Athene Holding Ltd.
1Q'19 Earnings Presentation

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All information is as of the dates indicated herein.

Athene 1Q'19 Financial Results Highlights

Invested asset growth and expense discipline drive 17% year-over-year growth in BVPS

Earnings

- Adjusted operating income of $287 million or $1.50 per adjusted operating share, up 22% year-over-year
- Operating expenses as a % of average invested assets of 0.29%, improving 9 basis points, or 24%, year-over-year
- Adjusted operating ROA of 1.02%, up 14 basis points quarter-over-quarter

Assets

- Total invested assets of $113.8 billion, up 45% year-over-year
- Consolidated net investment earned rate (NIER) of 4.28%
  - Fixed income and other NIER: 4.28%
  - Alternatives NIER: 4.36%
- Retirement Services net investment spread of 1.36%

Liabilities

- Total organic deposits of $4.8 billion
  - Retail: $1.8 billion
  - Flow Reinsurance: $1.1 billion
  - Pension Risk Transfer: $1.9 billion

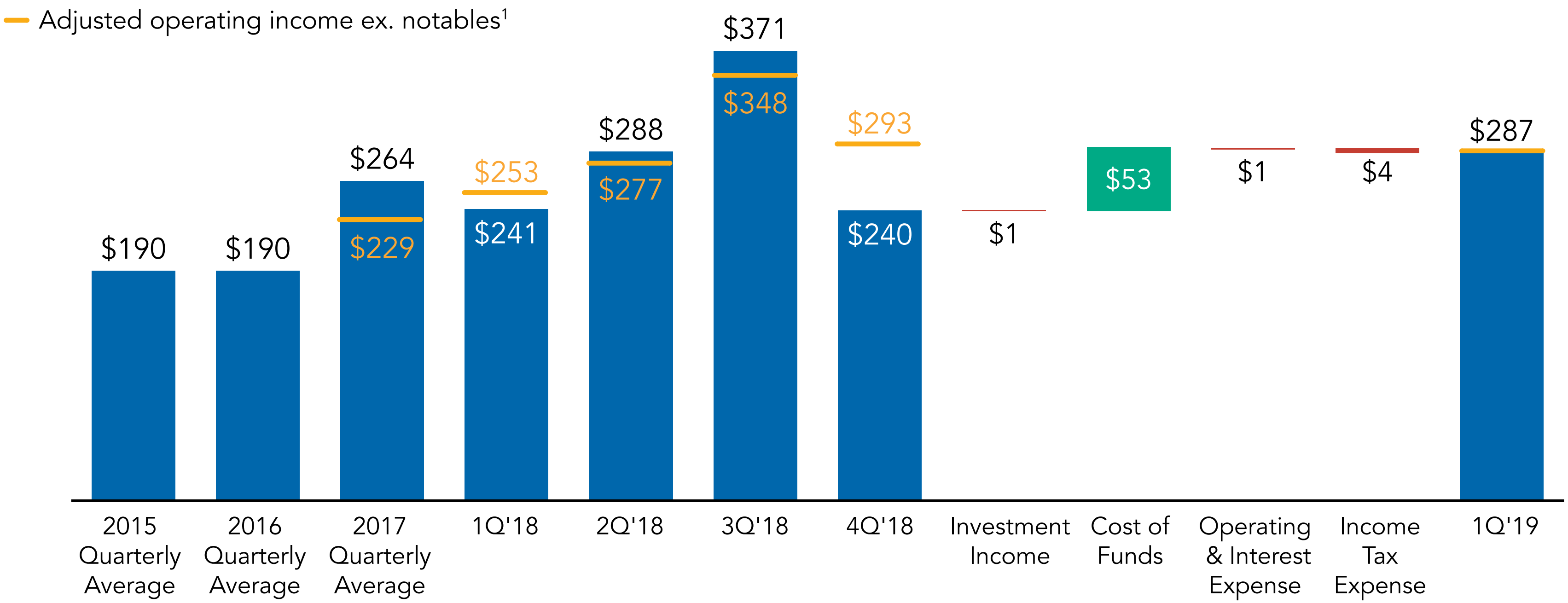
Capital

- Consolidated and Retirement Services adjusted operating ROE of 12.8% and 14.4%, respectively
- Adjusted book value per share of $47.30, up 17% year-over-year
- Available capital of ~$3 billion; ~$1 billion of excess capital and ~$2 billion of untapped debt capacity

Adjusted Operating Income Rollforward

Sequential increase in AOI driven by a rebound in other liability costs due to equity market appreciation in 1Q'19 versus depreciation in 4Q'18; investment income trends were mixed with lagged alternatives performance offsetting higher invested assets

($ in millions)



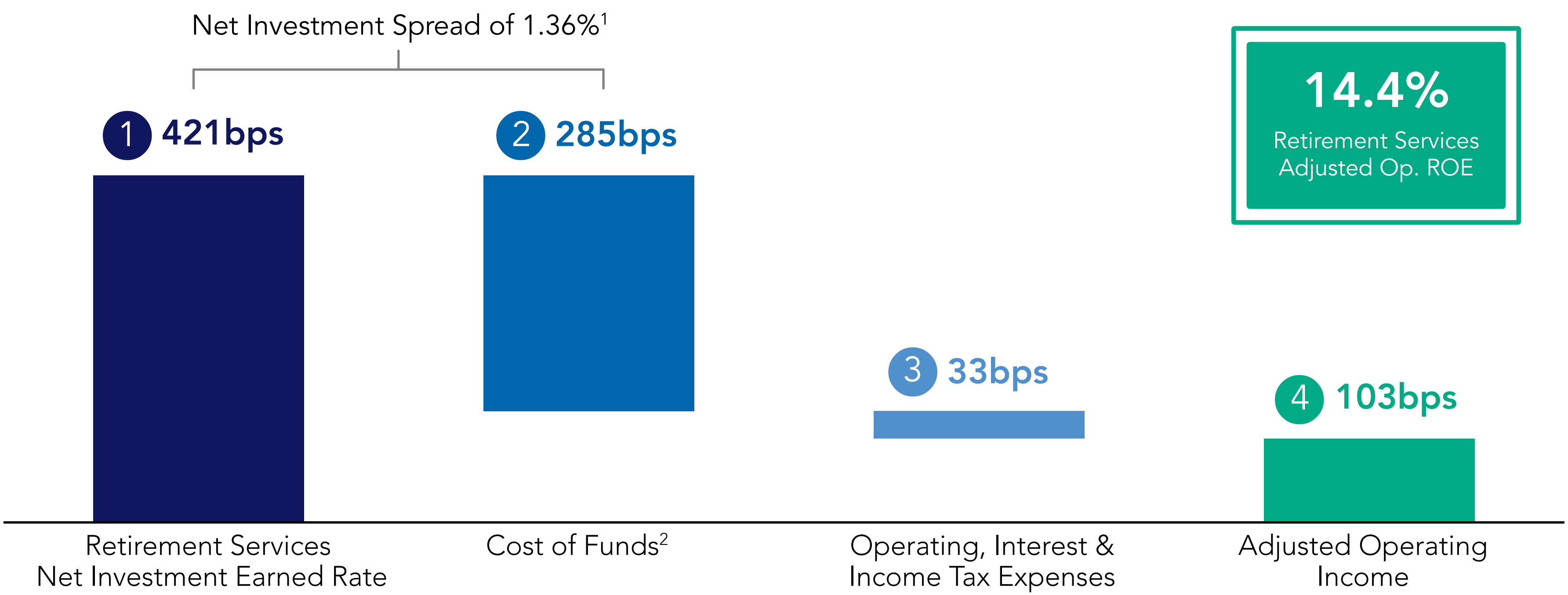
	2015 Quarterly Average	2016 Quarterly Average	2017 Quarterly Average	1Q'18	2Q'18	3Q'18	4Q'18	Investment Income	Cost of Funds	Operating & Interest Expense	Income Tax Expense	1Q'19
AOI Per Share	$1.09	$1.00	$1.35	$1.23	$1.47	$1.90	$1.23	($0.01)	$0.28	($0.01)	($0.02)	$1.50

Note: Components within the AOI per share rollforward may not sum due to other factors such as changes in share count. In 1Q'19, approximately $0.03 of share repurchase accretion is included within total adjusted operating income per share. 1 Reconciliations of quarterly adjusted operating income excluding notable items can be found on slide 22 of this presentation.

