



Presentation to AAA Investors on Athene

- UPDATE -
May 6, 2013



Athene – Summary Valuation – December 31, 2012

(\$ and shares in millions)

	<u>Athene Shares</u>	<u>Athene Ownership</u>
AAA	83.4	77%
Other Shareholders	23.8	22%
Athene Management (1)	0.4	0%
Total Athene	<u>107.7</u>	<u>100%</u>

(\$ in millions)

	<u>Athene Fair Value</u>	<u>Athene GAAP Book Value Incl. AOCI</u>	<u>Athene GAAP Book Value Excl. AOCI</u>	<u>Athene Statutory Book Value (2)</u>
Total Athene Value	\$2,046	\$1,943	\$1,658	\$1,859
<i>Fair Value / Book Value</i>		1.05x	1.23x	1.10x

Athene Valuation At Multiples of GAAP Book Value Excl. AOCI

	<u>Total Athene Value</u>	<u>AAA Share</u>
1.00x	\$1,658	\$1,282
1.15x	1,907	1,474
1.23x	2,046	1,582
1.50x	2,487	1,922
1.75x	2,902	2,243
2.00x	3,316	2,563

Footnotes

Note: Athene numbers are unaudited. AAA shares include outstanding 2 investments still at AAA level and exclude additional shares related to unfunded commitments from other Athene shareholders.

1) Excludes dilution from management incentive shares.

2.) Includes \$40 million surplus note.

Athene – Summary Valuation – March 31, 2013

(\$ and shares in millions)

	<u>Athene Shares</u>	<u>Athene Ownership</u>
AAA	85.7	73%
Other Shareholders	31.2	27%
Athene Management (1)	0.4	0%
Total Athene	<u>117.3</u>	<u>100%</u>

(\$ in millions)

	<u>Athene Fair Value</u>	<u>Athene GAAP Book Value Incl. AOCI</u>	<u>Athene GAAP Book Value Excl. AOCI</u>	<u>Athene Statutory Book Value</u>
Total Athene Value	\$2,373	\$2,190	\$1,925	\$2,194
<i>Fair Value / Book Value</i>		1.08x	1.23x	1.08x

Athene Valuation At Multiples of GAAP Book Value Excl. AOCI

	<u>Total Athene Value</u>	<u>AAA Share</u>
1.00x	\$1,925	\$1,406
1.15x	2,214	1,617
1.23x	2,373	1,734
1.50x	2,887	2,109
1.75x	3,369	2,461
2.00x	3,850	2,812

Footnotes

Note: Athene numbers are unaudited. AAA shares include outstanding 2 investments still at AAA level.

1.) Excludes dilution from management incentive shares.

Athene – Who We Are

<p>The Business Model <i>Athene is effectively a spread business</i></p>	<ul style="list-style-type: none"> • Athene earns the difference between its investment return on assets and the rate on its liabilities • Return on equity (ROE) benefits from targeted leverage of approximately 10x-14x (using a non GAAP Management View measure) • Because fixed annuities provide stable, long-term funding, Athene’s objective is to capture today’s historically high spreads for the life of the liabilities • As of December 31, 2012, 68% of the liabilities are subject to surrender charges and 32% of the liabilities also have Market Value Adjustments. Surrender charges and Market Value Adjustments discourage withdrawal, but cannot prevent them.
<p>The Opportunity <i>Athene was formed in July 2009 to capitalize on favorable market conditions in the dislocated annuity insurance sector</i></p>	<ul style="list-style-type: none"> • Upheaval / volatility in financial markets increased the demand for guaranteed savings products by retail investors • Life insurers withdrew from the fixed annuity market and are writing less new business and looking to divest blocks of existing liabilities due to capital needs that were impacted negatively by the financial crisis • Regulatory environment encourages many insurance companies to explore reinsurance • Demographics point to a long-term opportunity, driven by dramatically increased need for tax-efficient savings vehicles to support aging baby-boomers
<p>The Partnership <i>Athene and Apollo bring together a unique combination of insurance industry experience, investment and risk management expertise and access to capital</i></p>	<ul style="list-style-type: none"> • Athene was envisioned by Jim Belardi and Chip Gillis, two executives with extensive experience in both insurance and asset management • They are supported by a team with significant actuarial, risk management, and product design expertise • Apollo Global Management LLC’s (“<u>Apollo</u>” or “<u>AGM</u>”) early involvement represented a vote of confidence, and provided invaluable exposure to risk management, investment capabilities and client relationships
<p>The Vision <i>Athene is positioned to become a global leader in the fixed annuity business</i></p>	<ul style="list-style-type: none"> • Athene has successfully executed a number of acquisitions to build scale: Liberty Life Insurance Company (“<u>LLIC</u>”), Investors Insurance Corporation (“<u>IIC</u>”), Presidential Life Insurance Company (“<u>PLIC</u>”), and currently is in the process of closing the Aviva USA acquisition • The next stage is to consolidate and expand Athene from a strong base, with a focus on policyholder protection, disciplined production of quality business and market-leading risk management

Athene Has the Flexibility to Deploy Capital Across Multiple Business Lines

Athene Holding (Bermuda Domiciled)

