

Athene Holding Ltd. And Operating Subsidiaries Ratings Affirmed; Outlook Remains Stable

• 25-Aug-2020 14:23 EDT

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- Athene's credit profile continues to demonstrate its competitive and capital strengths, but uncertainties remain regarding the potential economic impact of the current COVID-19-related recession.
- We are affirming ratings on Athene based on the group's business strength and our expectation that it will be able to maintain its financial profile during the pandemic.
- The outlook remains stable based on our expectation Athene will retain its competitive position in its core markets, maintain capital adequacy at 'AA' level despite any near-term investment impairments, and keep a profitable growth trajectory in its retail and reinsurance/acquisition businesses.

CENTENNIAL (S&P Global Ratings) Aug. 25, 2020-- S&P Global Ratings said today it affirmed its 'A' financial strength and issuer credit ratings on Athene Holding Ltd.'s operating insurance entities (collectively, Athene). At the same time, we affirmed our 'BBB+' rating on the holding company. The outlook remains stable.

Our rating affirmation takes into account improvements in Athene's credit profile over the past few years, including a better market position, more-stable capitalization, and improved diversification in its liability profile. However, we also remain concerned around the overall macro-economic conditions and its potential impact on the individual U.S. insurers.

The stable outlook reflects our expectations that Athene will maintain its return targets as it grows its core business segments. We expect the group to maintain its business mix of retail annuities, flow reinsurance, block acquisitions, and pension risk transfer products. Despite the strain from new business growth, we expect Athene to maintain capital redundancy at the 'AA' level per our capital model.

We could lower the ratings in the next 12-24 months if Athene's business profile becomes significantly concentrated in retail annuities; the group consistently reports weak earnings; or capital adequacy materially worsens to below 'A' due to credit impairments or excessive growth.

We could raise the ratings in the next 12-24 months if Athene continues to execute its ACRA capital vehicle, reports minimal investment portfolio impairments, sustains its business mix, reports operating performance comparable to higher rated peers, and has a strong market position in its core business lines.