Straightforward & Scalable Net Investment Spread Model

Achieving targeted mid-to-high teen adjusted operating ROE in Retirement Services

1 Unique Investment Capabilities + 2 Attractively Priced Liabilities + 3 Efficient & Scalable Structure = 4 Attractive ROE with Strong Earnings Growth Potential

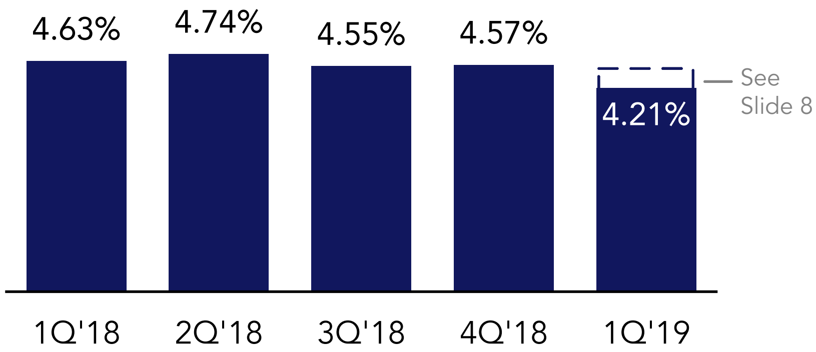


1 Net investment spread based on net investment earned rate less cost of funds. 2 Cost of funds is calculated by dividing total liability costs, which includes cost of crediting on both deferred annuities and institutional products as well as other liability costs, by average invested assets for the relevant period. For additional information regarding cost of funds, see Non-GAAP Measures and Definitions.

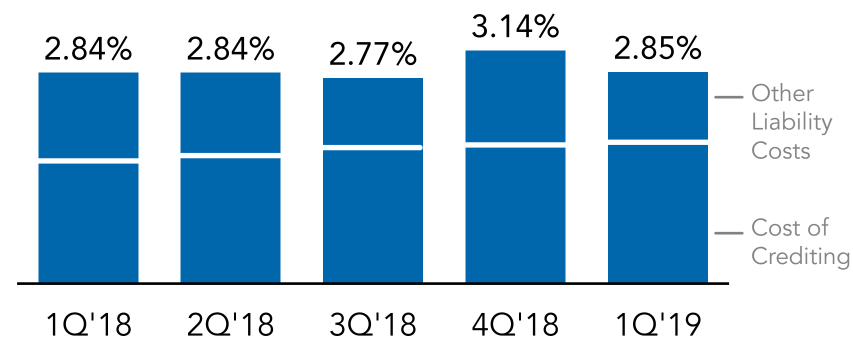
Net Investment Spread Metrics – Retirement Services

Sequential changes in spread metrics reflect Alts volatility (~30bp drag on NIER) and the onboarding of inorganic liabilities, while expenses reflect discipline and scale benefits

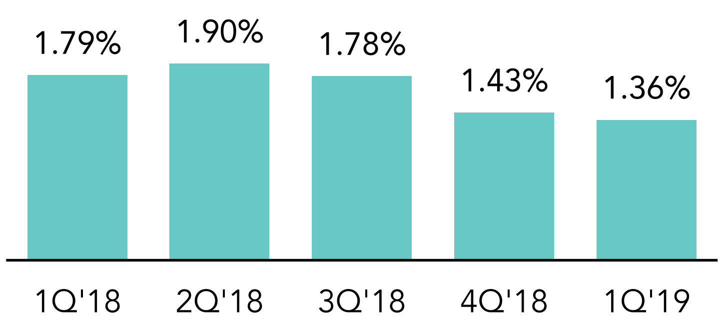
Net Investment Earned Rate[1]



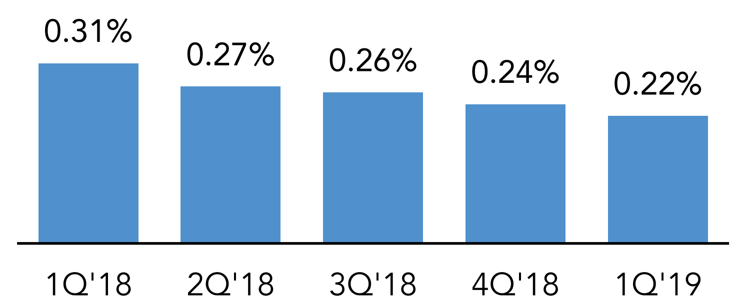
Cost of Funds[2]



Net Investment Spread[3]



Operating Expenses[4]



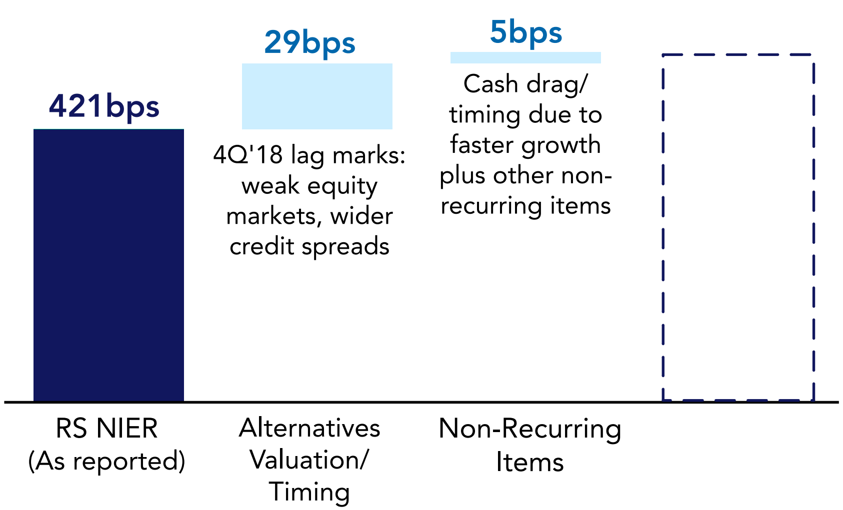
Note: Interim periods are annualized. 1 Net investment earned rate is calculated by dividing net investment earnings by average invested assets for the relevant period. 2 Cost of funds is calculated by dividing total liability costs, which includes cost of crediting on both deferred annuities and institutional products as well as other liability costs, by average invested assets for the relevant period. 3 Net investment spread based on net investment earned rate less cost of funds. 4 Operating expenses are calculated by dividing operating expenses by average invested assets for the relevant period.