Offshore Reinsurance (Athene Life Re)	Onshore Reinsurance Platform (Athene Annuity/PLIC)	Retail Distribution (Athene Annuity/PLIC)	Wholesale Distribution (Athene Life Insurance Co.)
<ul style="list-style-type: none"> • Core of Athene's offshore reinsurance platform • Reinsures products by Athene's U.S. businesses and by third party life insurance companies • Products reinsured include MYGAs (multi-year guaranteed annuities), EIAs (equity-indexed annuities), payout annuities, and institutional products like FA-backed notes • Strong relationship with primary regulator, the BMA • Total AUM as of December 31, 2012 of ~\$10.5 billion¹ 	<ul style="list-style-type: none"> • With Athene Annuity and Presidential Life, Athene has a B++ (financial strength rating from AM Best) U.S. reinsurance platform, licenses in 50 states and strong distribution capability • Ability to structure reinsurance treaties with U.S. based life insurance companies • Total AUM from U.S. business as of December 31, 2012 of ~\$10.0 billion¹ 	<ul style="list-style-type: none"> • Through Athene Annuity and Presidential Life, launched a retail / distribution business • Annuity products are designed to be capital efficient • Attractive platforms acquired and distributing product in all 50 states • Currently writing MYGAs and EIAs • Significant driver of growth through retail and conservation of existing policies • Total 2012 retail flow of ~\$268 million 	<ul style="list-style-type: none"> • Delaware domiciled company focused on selling funding agreement backed notes to institutional investors • Products are scalable without any ability to surrender prior to maturity • Became a member of the FHLBI² in late 2010, and issued its first funding agreement (\$100mm) to the FHLBI in January 2011 • In discussions with S&P to obtain a rating • Total AUM as of December 31, 2012 of ~\$171 million • Opportunistic business that is highly scalable in right market environment

Diversity of funding underpins Athene's franchise value



¹ Both AUM numbers include assets included in funds withheld and modified coinsurance accounts; overall AUM for consolidated Athene entity is ~15 bn.

² Federal Home Loan Bank of Indianapolis. The Federal Home Loan Banks are a system of 12 banks owned by over 8,100 regulated financial institutions from all 50 states.

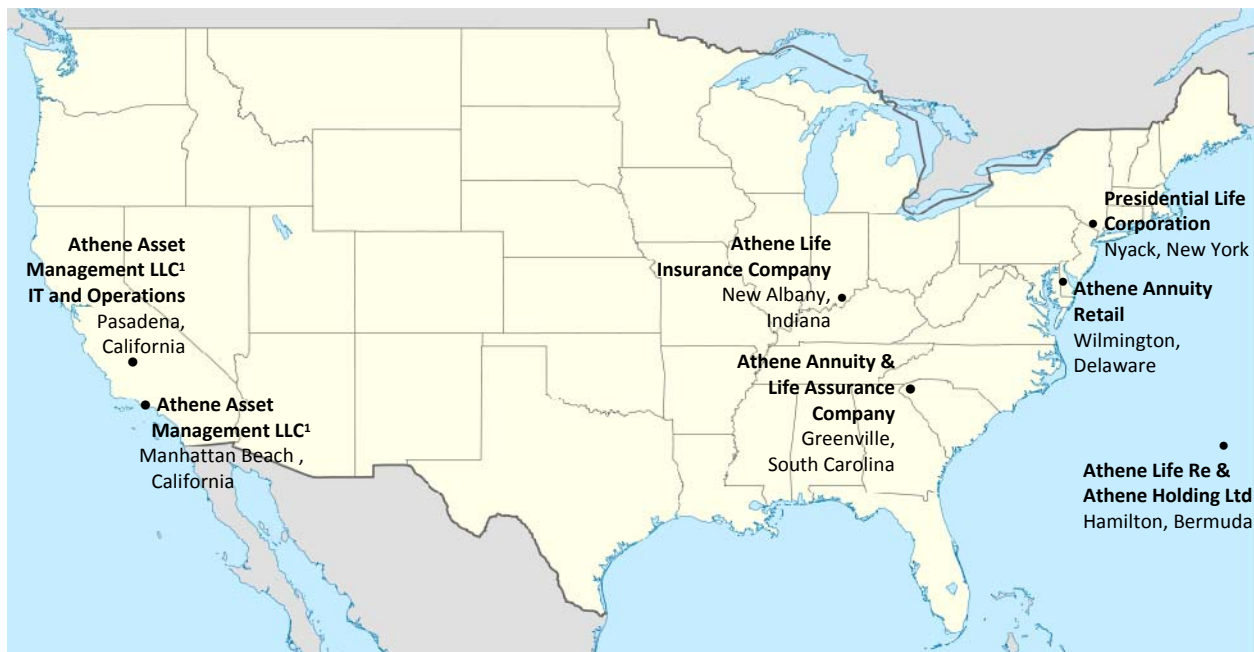
Athene Holding Ltd.

- Athene Holding Company Information:

Athene Holding Ltd.

