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Athene Announces Fixed Annuity Reinsurance Transaction With Jackson National Life Insurance Company

PEMBROKE, Bermuda--(BUSINESS WIRE)-- Athene Holding Ltd. ("Athene") (NYSE: ATH), a leading provider of retirement savings products, has announced a fixed annuity block reinsurance transaction with Jackson National Life Insurance Company ("Jackson"), a leading provider of retirement products and subsidiary of Prudential plc (LSE: PRU), with the support of Athene Co-Invest Reinsurance Affiliate ("ACRA"). Under the terms of the agreement, Athene will reinsure a \$27 billion¹ in-force block of fixed deferred and fixed indexed annuities. As part of the transaction, Athene is making a \$500 million equity investment in Jackson, representing an 11% stake in the company, which will help Jackson to pursue various growth initiatives aligned with its commercial diversification strategy.

"We are very pleased to announce this mutually beneficial transaction with Jackson, which further validates our business model and demonstrates the continued execution of our inorganic growth strategy," said Jim Belardi, CEO of Athene. "This compelling transaction enables us to grow our gross invested assets by approximately 20% with predictable liabilities we know well. The deal was underwritten to a return that is consistent with our target for inorganic growth, with upside achievable through portfolio redeployment above forecasted levels. Importantly, the deal exemplifies Athene's ability to act as a preferred solutions provider because of our robust capital position, deep expertise in the retirement services industry, and our ability to close transactions that build long-term shareholder value."

The transaction is expected to be accretive to Athene's adjusted operating income in 2021 and 2022, with potential upside as portfolio redeployment occurs. Athene expects to deploy approximately \$1.2 billion of total capital in connection with the transaction to be contributed over the next 12-18 months, including a further investment of capital in connection with portfolio redeployment, as well as the equity investment in Jackson. Utilizing the strategic benefits of ACRA, 63% of the total capital deployment will be funded by third-party investors, and 37% will be funded by Athene on a standalone basis. Pro forma for the transaction, as well as the company's recent Series C preferred stock offering, Athene continues to have significant financial flexibility and a strong capital position, with excess equity capital of \$3.0 billion and total deployable capital of \$7.1 billion.

"We are delighted to be forging a new relationship with the team at Athene, given their deep expertise in the US annuity sector and long-term commitment to its development," said Mike Wells, Group Chief Executive of Prudential plc. "Athene is a high-quality, well capitalised reinsurer and, in coordination with its strategic partner, Apollo Global Management, has structured an attractive transaction which we believe will benefit all parties. This new agreement is a key step forward in meeting our strategic objectives for Jackson."

“Today’s transactions with Athene, a leading franchise in the retirement services market, further strengthen our capital position and enhance our ability to grow,” said Michael Falcon, Chief Executive Officer of Jackson Holdings LLC. “We value Athene’s investment in Jackson, which is aligned to our common goal of serving the growing population of American savers transitioning into and through retirement.”

Jackson will continue to service and administer the in-force policies within the block. The reinsurance agreement has an effective date of June 1, 2020. The equity investment in Jackson is expected to close in July 2020, subject to customary closing conditions and approvals. Credit Suisse is serving as financial advisor and Sidley Austin LLP is serving as legal counsel to Athene in connection with this transaction.

Athene has posted a supplemental presentation including additional transaction details located on its Investor Relations website at ir.athene.com.

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, fixed indexed and index-linked annuity products;
- Reinsurance arrangements with third-party annuity providers; and
- Institutional products, such as funding agreements and the assumption of pension risk transfer obligations.

Athene had total assets of \$142.2 billion as of March 31, 2020. 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 athene.com.

About Jackson National

Jackson is a leading provider of retirement products for industry professionals and their clients. The company and its affiliates offer variable, fixed and fixed index annuities designed for tax-efficient growth and distribution of retirement income for retail customers, as well as products for institutional investors. Jackson is a proud founding member and co-chair of the Alliance for Lifetime Income, a nonprofit 501(c)(6) organization formed and supported by 24 of the US’s financial services organizations to create awareness and educate Americans about the importance of protected lifetime income. With \$297.6 billion in IFRS assets*, the company prides itself on sound corporate risk management practices and strategic technology initiatives. Focused on thought leadership and education, Jackson provides industry insights and financial representative training on retirement planning and alternative investment strategies. The company is also dedicated to corporate philanthropy and supports non-profit organizations focused on strengthening families and creating economic opportunities in the communities where its employees live and work. For more information,

visit jackson.com.

**Jackson has \$297.6 billion in total IFRS assets and \$269.5 billion in IFRS policy liabilities set aside to pay primarily future policyowner benefits (as of December 31, 2019).*

About Prudential plc

Prudential plc is an Asia-led portfolio of businesses focused on structural growth markets. The business helps individuals to de-risk their lives and deal with their biggest financial concerns through life and health insurance, and retirement and asset management solutions. Prudential plc has 20 million customers and is listed on stock exchanges in London, Hong Kong, Singapore and New York. Prudential plc is not affiliated in any manner with Prudential Financial, Inc. a company whose principal place of business is in the United States of America, nor with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

Safe Harbor for Forward-Looking Statements

This press release contains, and certain oral statements made by Athene's 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. These statements include, but are not limited to, statements regarding the accretive nature of the transaction and the financial impact of portfolio redeployment. 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 Athene's assumptions and estimates; Athene's ability to maintain or improve financial strength ratings; Athene's ability to manage its business in a highly regulated industry; regulatory changes or actions; the impact of Athene's reinsurers failing to meet their assumed obligations; the impact of interest rate fluctuations; the effects of the spread of the Coronavirus disease 2019 on economic conditions and the financial markets and the resulting effects on Athene's investment portfolio, liquidity, deployable capital, financial results, risk based capital ratios, policyholder behavior and share price; changes in the federal income tax laws and regulations; the accuracy of Athene's interpretation of the Tax Cuts and Jobs Act; 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; Athene's ability to protect its 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 its operations; and other factors discussed from time to time in Athene's filings with the SEC, including its annual report on Form 10-K for the year ended December 31, 2019, its quarterly report on form 10-Q for the quarterly period ended March 31, 2020 and its other SEC filings, 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. Athene does 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.

¹ Reflects aggregate ceded statutory reserves of approximately \$26.7 billion. Under IFRS accounting, Prudential plc's value of the transferred liability portfolio is \$27.6 billion.

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