Investment Portfolio: Differentiated Capabilities Drive Returns

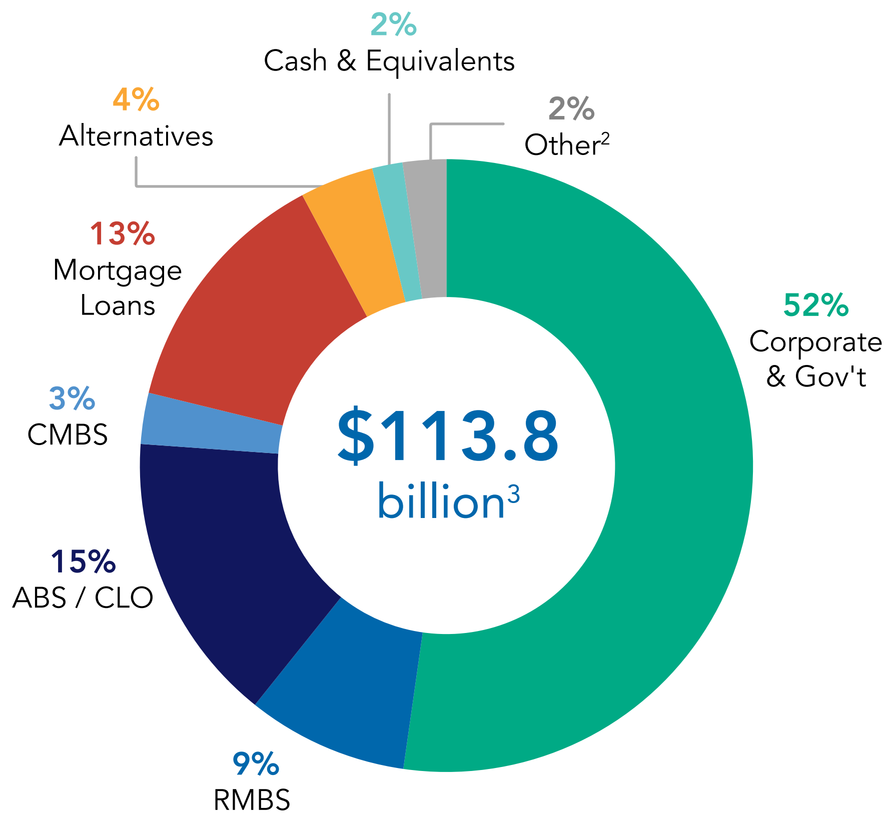
Commentary

- 1Q'19 invested asset purchases of $7.9 billion, up ~11% compared to 1Q'18
- On-the-margin yields at a premium to 1Q'18 and the BBB corporate index, consistent with active management
- Upward bias to NIERs upon completion of Voya and Lincoln block redeployment in 2019
- 18% of total invested assets in floating rate securities, which produce +/–$25-30 million of adjusted operating income per year for every 25bp change in interest rates[1]

1Q'19 QoQ NIER Bridge



Investment Portfolio Composition



1 Sensitivity assumes parallel shift in spot LIBOR rate and forward yield curve. 2 Other includes short-term investments and equity securities. 3 Invested assets as of March 31, 2019.

Liability Profile: Long-Dated, Persistent & Attractively Priced

Large in-force business produces significant and steady base of earnings

Commentary

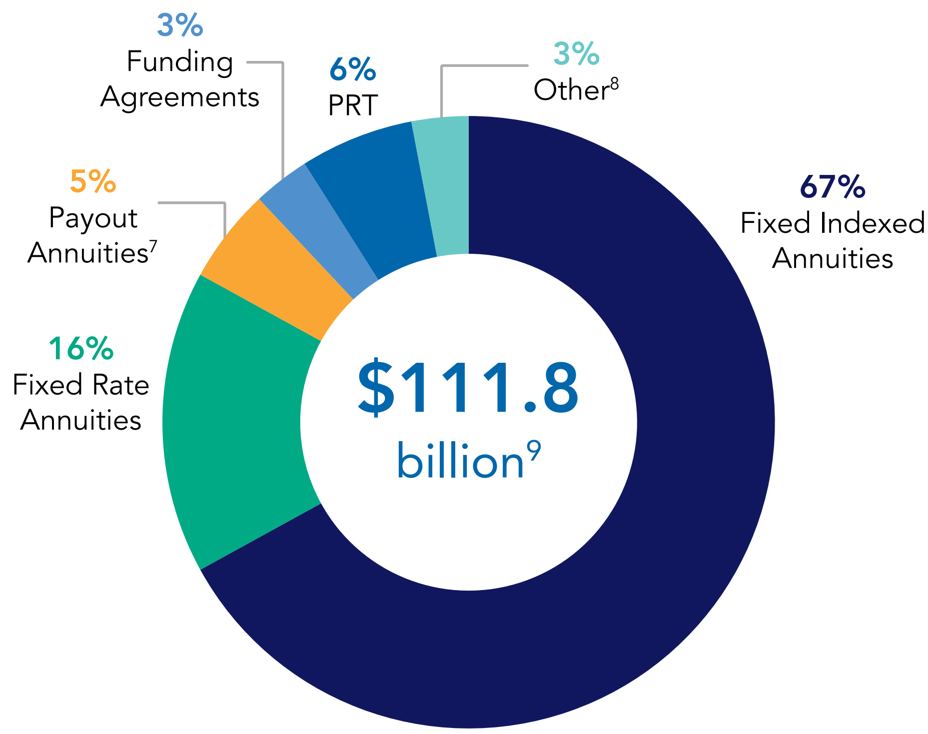
- Continue to underwrite all of our liability growth to the same high return thresholds and profitability standards
- Retirement Services reserve liabilities grew $36.0 billion or 47% over the prior year quarter driven by two inorganic transactions and organic growth
- 1Q'19 growth driven by broad-based organic strength, including retail, PRT, and flow reinsurance

Deferred Annuity Metrics[1]

Surrender charge protected[2]	78%
Average surrender charge[3]	6.4%
Subject to MVA[2,4]	64%
Cost of crediting on deferred annuities[5]	1.98%
Distance to guaranteed minimum crediting rates	100 – 110 bps
Rider reserve as a percentage of account value with riders	9.3%

Diversified Liability Composition

9.6 year weighted average life[6]



1 As of and for the three months ended March 31, 2019, as applicable. 2 Based on fixed indexed annuities and fixed rate annuities only. Refers to the percentage of account value that is in the surrender charge period. 3 Based on deferred annuities only, excluding the impact of MVAs. 4 Refers to the % of account value that is subject to a MVA. 5 For Retirement Services segment deferred annuities for the three months ended March 31, 2019, annualized. 6 Weighted average life of total reserve liabilities; weighted average life on deferred annuities was 9.0 years. 7 Includes Single Premium Immediate Annuities, Supplemental Contracts and Structured Settlements. 8 Other primarily consists of the AmerUs Closed Block liabilities and other life reserves. 9 Reserve liabilities as of March 31, 2019.