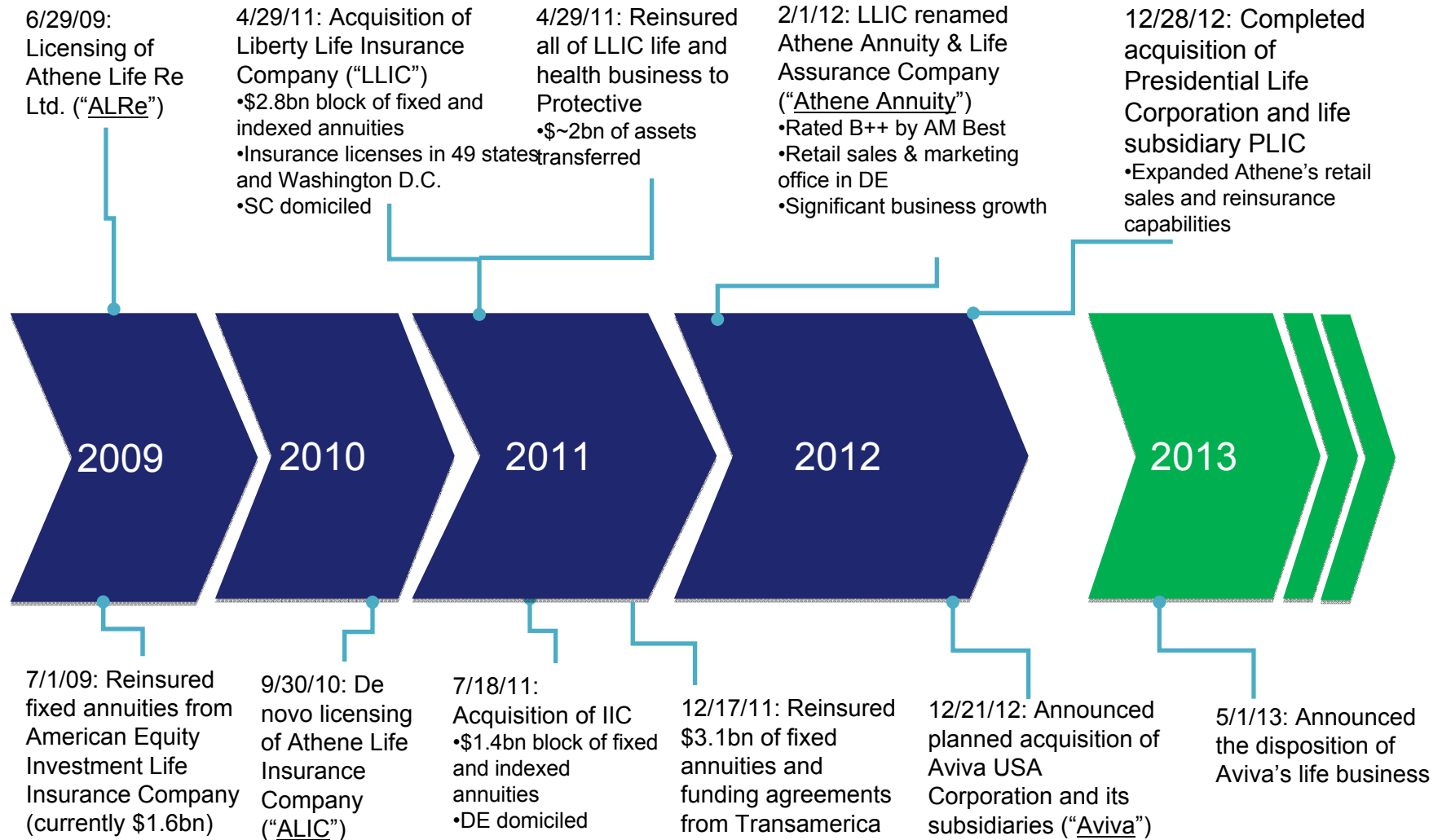
Chesney House, First Floor
96 Pitts Bay Road
Pembroke, HM08, Bermuda

- As of December 31, 2012, Athene Holding had approximately 255 employees
- As of December 31, 2012, Athene Asset Management LLC¹ (“AAM”) had approximately 40 employees
- Athene’s and AAM’s major office locations are as follows:



¹ See page 8 for AAM description and relationship to Athene Holding.

Athene - Building a Leading Annuity Franchise



Leadership and Experience

		Years Experience
Jim Belardi	<i>Chief Executive Officer of Athene Holding Ltd., Chief Executive Officer and Chief Investment Officer of Athene Asset Management LLC</i> Prior to founding AHL and AAM, Jim was President of SunAmerica Life Insurance Company and was also Chief Investment Officer of AIG Retirement Services, Inc., responsible for a \$250bn invested asset portfolio. In 1994, Jim created the GIC-backed note (GICBN), which has developed into a \$300bn market.	25
Grant Kvalheim	<i>President of Athene Holding Ltd.</i> Grant was Co-President of Barclays Capital from September 2005 until the end of 2007. Having joined Barclays in 2001 as Global Head of Credit Products, Grant converted a European cash investment grade business into a leading global cash and derivatives business across both securitized and non-securitized credit products. Assuming responsibility for Investment Banking in late 2001, he similarly expanded the Investment Banking platform.	30
David Johnson	<i>Chief Financial Officer of Athene Holding Ltd.</i> David was the CFO of Fannie Mae from 2008 to 2010. He joined shortly after the Company was seized by the U.S. government. He also was the CFO of the Hartford Financial Services Group from 2001 to 2008 and was the CFO of Cendant Corporation from 1998 until 2001.	25
Chip Gillis	<i>Chief Executive Officer of Athene Life Re Ltd.</i> Prior to founding Athene, Chip was a Senior Managing Director of Bear, Stearns & Co. Inc. (“ <u>BSC</u> ”) and Head of BSC’s Insurance Solutions Group that provided advice and solutions to Life and Annuity companies. He led BSC’s entry into the GICBN business and created the turn-key Premium Asset Trust Series program. It was recognized by S&P as the only non-issuer insurance-only program. Chip also serves on the Board of Directors of the Bermuda International Long-Term Insurers and Reinsurers, an association representing the long-term insurer and reinsurer groups in Bermuda.	30
Chip Smith	<i>President of Athene Annuity & Life Assurance Company</i> Prior to joining Athene Annuity, Chip was President and CEO of Liberty Life Insurance Company (now, Athene Annuity) from April 2010 until the acquisition by AHL in April 2011. Before becoming President of Athene Annuity, he served as Vice President, Treasurer, and Chief Financial Officer, with oversight of all finance and related areas of the U.S. insurance operations.	24
Steve Cernich	<i>Executive Vice President of Corporate Development, Athene Annuity & Life Assurance Company</i> Prior to joining Athene Annuity, Steve was Chief Risk Management Officer and EVP for Capital Assurance Corporation. He had responsibility for all product development, pricing valuation and asset/liability management and oversaw the company’s institutional line of business and managed the relationship with the firm’s external asset manager. Steve built and managed the funding agreement line of business for XL Life & Annuity.	28
Chris Grady	<i>Head of Retail Distribution, Athene Annuity & Life Assurance Company</i> Former President, Distribution and Marketing of Genworth Financial’s U.S. Life Insurance Companies where he oversaw a diverse multi-channel sales and marketing organization. Prior to joining Genworth, Chris spent 14 years in senior leadership roles at Merrill Lynch ultimately serving as Managing Director and National Sales Manager for Merrill’s Consumer Finance Group.	33

