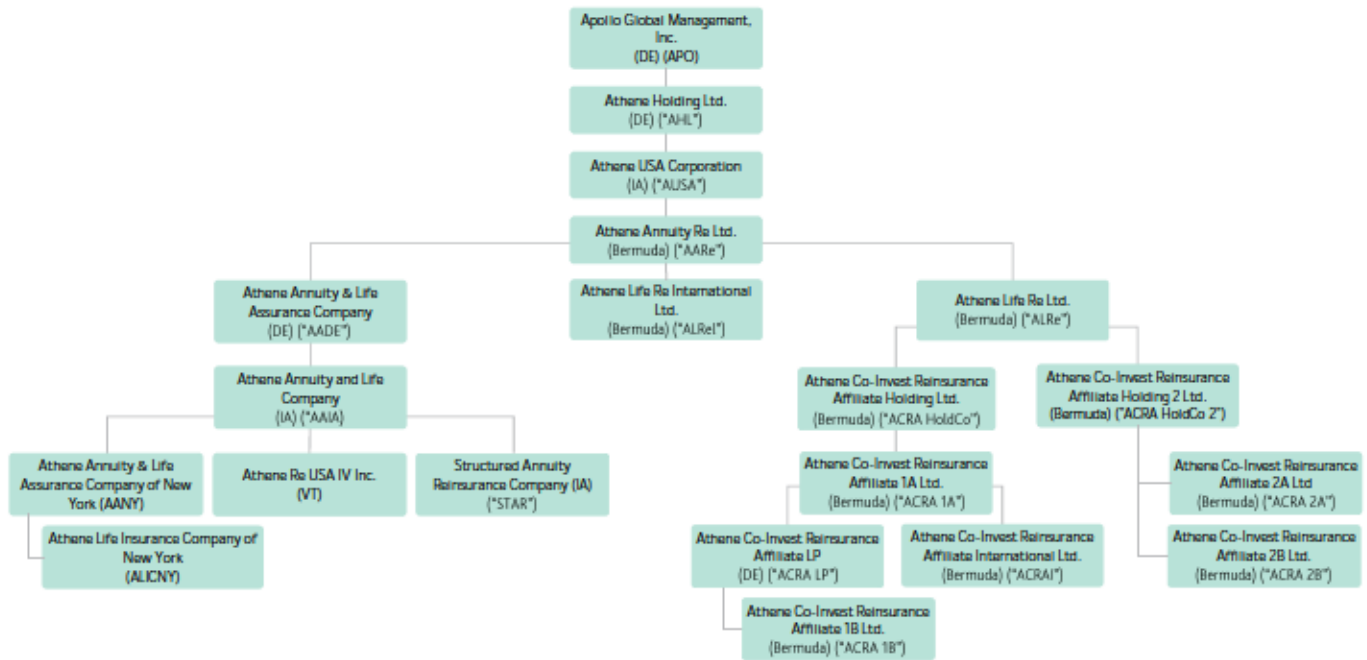
Figures presented on a US GAAP consolidated basis
 Source: Moody's Ratings and company filings

Exhibit 3
Diversity in liability mix as indicated by the overall reserves, although concentrated in retirement
 Full year 2023



Figures presented on a US GAAP consolidated basis
 Source: Moody's Ratings and company filings

Exhibit 4
Simplified organization structure



Source: Moody's Ratings and company filings

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Capital adequacy: Very good regulatory capital ratios, including excess capital levels

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Profitability: Strong return on capital as improved investment performance supported earnings

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Liquidity and Asset/Liability Management: Good liquidity but some challenges in managing ALM

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Financial flexibility: Solid financial flexibility driven by good financial leverage and strong earnings coverage

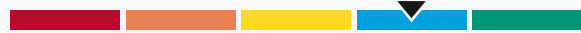
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ESG credit impact score

CIS-2



NEGATIVE IMPACT : : POSITIVE IMPACT

ESG considerations do not have a material impact on the current rating.

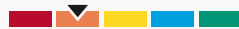
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ESG issuer profile scores

ENVIRONMENTAL E-3



SOCIAL S-4



GOVERNANCE G-2



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