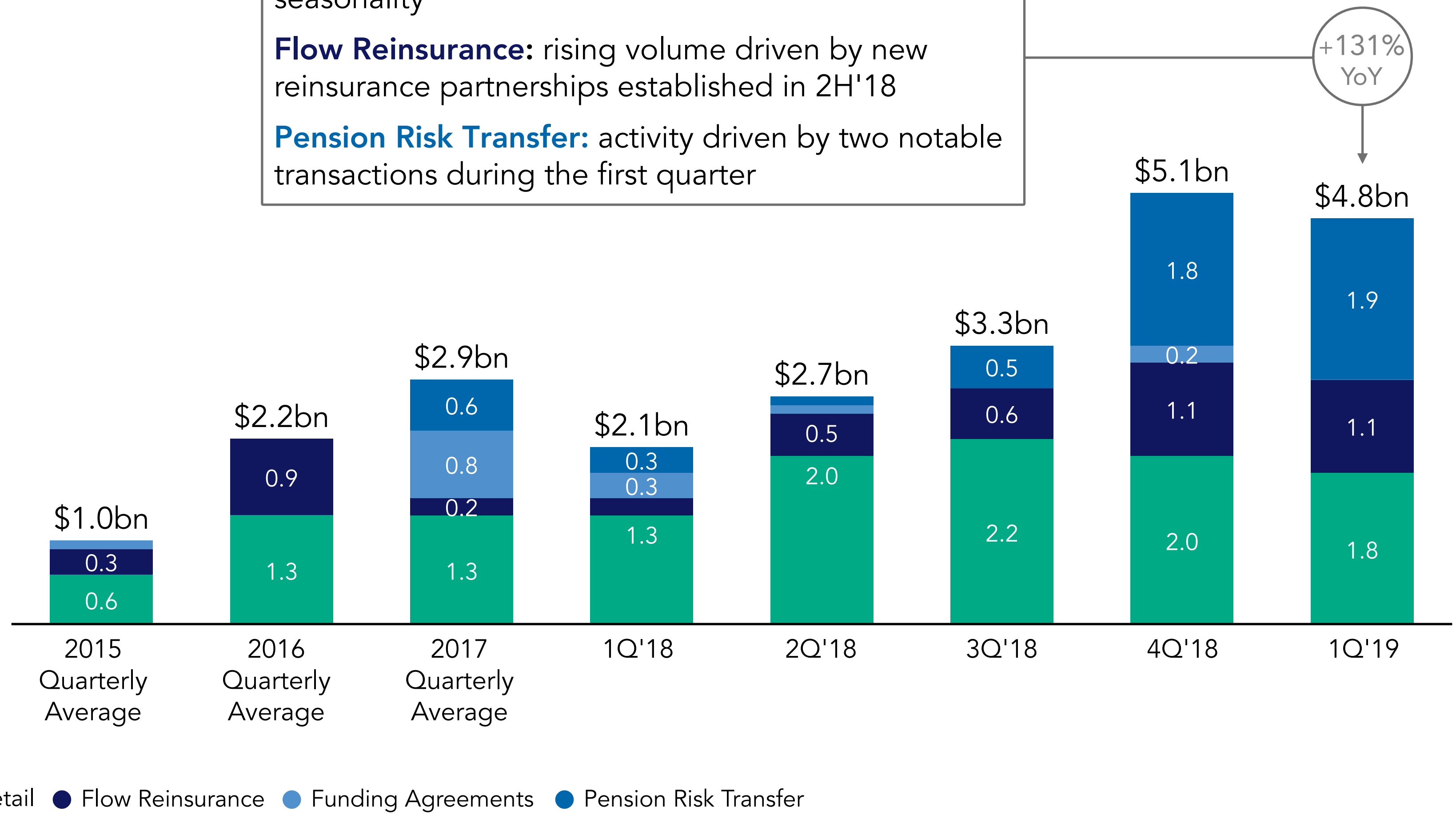
Multi-Channel Distribution Model Generates Attractive Growth

Flexibility to respond to changing market conditions across channels to opportunistically grow liabilities that generate Athene's desired levels of profitability

Retail: strong retail sales at target returns despite 1Q seasonality

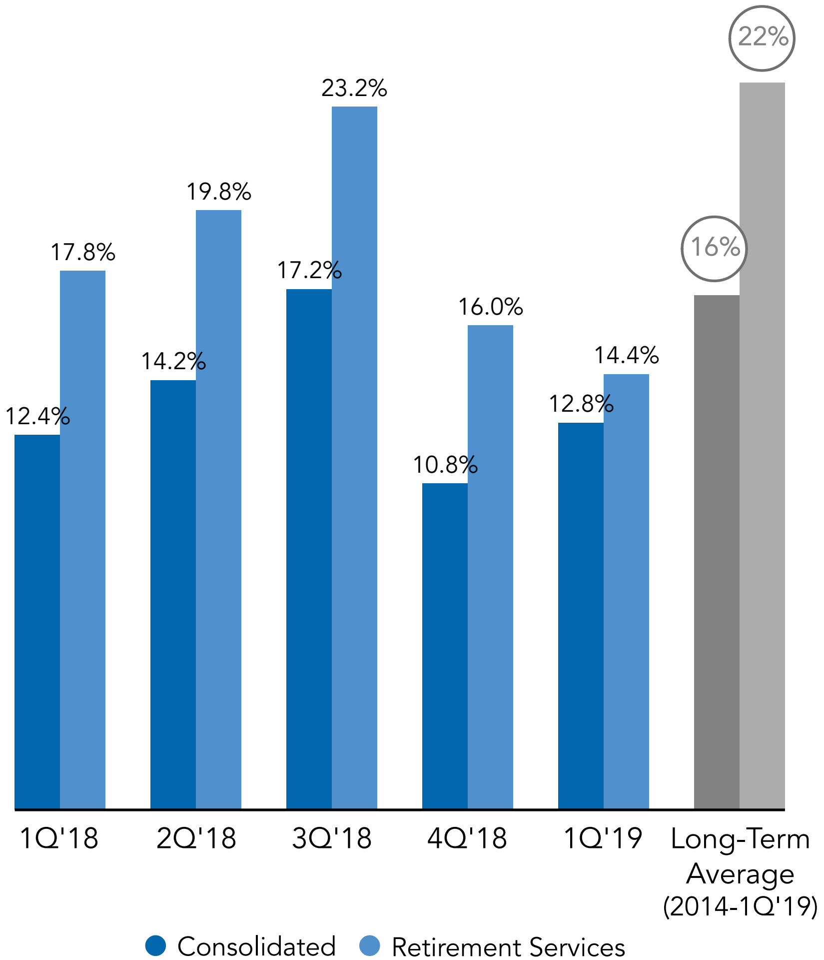
Flow Reinsurance: rising volume driven by new reinsurance partnerships established in 2H'18

Pension Risk Transfer: activity driven by two notable transactions during the first quarter

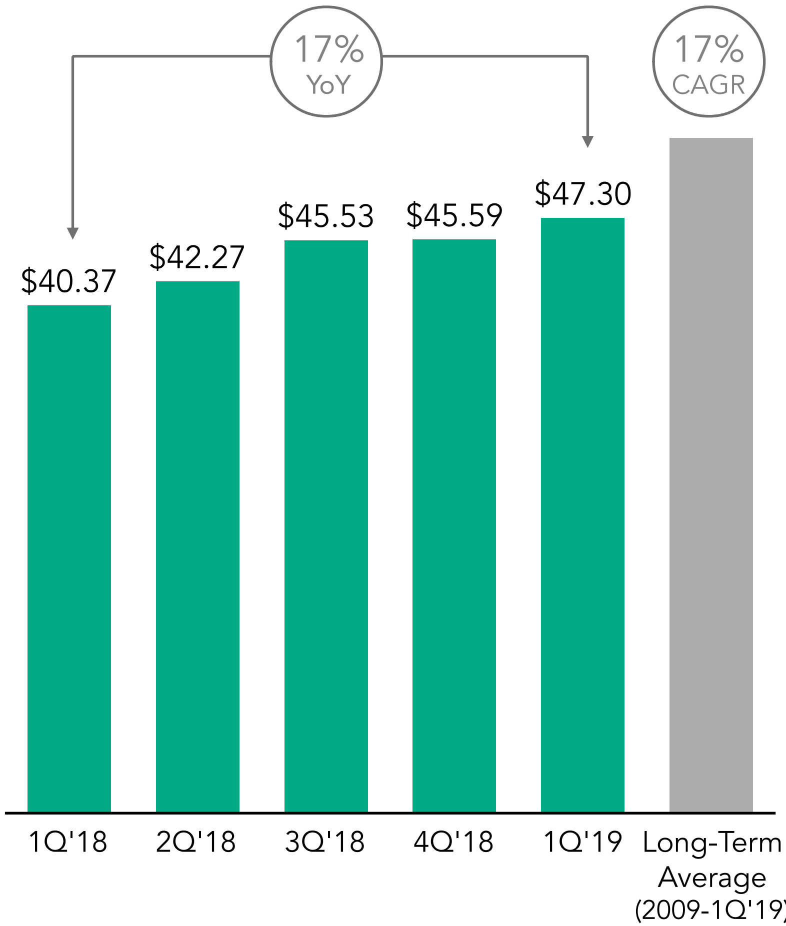


Strong ROE Production Driving Book Value Growth

Adjusted Operating ROE



Adjusted Book Value Per Share



Patient and Disciplined Stewards of Capital

Capital position aligned with opportunistic approach to create long-term shareholder value