Athene Asset Management – Strategy & Philosophy

- AAM¹ is a buy and hold, total return focused asset manager. As a result of the focus on asset allocation and the need to adjust allocations as markets change, management views realized gains as an important part of Athene's earnings.
- Primarily manages diversified fixed income portfolios, including allocations to Alternative Investments (hedge funds, private equity)
- AAM is able to capture excess spread and generate investment alpha through opportunistic portfolio allocation and by taking complexity and illiquidity risk, instead of credit risk
- Because Athene is a patient, long-term investor that is comfortable with difficult to understand products and situations, AAM is able to take advantage of opportunities often overlooked by others
- AAM was formed shortly after the 2008 credit crisis, and took advantage of opportunities to purchase high quality assets at depressed prices
- Experienced in the nuances of insurance regulatory regimes and structures efficient portfolios to optimize regulatory capital requirements
- Employs sophisticated risk management practices to measure, manage, and shape the risk in its portfolios
- Utilizes proprietary models to value, trade, and manage assets
- Individual security selection is driven by fundamental credit analysis
- Generally seeks investments that are cash flowing, exhibit mispricing or asset dislocation, avoid binary outcomes, and are pull to par over the investment horizon
- AAM manages all Athene assets. Of the total Athene AUM as of December 31, 2012, 63% is internally managed, 33% is sub-advised by Apollo and 4% is sub-advised by other managers

¹ AAM is owned by Apollo Global Management LLC ("AGM" or "Apollo") and certain members of Athene's management team

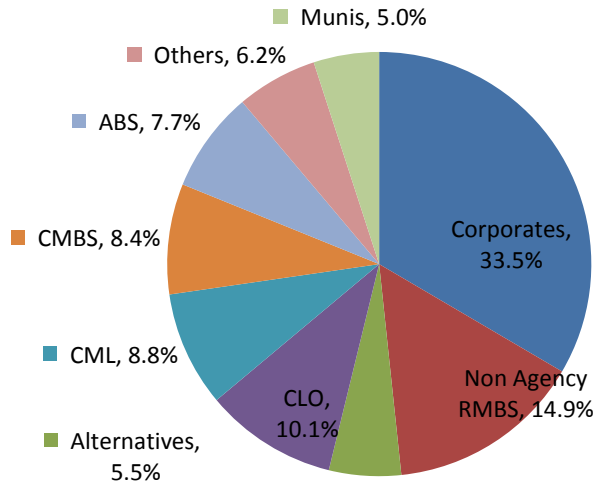
Athene Asset Management – Risk Management

- AAM also provides asset risk management services, utilizing a suite of systems, models, and methodologies in measuring, managing, and monitoring the various risks in the asset portfolios managed by AAM.
- AAM employs individuals with extensive risk management experience across a variety of fixed income assets and trading environments.
- AAM prepares weekly and monthly Risk Reports used by management, the Athene Board, and portfolio managers in tracking various risk metrics (durations, convexity, weighted average life, deltas, cash flow mismatches, etc.) and investment risk limits in the asset portfolios and relative to the liabilities.
- AAM measures liquidity in the asset portfolio, hedges non-USD FX risk, and performs credit-related and other macroeconomic stress tests to the portfolios.
- AAM meets with the Risk Committee of Athene's Board of Directors that convenes quarterly to discuss risks and opportunities in Athene's various portfolios and to decide on changes in risk management focus or strategy, if any.

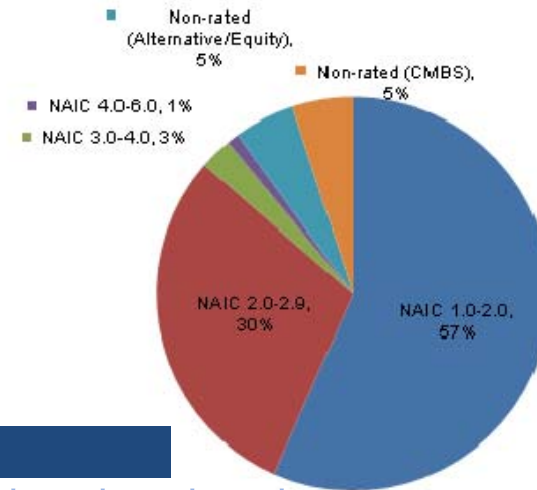
Athene Asset Management – Portfolio Snapshot

\$13.6bn book value under management with an overall portfolio book yield of 6.77%¹ as of December 31, 2012

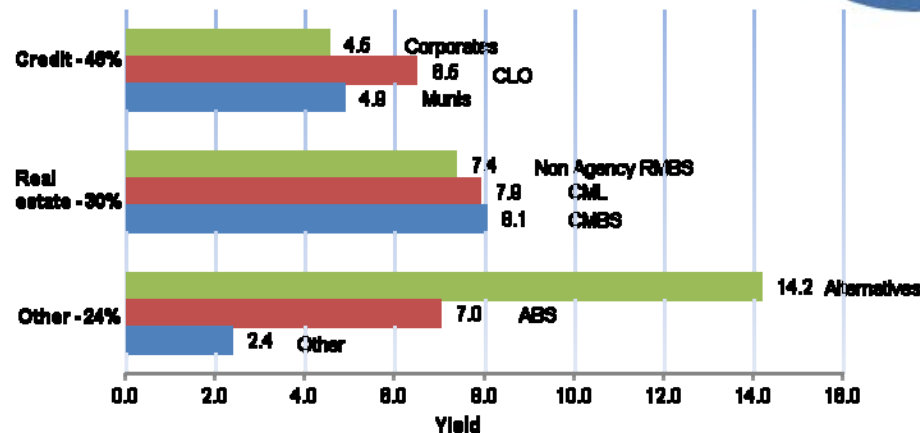
Assets² by Asset Class



Assets⁴ by NAIC Rating



Assets³ by Yield



¹ Targeted book yield after sub-advisory fees but before AAM management fees

² Assets include non-rated assets. Alternatives include non-rated assets – primarily partnerships excluding AAA assets. CMBS and CML are excluded from alternatives category as assets are highly collateralized.

³ Assets by yield includes AAA assets.

⁴ Excludes AAA assets and maps CML's capital charge based on mortgage experience factor for given charge to NAIC rating.

⁵ Non-rated (Alternative/Equity) includes high quality partnership funds and other equity type investment accounts.

⁶ Non-rated (CMBS) is leveraged CMBS funds with OC and A to AAA underlying securities.

Athene Asset Management – Key Personnel

- Jim Belardi, CEO and CIO, formerly President of SunAmerica Life Insurance Company and was also Chief Investment Officer of AIG Retirement Services, Inc., responsible for a \$250bn invested asset portfolio
- Jim Hassett, EVP, formerly Managing Director and Senior Portfolio Manager for the High Yield corporate bond strategy at Trust Company of the West overseeing a \$4bn portfolio
- Rob Graham, EVP, formerly co-head of Non-Agency adjustable rate mortgage desk at Countrywide Financial
- Nancy DeLiban, EVP, formerly Managing Director of Countrywide Financial overseeing all Non-Agency MBS trading, whole loan conduit, and diligence operations
- Jeffrey Boland, EVP, formerly Director of Credit Risk Management at a \$13bn multi-strategy asset manager

Athene - High-Level Business Model Overview

- Athene is effectively a spread business – it earns the difference between its investment return on assets and the rate on its liabilities – whose return on equity benefits from targeted leverage of approximately 10x-14x
- Athene generates its earnings by capturing today’s spread based on low-cost, stable long term funding matched by an outperforming asset management portfolio
- This spread can be leveraged due to a business model that requires a 7 – 10% Capital / Reserve ratio (which translates to ~10-14x leverage).

Commentary / Assumptions	
Assumed Asset Portfolio Net Investment Yield	6%-7%
Assumed Cost of Funds / Reserves (Excluding G&A & Taxes)	3%-4%
Net Spread	2%-4%
Less: G&A & Taxes	1%-2%
Operating Income	1%-3%
Target Capital / Reserves Ratio	7%-10%

Return On Equity Illustration			
(\$ in millions)			
Illustrative Balance Sheet	7% Capital	10% Capital	Notes:
Assets	\$ 1,500	\$ 1,100	
Reserves	\$ 1,400	\$ 1,000	
Capital	100	100	Athene targets 7% -10% capital / reserves
Liabilities / Equity	\$ 1,500	\$ 1,100	
Implied Income Statement			
Investment Income	\$ 90	\$ 66	= Assets x 6.00% (1)
Cost of Funds / Reserves	(49)	(35)	= Reserves x (3.50%)
Spread Income	\$ 41	\$ 31	= Reserves x (1.50%)
Less: G&A & Taxes	(21)	(15)	
Operating Income	\$ 20	\$ 16	
ROAE	20%	16%	= Operating Income ÷ Target Capital

(1) The difference between the 6.77% current book yield and the 6% asset yield is represented by reduction for lower on the run new investment yields and asset management costs.

Business Model to Management View Financials

- Athene's overall spread business framework forms the foundation for its strong overall economic performance to date
- Athene includes certain accounting and insurance-specific items to its financials, which add some complexity, as well as take account of certain other developments in the business (most notably significant realized gains on its investments)
- However, general financial performance is still ultimately driven by Athene's spread model: Athene earns the difference between its investment return on assets and the rate on its liabilities – whose return on equity benefits from targeted leverage of approximately 10x-14x

Key High Level Model to 2012 Management view Financials¹ Adjustment Items:

- **Capital / Reserves Level:** Due to the AAA transaction, strong earnings generation, and still being in the process of closing the Aviva transaction, Athene is at ~15% - significantly above target 7-10% of high level framework, resulting in substantial current excess capital. Athene has earmarked some of this excess capital to support the Aviva transaction
- **Investment Income:** Actual 2012 yield performance (net of investment management fees) was slightly above the high end of targeted range of 6-7% driven by higher than expected asset redeployment
- **Cost of Funds / Reserves:** Slightly increased versus high-level economic model driven by actual financials (i) including various accounting adjustments and (ii) excluding positive effect of economic capital generated from discounted acquisition purchases that can be used to further pay down future liability costs (please see cost of fund pages for further detail on adjustments between cash and management view cost of funds)
- **G&A & Taxes:** Slightly above high level framework due to scaling of platform and one-time costs associated with the Presidential & Aviva transactions in 2012
- **Other:** Significant benefit in 2012 actual performance versus high level framework from over \$100 million of realized gains in investment portfolio (as well as additional unrealized investment gains), driven by outperformance and alpha generation in Athene's investment strategies

¹ Full year actuals inclusive of the de minimis impact of the Presidential transaction as it has come in end of 2012.