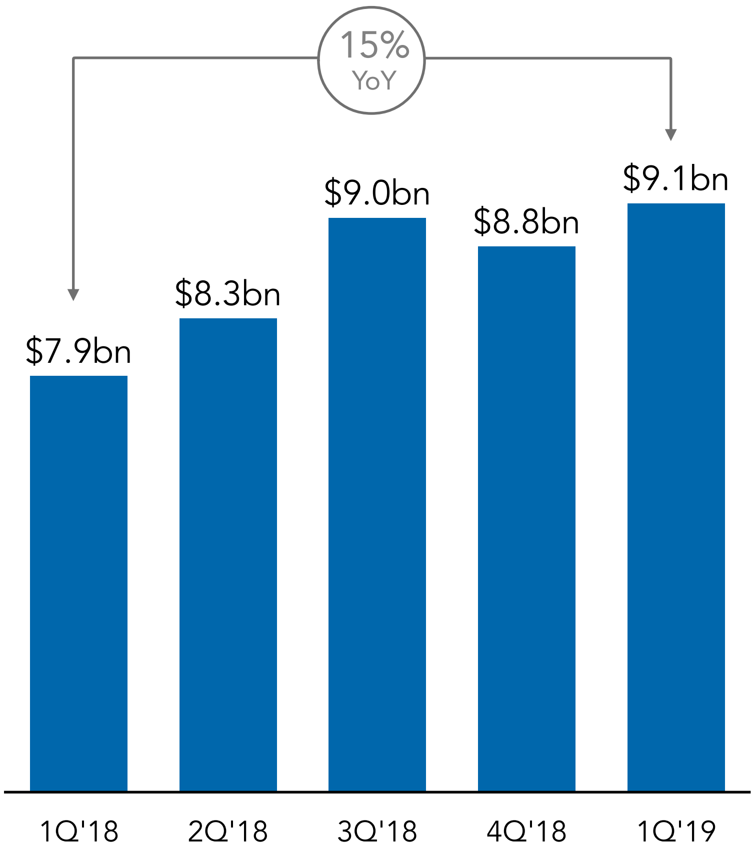
Commentary

- Consistently evaluate an abundance of capital deployment opportunities across liability trades (organic and inorganic), asset trades (standard and origination platforms), as well as other opportunistic uses of capital (share repurchases, ratings maintenance and upgrades)
- 1Q'19 Activity: ~$50 million for block growth and $47 million of opportunistic share repurchases

Capital Metrics[1]

405% ALRe RBC Ratio[2]	**~$1 billion** Excess Capital	**9.8%** Financial Leverage[3]
412% U.S. RBC Ratio	**~$2 billion** Debt Capacity	**$10.3 billion** Statutory Capital

Adjusted Shareholders' Equity[4]



1 As of March 31, 2019. 2 ALRe RBC ratio, which is used in evaluating our capital position and the amount of capital needed to support our segment, is calculated by applying the NAIC RBC factors in effect as of March 31, 2019 to the Statutory Financial Statements of ALRe. 3 Adjusted debt to capital ratio. 4 See Non-GAAP Measures and Definitions and Non-GAAP Measure Reconciliations for more information on adjusted shareholders' equity.

Share Repurchases Remain Compelling

We are increasing our share repurchase authorization to $350 million today and we are open to executing more if our stock remains undervalued

- Repurchasing our dislocated stock remains one of the cheapest and lowest risk investments we can make
- To date, buying back our stock has offered high-teens unlevered returns
- Since our initial authorization of $250 million in December 2018, we have deployed $147 million to repurchase 3.7 million shares at an average price of $40.20, or 0.9x BVPS
- Athene's Board of Directors has increased the share repurchase authorization to $350 million, effective immediately

Two Years Ago[1]	Today[2]
$54.30 Stock Price	$45.00 Stock Price
11.0x 2018E P/E Ratio	5.4x 2020E P/E Ratio
1.65x P/B Ratio	0.95x P/B Ratio

*Despite earnings growth of **48%** and book value growth of **44%***

Two Years Ago[1]	Today[2]
$3.93 2016A Earnings[3]	$5.82 2018A Earnings[3]
$32.85 2016A Adj. BVPS	$47.30 1Q'19A Adj. BVPS

1 As of May 2, 2017. 2 As of May 2, 2019. 3 Adjusted operating earnings per share.

Components and Drivers of Cost of Funds

	Typical % of CoF	Drivers	1Q'19
Cost of Crediting			
Deferred Annuities	50 – 60%	Includes fixed interest credited and option costs of FIAs. Costs should trend in line with the size of the block.	$444
Institutional Products	5 – 15%	Includes crediting costs associated with pension risk transfer and funding agreements. Costs should trend in line with the size of the block and increase in line with the strategic growth initiatives for the institutional channel.	$91
Other Liability Costs			
Rider Reserves	10 – 20%	Reserve pattern impacted by the level of current period operating profits and changes in future expectations of profits and rider benefits.	$154
DAC, DSI, VOBA Amortization	10 – 20%	Amortization pattern impacted by the level of current period operating profits and changes in future expectations of profits.	$91
Other	< 10%	Primarily payout annuities (excluding PRT), policy maintenance costs, reinsurance expense allowances, excise taxes, and non-deferred acquisition costs, net of product charges. Costs generally trend in line with changes in the size of the block.	$15
Cost of Funds			$795

The typical percentage range for each component of cost of funds may change over time. Rider reserves and DAC, DSI and VOBA amortization amounts may fall outside of the typical range due to a number of factors including unlocking of assumptions and equity market performance.

Note: For further detail regarding the components of cost of funds, please see Athene's quarterly financial supplement for the period ending March 31, 2019.

Appendix

Consolidated Results of Operations

(In millions, except percentages and per share data)	Three months ended March 31, 2018	Three months ended March 31, 2019
Net income	$ 277	$ 708
Non-operating adjustments		
Investment gains (losses), net of offsets	(33)	458
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	86	(27)
Integration, restructuring and other non-operating expenses	(8)	(1)
Stock compensation expense	(3)	(3)
Income tax (expense) benefit – non-operating	(6)	(6)
Less: Total non-operating adjustments	36	421
Adjusted operating income	$ 241	$ 287
Adjusted operating income by segment		
Retirement Services	$ 239	$ 286
Corporate and Other	2	1
Adjusted operating income	$ 241	$ 287
ROE	12.4%	30.8%
Adjusted operating ROE	12.4%	12.8%
ROA	1.14%	2.19%
Adjusted operating ROA	1.24%	1.02%
Earnings per share - diluted Class A[1]	$ 1.40	$ 3.64
Adjusted operating earnings per share[2]	$ 1.23	$ 1.50
Weighted average shares outstanding - diluted Class A[1]	149.0	161.7
Weighted average shares outstanding - adjusted operating[2]	196.0	192.2

1 Diluted earnings per share on Class A common shares, including diluted Class A weighted average shares outstanding, includes the dilutive impacts, if any, of Class B and Class M common shares and any other stock-based awards. Based on allocated net income of $589 million (83%) and $209 million (75%) diluted Class A common shares for the three months ended March 31, 2019 and 2018, respectively. 2 Represents weighted average common shares outstanding assuming conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B and Class M common shares outstanding and any other stock-based awards outstanding, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date.