Business Model to Management View Financials (Cont'd)

(\$ in millions)	High Level Business Model (10% Capital)				2012 FY Actual Financials ¹					
Balance Sheet	\$ Amount				\$ Amount					
						Average Asset				
Assets	\$ 1,100				\$10,517	\$ 9,806				
Reserves	\$ 1,000				\$ 8,840	\$ 8,643				
Targeted Capital	100				909					
Excess Capital	-				669					
Liabilities / Equity	\$ 1,100				\$10,517					
Income Statement										
Investment Income	\$ 66	=	Assets	x	6.00%	\$ 721	=	Assets	x	7.36%
Cost of Funds / Reserves ²	(35)	=	Reserves	x	(3.50%)	(376)	=	Reserves	x	(4.35%)
Spread Income	\$ 31	=			2.50%	\$ 346	=			3.01%
Less: G&A & Taxes	(15)	=	Reserves	x	(1.50%)	(138)	=	Reserves	x	(1.59%)
Operating Income	\$ 16				1.00%	\$ 208				1.42%
ROAE ³	16%	=	Operating Income	÷	Target Capital	27%	=	Operating Income	÷	Target Capital
Plus: Realized Gains & MTM (i.e. Unrealized Gains)						183				
Net Income						\$ 391	=	Net Income	÷	Total Capital
Net Income ROAE ⁴						40%				

¹ Management view (see Appendix for further detail and reconciliation to GAAP); full year actuals inclusive of the de minimis impact of the Presidential transaction as it has come in end of 2012. AOCI changed from February projections of YE 2012.

² Please see cost of funds pages for further detail on adjustments between economic and management view cost of funds.

³ Removes accumulated other comprehensive income ("AOCI") – which is primarily composed of unrealized gains in investments.

⁴ Includes excess capital and removes accumulated other comprehensive income ("AOCI") – which is primarily composed of unrealized gains in investments.

Athene – Cost of funds

Projections of MYGA Policy with credited rate of 2.30%

1) Cash COF with 2.3% crediting rate

- Cash COF is defined as the IRR of the Total Liability Cash Flows over the entire life of the policy, starting with the initial premium. As such it is an inception to date calculation.
- Cash COF will change period to period only if actual results deviate from expected.
- For example, a Company's decision to lower the crediting rate below 2.3% would lower the Cash COF, while a higher lapses than expected would increase the COF.
- Below are the projected cash flows of a newly issued policy with a crediting rate of 2.3%. This is not indicative of the company's current crediting rate, but rather is an illustration on the methodology of the Cash COF.
- The policy's Cash COF is 3.49%, which is the IRR of the quarterly cash flows. Cash flows have been suppressed to annual for ease of presentation.

	History	Projections -->										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Premium Received	100.00											
Benefits Paid	-	(1.66)	(5.63)	(6.41)	(7.08)	(7.60)	(61.10)	(1.28)	(1.44)	(1.57)	(1.67)	(16.24)
Commissions to Agent	(3.85)											
Acquisition Expenses	(0.24)											
Maintenance Expenses	-	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)
Ceding Commission to Cedent	-	(0.42)	(0.41)	(0.39)	(0.38)	(0.36)	(0.05)	(0.04)	(0.03)	(0.03)	(0.03)	(0.00)
Excise Tax	(1.00)											
Total Liability Cash Flows (excl G&A)	94.91	(2.13)	(6.1)	(6.9)	(7.5)	(8.0)	(61.2)	(1.3)	(1.5)	(1.6)	(1.7)	(16.2)

Cash Cost of Funds:

-3.49%

- This COF example above assumes a new policy issued at current rates; however, in certain acquisition scenarios, Athene will use another means of getting at the same cash COF.
- For example, in certain acquisitions, Athene will purchase businesses with elevated costs of funds, but purchase these assets at a discount and then use this discount to pay down the cost of funds to an economically attractive level (analogous to a bond bought at a premium, the discount creates additional capital (the premium) that reduces the cost of funds on an economic basis)

Athene – Cost of funds (Cont'd)

2) Management View COF¹

- Athene's management view financials include certain accounting-based items that create timing differences with cash (i.e. economic) COF
- First, management view COF applies some insurance-based accounting concepts, most notably DAC, that amortizes the acquisition expenses over the life of the liabilities
- Second, in the case of acquisitions, management view COF excludes any additional capital created from purchases made at a discount – capital that from an economic basis can be used to further pay down the cost of liabilities
- Management view COF differs in approach from cash COF as the former incorporates certain GAAP accounting concepts¹
- However, from an underwriting and economic point of view, Athene follows the approach of Cash COF

¹ Management View accounting; see Appendix for bridge between Management View and GAAP.

Athene Executive Summary - 2012

Financials

- At 2012 year-end, Athene had ~\$14.5 billion of Management view assets, backing ~\$12.6 billion of liabilities and supported by ~\$1.9 billion of equity
- Driven by strong investment returns, significant asset growth and solid liability and cost management, Athene generated strong earnings and profitability in 2012
 - ~\$200 million of operating income, resulting in an ROE of ~30%
- Post closing of the Aviva transaction, Athene is projected to add an incremental ~\$45 billion of fixed annuity-based assets to its balance sheet

New Acquisitions (Closed & Pending)

- Presidential Life (incremental ~\$4 billion of assets; retail distribution platform and presence in New York) – closed on December 28, 2012
- Aviva USA (incremental ~\$45 billion of fixed annuity-based assets; transformative scale and franchise value) – pending

Retail

- Growing platform and distribution capabilities with Presidential Life and Aviva acquisitions – key part of Athene's franchise value
- Targeting ~\$1-2 billion of new premium written on an annual run-rate basis

Athene Holding Ltd. Financial Information

BALANCE SHEET

in USD millions

Management View (unaudited non GAAP)

	FULL YEAR Dec-09 Actual	FULL YEAR Dec-10 Actual	FULL YEAR Dec-11 Actual	FULL YEAR Dec-12 Actual
Net Assets	873	1,949	8,518	14,386
Deferred Acquisition Cost ("DAC")	77	98	140	129
Sales Inducements ("SIA")	68	75	87	70
Value of Business Acquired ("VOBA")	-	-	343	(67)
Liberty hedge asset with Nomura	-	24	5	-
Total Assets	1,018	2,146	9,094	14,519
Reserves	737	1,567	7,821	11,857
Value of Embedded Derivatives ("VED")	165	225	534	568
Guaranteed living withdrawal benefits ("GLWB") reserves	1	9	40	65
Unearned revenue reserves ("URR")	1	(7)	10	0
Note Payable	-	-	40	153
Total Liabilities	904	1,794	8,446	12,643
Other comprehensive income	1	3	3	218
Additional Paid in Capital	96	298	595	1,217
Retained earnings	-	16	51	50
Earnings (Loss)	16	35	(0)	391
Total Equity	113	352	647	1,876
Total Liabilities and equity	1,018	2,146	9,094	14,519
Return on Average Net Assets	3.67%	2.46%	-0.01%	3.42%
Return on Average equity	28.23%	14.94%	-0.09%	31.00%
Equity as a % of liabilities	12.54%	19.61%	7.67%	14.84%

Athene Holding Ltd. Financial Information (Cont'd)

INCOME STATEMENT

in USD millions

Management View (unaudited non GAAP)

	FULL YEAR Dec-09 Actual	FULL YEAR Dec-10 Actual	FULL YEAR Dec-11 Actual	FULL YEAR Dec-12 Actual ¹
Gross investment income, net of subadvisory fees	23	110	250	753
Investment management fees	(1)	(8)	(19)	(32)
Net investment income	22	102	232	721
Cost of funds ²	(16)	(63)	(180)	(376)
Net investment spread	7	39	51	346
G&A - Normal expenses ³	(8)	(16)	(46)	(92)
G&A - M&A	-	(17)	(15)	(45)
Operating income	(1)	5	(9)	208
RCGs/(RCLs) net of incentive fees and impairments ⁴	3	16	26	143
MVAs ⁵	-	-	(10)	(25)
UCGs/(UCLs) ⁶	1	17	(23)	127
Market related options net of VED ⁷	12	(12)	(42)	3
Market related amortization ⁸	1	(5)	150	(53)
Derivatives ⁹	-	14	(91)	(26)
Taxes	-	-	(4)	13
Net Income	16	35	(0) ¹⁰	391

1. Full year actual inclusive of the de minimis impact of the Presidential transaction as it closed at the end of the year.
2. Consists of index credits with associated call option payoffs and GLWB expense for EIA policies, interest credited on MYGA policies and total earnings on AEGON short term portfolio net of associated DAC amortizations.
3. Included in the G&A expenses are compensation for management services payable to Apollo. The compensation is based on a percentage of capital and surplus and will be expensed to mid 2019. However, upon the sale of the company or a QIPO event, the remainder of the unamortized compensation that would have been expensed to 2019 will be immediately recognized.
4. Realized capital gains and losses on securities, net of incentive fees and any impairments.
5. Market Value Adjustments.
6. Unrealized gains or losses from securities held within third party funds withheld accounts.
7. Consists of option income in excess of option payoffs and change in VED reserves in excess of index credits for EIA policies.
8. Consists of amortization of DAC, URR, SIA, VOBA, associated with non operating earnings. Also includes bargain purchase gain and change in GLWB reserves associated with non operating earnings.
9. Unrealized gains or losses on derivative instruments (interest rate swaps, etc.).
10. The 2011 earnings were impacted by the hedging of the Liberty transaction.

Athene Holding Ltd. Financial Information – Definitions

TERMS	DEFINITIONS
DAC	DAC stands for Deferred Acquisition Costs. This represents the balance of the day one capitalized unamortized costs incurred. This balance is composed of commissions paid to agents, policy issue costs, marketing allowances and excise taxes. The majority of these costs are capitalized and amortized over the life of policies in proportion to the company's expected future earnings. Certain other capitalized costs related to some investment type contracts are amortized in proportion to policyholder projected cash flows.
SIA	SIA stands for Sales Inducement Asset. This represents the balance of the day one capitalized unamortized costs incurred to fund the Equity Indexed Annuities ("EIA") policyholder premium bonus. These costs are capitalized and amortized over the life of policy in proportion to the company's expected future earnings.
VOBA	VOBA stands for Value of Business Acquired. VOBA is the difference between the fair value of the acquired insurance assets and liabilities and the allocation of the purchase price to those assets and liabilities. Athene's VOBA represents the unamortized balance of initial perceived market value of the inforce blocks of business on the date that LLIC, IIC and PLIC were legally owned by Athene. VOBA is amortized over the life of inforce block in proportion to the future earnings.
VED	VED stands for Value of Embedded Derivative. This represents the present value of the excess benefits above the guaranteed benefits due to the future index credits that are expected to be given to the EIA policyholders upon surrender, withdrawal or death. This balance is marked-to-market and incorporates in the calculation the index credits beyond the current index term.
GLWB reserves	GLWB stands for Guaranteed Living Withdrawal Benefit. This represents the reserve for the GLWB benefits that the policyholder will receive once the EIA Account Value ("AV") is zero. It is calculated by taking the total present value of cost for this benefit and dividing it by the total net investment income and rider fees that the company will earn (benefit ratio) times the net income and fees earned to date.
URR	URR stands for Unearned Revenue Reserve. This represents the balance of the day one gains associated with the funds withheld reinsurance trades. This balance relates to market value of the assets less the liabilities assumed and ceding commissions paid. These balances are amortized over the life of policies in proportion to the future liability cash flows.
Market value adjustments	This represents the market value adjustments ("MVAs") that are added or deducted from the policyholder account balances when they surrender their policy. If risk free interest rates have risen since the policy was issued, the AV is reduced. Conversely, if interest rates have fallen since the policy was issued, the AV is increased. This MVA adjustment feature was created to protect against any disintermediation risk between the assets and liabilities.