Retirement Services Adjusted Operating Results

(In millions, except percentages)

	Three months ended March 31,			
	2018	%[1]	2019	%[1]
Fixed income and other investment income	$ 775	4.32 %	$ 1,151	4.28 %
Alternatives investment income	91	12.34 %	20	2.13 %
Net investment earnings	**866**	**4.63 %**	**1,171**	**4.21 %**
Cost of crediting	(322)	(1.72)%	(535)	(1.92)%
Other liability costs	(208)	(1.12)%	(260)	(0.93)%
Cost of funds	(530)	(2.84)%	(795)	(2.85)%
Other operating expenses	(58)	(0.31)%	(62)	(0.22)%
Interest expense	—	— %	(2)	(0.01)%
Pre-tax adjusted operating income	278	1.48 %	312	1.13 %
Income tax (expense) benefit - operating	(39)	(0.20)%	(26)	(0.10)%
Adjusted operating income	**$ 239**	**1.28 %**	**$ 286**	**1.03 %**
Cost of crediting on deferred annuities	$ 275	1.87 %	$ 444	1.98 %
Cost of crediting on institutional products	47	3.14 %	91	3.69 %
Cost of crediting	**$ 322**	1.72 %	**$ 535**	1.92 %
Net investment earned rate	4.63%		4.21%	
Cost of crediting	1.72%		1.92%	
Other liability costs	1.12%		0.93%	
Cost of funds	2.84%		2.85%	
Net investment spread	**1.79%**		**1.36%**	
Net Investment Earned Rate	4.63%		4.21%	
Cost of crediting on deferred annuities	1.87%		1.98%	
Investment margin on deferred annuities	**2.76%**		**2.23%**	
Adjusted operating ROE	17.8%		14.4%	

1 Net investment earned rate is calculated as net investment earnings divided by average invested assets for the relevant period. Cost of funds (comprised of cost of crediting and other liability costs) uses average invested assets as the denominator in the calculation. Other operating expenses and income tax (expense) benefit use average invested assets as the denominator in the calculation. Cost of crediting on deferred annuities is calculated as interest credited on fixed strategies and option costs on index annuity strategies divided by average account value of our deferred annuities. Cost of crediting on institutional products is calculated as interest credited on institutional products (pension risk transfer and funding agreement) divided by average reserves on institutional products. Interim periods are annualized.

Reserve Liability Rollforward

(In millions)	Three months ended March 31,	
	2018	2019
1 Total reserve liabilities – beginning	$ 75,447	$ 107,732
2 Deposits	2,135	4,860
3 Acquisition and block reinsurance	—	—
4 Liability outflows	(1,755)	(2,780)
5 Other reserve changes	(4)	1,979
Total reserve liabilities – ending	$ 75,823	$ 111,791

1. Retirement Services reserve liabilities include deferred annuity, payout annuity, funding agreements and life products.
2. Deposits include $4.8 billion of new deposits on retail, flow reinsurance and institutional products, as well as renewal premiums, internal product exchanges and annuitizations.
3. Acquisitions and block reinsurance transactions includes the reserve liabilities acquired in our inorganic channel at inception.
4. Liability outflows includes full surrenders, partial withdrawals, death benefits, annuitization benefits and interest payments and maturities on funding agreement products.
5. Other reserve changes primarily include fixed and bonus interest credits, change in fair value of embedded derivatives, change in rider reserves, product charges and change in life reserves.

Non-GAAP Measures and Definitions

- Adjusted operating income is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation, and other expenses. Our adjusted operating income equals net income adjusted to eliminate the impact of the following (collectively, the "non-operating adjustments"): (a) investment gains (losses), (b) change in fair values of derivatives and embedded derivatives - FIA, net of offsets, (c) integration, restructuring, and other non-operating expenses, (d) stock compensation expense, (e) bargain purchase gain and (f) income tax (expense) benefit - non-operating.

  We consider these non-operating adjustments to be meaningful adjustments to net income for the reasons discussed in greater detail above. Accordingly, we believe using a measure which excludes the impact of these items is useful in analyzing our business performance and the trends in our results of operations. Together with net income, we believe adjusted operating income, provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income should not be used as a substitute for net income.

- Adjusted operating ROA is a non-GAAP measure used to evaluate our financial performance and profitability. Adjusted operating ROA is computed using our adjusted operating income divided by average invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. While we believe each of these metrics are meaningful financial metrics and enhance our understanding of the underlying profitability drivers of our business, they should not be used as a substitute for ROA presented under GAAP.

- Adjusted operating ROE is a non-GAAP measure used to evaluate our financial performance excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, in each case net of DAC, DSI, rider reserve and tax offsets. Adjusted shareholders' equity is calculated as the ending shareholders' equity excluding AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets. Adjusted operating ROE is calculated as the adjusted operating income, divided by average adjusted shareholders' equity. These adjustments fluctuate period to period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Except with respect to reinvestment activity relating to acquired blocks of businesses, we typically buy and hold AFS investments to maturity throughout the duration of market fluctuations, therefore, the period-over-period impacts in unrealized gains and losses are not necessarily indicative of current operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets are useful in analyzing trends in our operating results. To enhance the ability to analyze these measures across periods, interim periods are annualized. Adjusted operating ROE should not be used as a substitute for ROE. However, we believe the adjustments to equity are significant to gaining an understanding of our overall financial performance.

- Adjusted operating earnings per share, weighted average shares outstanding – adjusted operating and adjusted book value per share are non-GAAP measures used to evaluate our financial performance and financial condition. The non-GAAP measures adjust the number of shares included in the corresponding GAAP measures to reflect the conversion or settlement of all shares and other stock-based awards outstanding. We believe using these measures represents an economic view of our share counts and provides a simplified and consistent view of our outstanding shares. Adjusted operating earnings per share is calculated as the adjusted operating income, over the weighted average shares outstanding – adjusted operating. Adjusted book value per share is calculated as the adjusted shareholders' equity divided by the adjusted operating common shares outstanding. Our Class B common shares are economically equivalent to Class A common shares and can be converted to Class A common shares on a one-for-one basis at any time. Our Class M common shares are in the legal form of shares but economically function as options as they are convertible into Class A shares after vesting and payment of the conversion price. In calculating Class A diluted earnings per share on a GAAP basis, we are required to apply sequencing rules to determine the dilutive impacts, if any, of our Class B common shares, Class M common shares and any other stock-based awards. To the extent our Class B common shares, Class M common shares and/or any other stock-based awards are not dilutive, after considering the dilutive effects of the more dilutive securities in the sequence, they are excluded. Weighted average shares outstanding – adjusted operating and adjusted operating common shares outstanding assume conversion or settlement of all outstanding items that are able to be converted to or settled in Class A common shares, including the impacts of Class B common shares on a one-for-one basis, the impacts of all Class M common shares net of the conversion price and any other stock-based awards, but excluding any awards for which the exercise or conversion price exceeds the market value of our Class A common shares on the applicable measurement date. For certain historical periods, Class M shares were not included due to issuance restrictions which were contingent upon our IPO. Adjusted operating earnings per share, weighted average shares outstanding – adjusted operating and adjusted book value per share should not be used as a substitute for basic earnings per share – Class A common shares, basic weighted average shares outstanding – Class A or book value per share. However, we believe the adjustments to the shares and equity are significant to gaining an understanding of our overall results of operations and financial condition.

- Adjusted debt to capital ratio is a non-GAAP measure used to evaluate our capital structure excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total debt excluding consolidated variable interest entities (VIEs) divided by adjusted shareholders' equity. Adjusted debt to capital ratio should not be used as a substitute for the debt to capital ratio. However, we believe the adjustments to total debt and shareholders' equity are significant to gaining an understanding of our capitalization, debt utilization, and debt capacity.

Non-GAAP Measures and Definitions

- Net investment spread is a key measurement of the financial health of our Retirement Services profitability. Net investment spread measures our investment performance less the total cost of our liabilities. Net investment earned rate is a key measure of our investment performance, while cost of funds is a key measure of the cost of our policyholder benefits and liabilities. Investment margin on our deferred annuities measures our investment performance less the cost of crediting for our deferred annuities, which make up a significant portion of our reserve liabilities.

  - Net investment earned rate is a non-GAAP measure we use to evaluate the performance of our invested assets that does not correspond to GAAP net investment income. Net investment earned rate is computed as the income from our invested assets divided by the average invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized. The adjustments to arrive at our net investment earned rate add alternative investment gains and losses, gains and losses related to trading securities for CLOs, net VIE impacts (revenues, expenses and noncontrolling interest) and the change in fair value of reinsurance assets. We include the income and assets supporting our change in fair value of reinsurance assets by evaluating the underlying investments of the funds withheld at interest receivables and we include the net investment income from those underlying investments which does not correspond to the GAAP presentation of change in fair value of reinsurance assets. We exclude the income and assets supporting business that we have exited through ceded reinsurance including funds withheld agreements. We believe the adjustments for reinsurance provide a net investment earned rate on the assets for which we have economic exposure.
  - Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products as well as other liability costs. Cost of funds is computed as the total liability costs divided by the average invested assets for the relevant period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
    - Cost of crediting includes the costs for both deferred annuities and institutional products. Cost of crediting on deferred annuities is the interest credited to the policyholders on our fixed strategies as well as the option costs on the indexed annuity strategies. With respect to FIAs, the cost of providing index credits includes the expenses incurred to fund the annual index credits, and where applicable, minimum guaranteed interest credited. Cost of crediting on institutional products is comprised of PRT costs including interest credited, benefit payments and other reserve changes, net of premiums received when issued, as well as funding agreement costs including the interest payments and other reserve changes. Cost of crediting is computed as the cost of crediting for deferred annuities and institutional products divided by the average invested assets for the relevant periods. Cost of crediting on deferred annuities is computed as the interest credited on fixed strategies and option costs on indexed annuity strategies divided by the average account value of our deferred annuities. Cost of crediting on institutional products is computed as the PRT and funding agreement costs divided by the average institutional reserve liabilities. Our average invested assets, account values and institutional reserve liabilities are averaged over the number of quarters in the relevant period to obtain our associated cost of crediting for such period. To enhance the ability to analyze these measures across periods, interim periods are annualized.
    - Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, premiums, product charges and other revenues. We believe a measure like other liability costs is useful in analyzing the trends of our core business operations and profitability. While we believe other liability costs is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for total benefits and expenses presented under GAAP.

- Operating expenses excludes integration, restructuring and other non-operating expenses, stock compensation expense, interest expense and policy acquisition expenses. We believe a measure like operating expenses is useful in analyzing the trends of our core business operations and profitability. While we believe operating expenses is a meaningful financial metric and enhances our understanding of the underlying profitability drivers of our business, it should not be used as a substitute for policy and other operating expenses presented under GAAP.

- In managing our business we analyze invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Invested assets represents the investments that directly back our reserve liabilities as well as surplus assets. Invested assets is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) the consolidated VIE assets, liabilities and noncontrolling interest, (f) net investment payables and receivables and (g) policy loans ceded (which offset the direct policy loans in total investments). Invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Our invested assets are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period.

- In managing our business we also analyze reserve liabilities, which does not correspond to total liabilities as disclosed in our consolidated financial statements and notes thereto. Reserve liabilities represents our policyholder liability obligations net of reinsurance and is used to analyze the costs of our liabilities. Reserve liabilities includes (a) the interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and therefore we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. The majority of our ceded reinsurance is a result of reinsuring large blocks of life business following acquisitions. For such transactions, GAAP requires the ceded liabilities and related reinsurance recoverables to continue to be recorded in our consolidated financial statements despite the transfer of economic risk to the counterparty in connection with the reinsurance transaction.

- Sales statistics do not correspond to revenues under GAAP, but are used as relevant measures to understand our business performance as it relates to deposits generated during a specific period of time. Our sales statistics include deposits for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers).

Non-GAAP Measure Reconciliations

Reconciliation of shareholders' equity to adjusted shareholders' equity

	December 31,	March 31,	
(In millions)	2009	2018	2019
Total shareholders' equity	$ 113	$ 8,687	$ 10,117
Less: AOCI	1	634	706
Less: Accumulated change in fair value of reinsurance assets	—	107	309
Total adjusted shareholders' equity	$ 112	$ 7,946	$ 9,102
Retirement Services		$ 5,495	$ 8,201
Corporate and Other		2,451	901
Total adjusted shareholders' equity		$ 7,946	$ 9,102

Reconciliation of average shareholders' equity to average adjusted shareholders' equity

	Twelve months ended December 31,					Three months ended March 31,	
(In millions)	2014	2015	2016	2017	2018	2018	2019
Average shareholders' equity	$ 3,648	$ 4,959	$ 6,124	$ 8,029	$ 8,726	$ 8,932	$ 9,197
Less: Average AOCI	359	203	63	908	489	1,042	117
Less: Average accumulated change in fair value of reinsurance assets	100	58	41	112	43	134	117
Average adjusted shareholders' equity	$ 3,189	$ 4,698	$ 6,020	$ 7,009	$ 8,194	$ 7,756	$ 8,963
Retirement Services	$ 2,262	$ 3,333	$ 4,186	$ 4,823	$ 6,522	$ 5,366	$ 8,004
Corporate and Other	927	1,365	1,834	2,186	1,672	2,390	959
Average adjusted shareholders' equity	$ 3,189	$ 4,698	$ 6,020	$ 7,009	$ 8,194	$ 7,756	$ 8,963

Reconciliation of total capitalization to total adjusted capitalization

	March 31,	
(In millions)	2018	2019
Total debt	$ 992	$ 991
Total shareholders' equity	8,687	10,117
Total capitalization	9,679	11,108
Less: AOCI	634	706
Less: Accumulated change in fair value of reinsurance assets	107	309
Total adjusted capitalization	$ 8,938	$ 10,093

Non-GAAP Measure Reconciliations

Reconciliation of basic Class A shares outstanding to adjusted operating common shares outstanding

	December 31,	March 31,	
(In millions)	2009	2018	2019
Class A common shares outstanding	0.1	164.5	161.3
Conversion of Class B shares to Class A shares	9.7	25.5	25.4
Conversion of Class M shares to Class A shares	—	5.8	5.0
Effect of other stock compensation plans	—	1.0	0.7
Adjusted operating common shares outstanding	9.8	196.8	192.4

Reconciliation of book value per share to adjusted book value per share

	December 31,	March 31,	
	2009	2018	2019
Book value per share	$ 11.62	$ 44.05	$ 52.12
AOCI	0.13	(3.22)	(3.64)
Accumulated change in fair value of reinsurance assets	—	(0.54)	(1.59)
Effect of items convertible to or settled in Class A common shares	—	0.08	0.41
Adjusted book value per share	$ 11.75	$ 40.37	$ 47.30

Reconciliation of basic earnings per Class A common shares to adjusted operating earnings per share

	Three months ended March 31,	
(in millions)	2018	2019
Basic earnings per share – Class A common shares	$ 1.40	$ 3.65
Non-operating adjustments		
Investment gains (losses), net of offsets	(0.17)	2.38
Change in fair values of derivatives and embedded derivatives – FIAs, net of offsets	0.44	(0.14)
Integration, restructuring and other non-operating expenses	(0.04)	(0.01)
Stock compensation expense	(0.01)	(0.01)
Income tax (expense) benefit – non-operating	(0.03)	(0.03)
Less: Total non-operating adjustments	0.19	2.19
Less: Effect of items convertible to or settled in Class A common shares	(0.02)	(0.04)
Adjusted operating earnings per share	$ 1.23	$ 1.50

Non-GAAP Measure Reconciliations

Reconciliation of basic weighted average Class A shares to weighted average shares outstanding - adjusted operating