Recent developments

Financials (1Q2013)

- Athene continued its strong financial performance posting ~\$185mm of operating income on a GAAP basis.
- 1Q2013 basic statistics, per management view, are as follows:
 - Assets : \$14.7bn
 - Equity (ex. AOCI) : \$1.9bn
 - ROE (ex. AOCI) : ~45%¹

Operations

- Athene expanded its senior executive team on April 8, 2013, with the hiring of David Johnson to be the Chief Financial Officer of the Athene Holding Ltd (see page 7)
- Presidential integration is proceeding as planned and the company is in the process of being renamed Athene Annuity & Life Assurance Company of New York

Aviva USA Transaction Update

- Athene filed a Form A with the Iowa Insurance Division and the New York Department of Financial Services on April 8th, seeking regulatory approval of the acquisition
- On May 1st, Athene announced the sale of the life business associated with the pending acquisition of Aviva USA to Commonwealth Annuity and Life Insurance Co., a wholly owned subsidiary of Global Atlantic Financial Group, and a Massachusetts-domiciled insurance and reinsurance company that is rated "A- (stable)" by AM Best
- A revised Form A, with an update on the sale of the life business, was filed with Iowa and New York on May 1st

¹ Gains from Alternative funds specifically on interests in NCL (\$127mm) contributed to the high ROE.

Appendix I – Management View Financials

Management's view of the financial statements differs from the Audited Financial Statements view

- Management balance sheets are presented without the assets and liabilities relating to the effects of reinsurance to Protective Life and the AEGON short portfolio¹
- It excludes the impact of grossing up the assets and liabilities from the consolidation effect from the CMBS Partnerships².
- Other adjustments include reclassifications of negative liability balances to the assets section, such as VOBA and other liabilities, including accruals for expenses
- Management income statements present results by re-categorizing transactions into operating and non-operating based on management's view of what constitutes operating income

¹ AEGON short portfolio represents a group of assets for which the credit risk has been reinsured out of the company via total return swap

² CMBS partnerships represents a partnership investment that is consolidated for GAAP and is composed of highly rated CMBS assets backing a fixed credit facility

Appendix I – Financial report bridges

ATHENE HOLDING LTD.

Report Bridges

Management View to Audited Financial Statements View

in USD millions

Assets bridge

	FULL YEAR 2011	FULL YEAR 2012
Total Assets , per Management view	9,094	14,519
Total Assets , per Audited Financial Statements view	<u>13,115</u>	<u>19,169</u>
	<u>(4,022)</u>	<u>(4,650)</u>
Ceded to third party	(2,082)	(2,056)
Deconsolidation of CMBS funds	(748)	(1,261)
AA Separate account assets	(17)	(15)
Aegon-UBS related assets	(1,384)	(1,023)
VOBA reclassification as Assets , rather then negative liabilities	343	(67)
Deconsolidation of noncontrolling interests	(2)	-
DAC/URR netting at Audited Financial Statements view (FAS91)	5	4
Netting of other operating liabilities in Assets at Management view	<u>(137)</u>	<u>(232)</u>
	<u>(4,022)</u>	<u>(4,650)</u>

Liabilities bridge

	FULL YEAR 2011	FULL YEAR 2012
Total Liabilities, per Management view	8,446	12,643
Total Liabilities, per Audited Financial Statements view	<u>12,466</u>	<u>17,293</u>
	<u>(4,020)</u>	<u>(4,650)</u>
Ceded to third party	(2,082)	(2,056)
Deconsolidation of A4	(748)	(1,261)
AA Separate account assets	(17)	(15)
Aegon-UBS related assets	(1,384)	(1,023)
VOBA reclassification as Assets , rather then negative liabilities	343	(67)
Deconsolidation of noncontrolling interests	-	-
DAC/URR netting at Audited Financial Statements view (FAS91)	5	4
Netting of other operating liabilities in Assets at Management view	<u>(137)</u>	<u>(232)</u>
	<u>(4,020)</u>	<u>(4,650)</u>

Operating income bridge

	FULL YEAR 2011	FULL YEAR 2012
Operating income , per Management view	(9)	208
Net income, per Audited Financial Statements view	<u>(9)</u>	<u>391</u>
	<u>(9)</u>	<u>(183)</u>
RCGs/(RCLs) net of incentive fees and impairments *	(26)	(143)
MVAs *	10	25
UCGs/(UCLs) *	23	(127)
Market related options net of VED *	42	(3)
Market related amortization *	(150)	53
Derivatives *	91	26
Taxes*	4	(13)
	<u>(9)</u>	<u>(183)</u>

* See page 20 for further information on these items

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