(In millions)	Three months ended March 31, 2018	2019
Basic weighted average shares outstanding – Class A	148.7	161.3
Conversion of Class B shares to Class A shares	41.1	25.4
Conversion of Class M shares to Class A shares	5.8	5.1
Effect of other stock compensation plans	0.4	0.4
Weighted average shares outstanding – adjusted operating	196.0	192.2

Reconciliation of net income to adjusted operating income excluding notable items

	Three Months Ended,							
(In millions)	March 31, 2017	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	March 31,2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018
Net income	$ 377	$ 298	$ 244	$ 439	$ 277	$ 257	$ 623	$ (104)
Less: Total non-operating adjustments	109	37	31	126	36	(31)	252	(344)
Adjusted operating income	268	261	213	313	241	288	371	240
Notable items	(50)	(26)	17	(81)	12	(11)	(23)	53
Adjusted operating income excluding notable items	$ 218	$ 235	$ 230	$ 232	$ 253	$ 277	$ 348	$ 293
Retirement Services adjusted operating income	$ 277	$ 248	$ 226	$ 287	$ 239	$ 287	$ 379	$ 296
Proceeds from bond previously written down	(14)	—	—	—	—	—	—	—
Rider Reserve and DAC equity market performance	(40)	(28)	(20)	(55)	14	(13)	(38)	58
Unlocking	—	—	20	—	—	—	13	—
Tax impact of notable items	4	2	—	4	(2)	2	2	(5)
Retirement Services notable items	(50)	(26)	—	(51)	12	(11)	(23)	53
Retirement Services adjusted operating income excluding notable items	227	222	226	236	251	276	356	349
Corporate and Other adjusted operating income	(9)	13	(13)	26	2	1	(8)	(56)
Germany adjusted operating income, net of tax	—	—	17	(30)	—	—	—	—
Corporate and Other adjusted operating income excluding notable items	(9)	13	4	(4)	2	1	(8)	(56)
Adjusted operating income excluding notable items	$ 218	$ 235	$ 230	$ 232	$ 253	$ 277	$ 348	$ 293

Non-GAAP Measure Reconciliations

Reconciliation of GAAP net investment income to net investment earnings and earned rate

	Three months ended March 31,			
	2018		2019	
(In millions)	Dollar	Rate	Dollar	Rate
GAAP net investment income	$ 855	4.41 %	$ 1,066	3.79 %
Change in fair value of reinsurance assets	45	0.22 %	132	0.47 %
Net VIE earnings	15	0.08 %	21	0.08 %
Alternative income gain (loss)	1	0.01 %	(5)	(0.02)%
Held for trading amortization	(23)	(0.12)%	(11)	(0.04)%
Total adjustments to arrive at net investment earnings/earned rate	38	0.19 %	137	0.49 %
Total net investment earnings	$ 893	4.60 %	$ 1,203	4.28 %
Retirement Services	$ 866	4.63 %	$ 1,171	4.21 %
Corporate and Other	27	3.76 %	32	13.19 %
Total net investment earnings	$ 893	4.60 %	$ 1,203	4.28 %
Retirement Services	$ 74,735		$ 111,443	
Corporate and Other	2,844		959	
Consolidated average invested assets	$ 77,579		$ 112,402	

Non-GAAP Measure Reconciliations

Reconciliation GAAP interest sensitive contract benefits to Retirement Services' cost of crediting

	Three months ended March 31,			
	2018		2019	
(In millions)	Dollar	Rate	Dollar	Rate
GAAP interest sensitive contract benefits	$ 31	0.16 %	$ 1,516	5.44 %
Interest credited other than deferred annuities and institutional products	7	0.04 %	55	0.20 %
FIA option costs	174	0.93 %	278	1.00 %
Product charges (strategy fees)	(22)	(0.12)%	(28)	(0.10)%
Reinsurance embedded derivative impacts	3	0.02 %	15	0.05 %
Change in fair values of embedded derivatives – FIAs	121	0.65 %	(1,311)	(4.70)%
Negative VOBA amortization	10	0.05 %	12	0.04 %
Other changes in interest sensitive contract liabilities	(2)	(0.01)%	(2)	(0.01)%
Total adjustments to arrive at cost of crediting	291	1.56 %	(981)	(3.52)%
Retirement Services cost of crediting	$ 322	1.72 %	$ 535	1.92 %
Retirement Services cost of crediting on deferred annuities	$ 275	1.87 %	$ 444	1.98 %
Retirement Services cost of crediting on institutional products	47	3.14 %	91	3.69 %
Retirement Services cost of crediting	$ 322	1.72 %	$ 535	1.92 %
Retirement Services average invested assets	$ 74,735		$ 111,443	
Average account value on deferred annuities	58,993		89,809	
Average institutional reserve liabilities	5,955		9,809	

Non-GAAP Measure Reconciliations

Reconciliation of GAAP benefits and expenses to other liability costs

(In millions)	Three months ended March 31, 2018	Three months ended March 31, 2019
GAAP benefits and expenses	$ 689	$ 4,221
Premiums	(278)	(1,966)
Product charges	(96)	(125)
Other revenues	(6)	(12)
Cost of crediting	(145)	(242)
Change in fair value of embedded derivatives - FIA, net of offsets	66	(1,260)
DAC, DSI and VOBA amortization related to investment gains and losses	20	(173)
Rider reserves related to investment gains and losses	1	(28)
Policy and other operating expenses, excluding policy acquisition expenses	(97)	(103)
AmerUs closed block fair value liability	54	(53)
Other	—	1
Total adjustments to arrive at other liability costs	(481)	(3,961)
Other liability costs	$ 208	$ 260
Retirement Services	$ 208	$ 260
Corporate and Other	—	—
Consolidated other liability costs	$ 208	$ 260

Reconciliation GAAP policy and other expenses to operating expenses

(In millions)	Three months ended March 31, 2018	Three months ended March 31, 2019
Policy and other operating expenses	$ 142	$ 165
Interest expense	(13)	(17)
Policy acquisition expenses, net of deferrals	(45)	(62)
Integration, restructuring and other non-operating expenses	(8)	(1)
Stock compensation expenses	(3)	(3)
Total adjustments to arrive at operating expenses	(69)	(83)
Operating expenses	$ 73	$ 82
Retirement Services	$ 58	$ 62
Corporate and Other	15	20
Consolidated operating expenses	$ 73	$ 82

Non-GAAP Measure Reconciliations

Reconciliation of total investments, including related parties to total invested assets

(In millions)	March 31, 2018	March 31, 2019
Total investments, including related parties	$ 80,273	$ 115,687
Derivative assets	(2,031)	(1,920)
Cash and cash equivalents (including restricted cash)	2,822	3,518
Accrued investment income	620	751
Payables for collateral on derivatives	(1,145)	(1,781)
Reinsurance funds withheld and modified coinsurance	(466)	(578)
VIE and VOE assets, liabilities and noncontrolling interest	810	676
Unrealized (gains) losses	(1,332)	(1,254)
Ceded policy loans	(299)	(283)
Net investment receivables (payables)	(529)	(1,045)
Total adjustments to arrive at invested assets	(1,550)	(1,916)
Total invested assets	$ 78,723	$ 113,771

Reconciliation of total liabilities to total reserve liabilities

(In millions)	March 31, 2018	March 31, 2019
Total liabilities	$ 85,314	$ 122,740
Long-term debt	(992)	(991)
Derivative liabilities	(186)	(85)
Payables for collateral on derivatives	(1,145)	(1,781)
Funds withheld liability	(395)	(724)
Other liabilities	(1,277)	(1,410)
Liabilities of consolidated VIEs	(1)	(1)
Reinsurance ceded receivables	(5,197)	(5,647)
Policy loans ceded	(298)	(283)
Other	—	(27)
Total adjustments to arrive at reserve liabilities	(9,491)	(10,949)
Total reserve liabilities	$ 75,823	$ 111,791